

# NUWE LEDE VAN DIE SAVB / NEW MEMBERS OF THE SABM

## SENIOR LEDE

Bosch, J K  
 Breytenbach, J  
 Clark, R  
 Coetzee, F  
 De Bruin, S I  
 De la Bat, R S  
 De Waal, A N  
 Doubell, G C  
 Engelbrecht, C F  
 Ficker, A B D  
 Fourie, C W B  
 Fourie, J H  
 Gerber, J C  
 Gerber, J J  
 Greeff, W H  
 Holloway, J E  
 Horn, D V  
 Klerck, W G  
 Kuschke, O H  
 Labuschagne, C J J  
 Lambrechts, J A  
 Lightfoot, A M  
 Lindeque, W J J  
 Loots, J H  
 Loots, P H  
 Lutsch, W J F T  
 Neethling, P J  
 Niehaus, J G  
 Pellissier, G M  
 Pieters, B J  
 Potgieter, L J P  
 Roodt, N J  
 Rossouw, S D  
 Schmidt, H G L  
 Schulenburg, L E  
 Senekal, D O  
 Smit, D W J  
 Stander, G S J  
 Tait, I  
 Van der Merwe, R A T  
 Van Niekerk, J T  
 Van Rensburg, J J  
 Viljoen, J W  
 Vogel, P L  
 Wenteler, W A R  
 Wolmarans, A D W

## SENIOR MEMBERS

Abraham, G  
 Aspeling, D R  
 Belger, W  
 Benjamin, C H  
 Briedenhann, J W  
 Charney, C  
 Clarke, G J  
 Cohen, C J  
 De Beer, W A  
 De Smidt, C M  
 De Stadler, R J  
 Du Preez, L  
 Emmett, E J C  
 Fisher, C D  
 Gardiner, H A B  
 Goldschmidt, E E  
 Haenggi, H R  
 Hodgson, W  
 Howard, H B  
 Jansen, A G  
 Larsen, J H  
 Lawrence, R  
 Maré, D P  
 Meiring, J H  
 Meltzer, S D  
 Miller, C J  
 Nel, G H  
 Papendorf, R N  
 Robinson, G C  
 Routledge, M H C  
 Russell, C R  
 Shane, S M  
 Snaith, M E  
 Steyn, M J D  
 Strang, I  
 Wooler, C C

## LEDE

Barnard, A C  
 Booyesen, C P  
 Ernst, P F  
 Etsebeth, S C  
 Howell, H J  
 Joubert, G J  
 Kruger, P B  
 Oosthuizen, N W  
 Schoeman, D W  
 Van Zyl, P A

## STUDENTELEDE

Booyse, J J  
 Van Wyk, W W

## MEMBERS

Galasko, P E  
 Hadassin, I  
 Heydenrych, J F  
 Husband, C A  
 Jacobson, I J K  
 Johnston, M I  
 Klein, E M  
 Macropulos, A J  
 Marconi, R A  
 Pickthall, N A  
 Price, D E  
 Purtill, G J  
 Reece, P E  
 Russell, R P  
 Schwartz, V B  
 Van Selm, R D  
 Vorster, S J  
 Woodroffe, M J W

## STUDENT MEMBERS

## INTERFACE/KOPPELVLAK

### A note from the editor

Each year honours are given by the different business schools in South Africa for academic achievements, dissertations and theses judged to be of prize-worthy

caliber. The Editor would be glad to publish research done in any particular year leading to either the Master's or Doctor's degree in Business Leadership/Administration. These communications from either the business schools themselves or the candidates so honoured will be published in this column under the heading KEEPING INFORMED/WEES INGELIG.

Recently a DBA thesis on executive pay practices in large industrial concerns submitted at the Harvard Business School has been honoured with the Richard D. Irwin Prize, and the *Harvard Business School Bulletin* of May/June 1976 reports as follows under the heading "Strategy and Compensation":

"A doctoral dissertation on 'Corporate Strategy and Top Executive Compensation' by K.R. Srinivasa Murthy has been awarded the Richard D. Irwin Prize for doctoral research done in 1974. This honour is given for the Harvard DBA thesis judged to be of prize-worthy caliber and to be the best one nominated in a given year ...

"Mr Murthy's thesis examined the relationship between corporate strategy and executive compensation practices in 53 large industrial enterprises. His chief aim was to find out whether 'top executive compensation was a function of corporate strategy? He concluded that 'the level of top executive compensation differed among firms depending very much on sales and — to a smaller, yet significant extent — on corporate performance. This analysis provides a more balanced support than has been available from such studies in the past for the proposition in economic literature that the objective of the firm is to maximize sales subject to minimum profit constraints.'"

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## KEEPING INFORMED/WEES INGELIG

The following suggestions on current and choice readings in various functional areas of management is a reprint from the *Harvard Business School Bulletin* of May/June 1976:

"This list is not designed for academicians, nor does it include everything relevant in the field of general management. The works selected address certain issues deemed relevant to the practicing manager such as concepts of management that have withstood the test of time, the nuts and bolts of doing managerial work, or material which is considered thought-provoking or which presents a different viewpoint. The selections are arranged to enable busy executives to look into topics of interest according to their time constraints. Therefore, where books are listed, salient chapters are identified for skimming. Clearly where consideration in depth is desired and time allows, the whole book is recommended. I would like to thank the members of the Business Policy Department at Harvard for their counsel on this project. Nevertheless, the suggestions represent one person's view of readings recommended for the practitioner oriented.

### Selected Views of the Job of the General Manager

Andrews, Kenneth R., *Concept of Corporate Strategy*, Dow Jones-Irwin, Inc., 1818 Ridge Rd., Homewood IL 60430; 1971; 245 pp.; \$10.50. Considers the problems of the firm as a whole as seen from the perspective of the general manager or chief executive. Especially useful is the conceptual framework for considering the formulation and implementation of corporate strategy (Chap. 2).

Drucker, Peter F., *The Practice of Management*, Harper & Row Publishers, Inc., 10 East 53rd St., New York NY 10022; 1954; 404 pp.; \$10. A practical book aimed, according to the author, to advance management knowledge. Discusses in detail what he describes as the three inseparable jobs of management: managing the business,

managing managers, and managing worker and work.

Katz, Robert L., "Skills of an Effective Administrator," *Harvard Business Review*, Sep/Oct 1974, pp. 90–102. In the original rendition of this article (1955), Katz identified three basic skills that successful managers have: human, technical, and conceptual, and noted how the relative importance of each varied with the administrative level of the manager. While providing a useful framework within which to consider managerial work, Katz's article was included here especially for his "Retrospective Commentary," written almost twenty years later (1974), in which he reconsiders these skills, focusing this time specifically on the job of the chief executive. He discusses how the mix of skills required varies according to the strategic "condition" of the firm, whether it be in a survival, maintenance, or expansionary phase.

Wrapp, H. Edward, "Good Managers Don't Make Policy Decisions," *Harvard Business Review*, Sep/Oct 1967, pp. 91–99. Thought-provoking article which argues that good managers are not grand strategists: rather, good managers are opportunists who muddle through problems purposively. Describes the five common characteristics of successful executives, based on his experience in industry.

### Addressing Specific Aspects of the General Manager's Job

Bauer, Raymond A., Terry Cauthorn, and Ranne Warner, "Auditing the Management Process for Social Performance," *Business and Society Review* (Warren, Gorham & Lamont, Inc., 870 Seventh Ave., New York NY 10019), Fall, 1975, pp. 39–46. Argues that social performance is a result of a management process which has discrete stages, characterized by specific tasks and requiring specific administrative arrangements, activities, and accomplishments. Proposes a method by

which corporations can audit or be audited for their ability to implement social policy. The emphasis is not on what a corporation has done, but rather upon the organization's capacity to perform. Useful not only as an indication of what can be done in the future, but also as an indication of what needs to be done to enhance that capacity.

- Lawrence, Paul R., and Jay Lorsch, *Organization and Environment*, Richard D. Irwin, Inc., 1818 Ridge Rd., Homewood IL 60430; 1969; 279 pp.; \$4.50. Proposes a contingency theory of organization which, rather than propounding a single best way to organize under all conditions, focuses on the organizational characteristics which lead to effective performance given the specific demands of an organization's environment. Both a dynamically changing and a more stable environment are considered. "Implications for Practical Affairs," Chap. 9, is especially recommended.
- Mintzberg, Henry, "Strategy Making in Three Modes," *California Management Review* (University of California Press, Berkeley CA 94720), Winter 1973, Vol. XVI, pp. 44-53. Considers how important decisions are made and linked together to form strategies in organizations. Based on a review of the literature of management and public administration, Mintzberg posits that the strategy-making process exists in three basic "modes": "entrepreneurial," "adaptive," and "planning." Concludes with a discussion of when each mode is appropriate.
- Salter, Malcolm S., "Tailor Incentive Compensation to Strategy," *Harvard Business Review*, Mar/Apr 1973, pp. 94-102. Discusses compensation policy as a tool of chief executives for encouraging policy-level managers to take action that will further corporate goals. Provides a useful framework for considering how the components of incentive plans might impact on various aspects of corporate policy.
- Schelling, Thomas C., *The Strategy of Conflict*, Oxford University Press, 16-00 Politt Dr., Fair Lawn NJ 07410; 1963; 309 pp.; \$2.50. Suggests useful ways of thinking about negotiation and bargaining in typical business situations where there is common interest as well as conflict among adversaries. Chaps. 4 and 5 are especially recommended.
- Sherman, Harvey, *It All Depends*, The University of Alabama Press, University AL 35486; 1966; 218 pp.; \$3.95. A pragmatic approach to organizational problems written by an officer of the New York Port Authority. Suggests what managers had better think about in planning organizations, once strategy is in place.
- Stopford, John M., and Louis T. Wells, Jr., *Managing the Multinational Enterprise*, Basic Books, Inc., Publishers, 10 East 53rd St., New York NY 10022; 1972; 223 pp.; \$11.95. A study of forms of organizational structure used by multinational

enterprises, based on the experience of 187 U.S.-based firms and their foreign subsidiaries. Shows how the strategies of expansion followed by these firms influenced the choices of organizational structure and ownership policies.

### Managing Complexity

Because of their prevalence, multidivisional corporations have been singled out as a subject for focus in this section. Clearly the insights offered as to how they developed and how to manage them have a wider applicability than simply the multidivisional setting.

- Bower, Joseph L., *Managing the Resource Allocation Process: A Study of Corporate Planning*, Richard D. Irwin, Inc., 1818 Ridge Rd., Homewood IL 60430; 1970; 363 pp.; \$4.95. Describes the complex socio-political process behind investment decision making in a large, highly diversified multilevel organization. Chap. 10, "Implications for Managers," summarizes Bower's important findings, indicating how managers can influence the outcome of this strategic process through such structural tools as the formal organization, the system of information and control used to measure performance of the business, and the systems used to measure and reward performance of managers.
- Chandler, Alfred D., Jr., *Strategy and Structure: Chapters in the History of the Industrial Enterprise*, The MIT Press, 28 Carleton St., Cambridge MA 02142; 1962; 463 pp.; \$4.95. Based on detailed histories of four major American companies plus a review of seventy additional companies, Chandler shows how different strategies of diversification and growth in the early part of this century led to the wide-scale development of a new structural form, characterized by decentralization, profit centers, and divisionalization. Chapters recommended: "Introduction — Strategy and Structure," "DuPont — Creating the Autonomous Divisions," "General Motors — Creating the General Office" (see Sloan below), and "Conclusion — Chapters in the History of the Great Industrial Enterprise."
- Rumelt, Richard P., *Strategy, Structure, and Economic Performance in Large Industrial Corporations*, Harvard University Press, 79 Garden St., Cambridge MA 02138; 1974; 235 pp.; \$10. Documents the trend toward divisionalization from the functional form of organization, as suggested by Chandler's historical study, among 246 of the largest U.S. companies over the twenty-year period from 1949 to 1969. Of particular interest to practitioners is the conclusion that economic performance is related to the way in which a firm has chosen to relate new ventures to ongoing activities (Chap. 5). The problems of the poorest performing industries — basically, those involving capital-intensive, vertically integrated firms and those that operate in several completely unrelated areas — are discussed in Chap. 4.

Sloan, Alfred P., Jr. (edited by John McDonald with Catherine Stevens), *My Years with General Motors*, Anchor Books, Doubleday & Company, Inc., Garden City NY 11530; 1972; 541 pp.; \$2.95. Provides a first-hand account of leadership experience by the man who was General Motors' chief executive officer for 23 years. A nice companion piece to *Strategy and Structure* as it shows what managing one of these large firms was like over roughly the same time period as Chandler's study.

Uyterhoeven, Hugo E.R., "General Managers in the Middle," *Harvard Business Review*, Mar/Apr 1972, pp. 75-85. The development and rapid growth of the multidivisional corporation has produced a new level of management, the general manager responsible for a particular unit at the intermediate level of the corporate hierarchy. The focus of this article is on the special skills, stresses, and opportunities which are unique to these positions.

#### **Leadership: The Ideal and the Reality**

Jardim, Anne, *The First Henry Ford*, The MIT Press, 28 Carleton St., Cambridge MA 02142; 1970; 278 pp.; \$6.95. Suggested as a companion piece to Zaleznik (see below): a study of a business executive, his relationship to and impact on the institution and wider society. Traces the progression from success to failure by examining the personality of Henry Ford.

Ohmann, O.A., "'Skyhooks' with Special Implications for Monday through Friday," *Harvard Business Review*, Jan/Feb 1970. Posits that effectiveness in leadership is demonstrated not only by efficient production of goods but also in the way workers create goods, i.e., the kind of community established in working together. Concludes that a "sense of special significance" is the key contribution a leader can make, citing actual case examples to demonstrate his point.

Roethlisberger, F.J., *Man-in-Organization*, Harvard University Press, 79 Garden St., Cambridge MA 02138; 322 pp.; \$12.50. A collection of essays, covering a broad range of issues, written between 1928 and 1968 by one of America's most distinguished experts in business management and human relations.

Selznick, Philip, *Leadership in Administration*, Harper & Row Publishers, Inc., 10 East 53rd St., New York NY 10022; 1957; 162 pp.; \$7.95. Considers leadership in a wider context, arguing that "business, production, education, public administration [and] the church ... all advance toward their objectives as institutions through the unifying force of leadership." Leadership to Selznick involves infusing values and developing distinctive competence. An outstanding book on the process of institutionalizing purpose.

Zaleznik, Abraham, *Human Dilemmas of Leadership*, Harper & Row Publishers Inc., 10 East 53rd St., New York NY 10022; 1966; 236 pp.; \$7.95. A

view of leadership which stresses the tensions and conflict inherent in assuming responsibility and in the development of individual strength. Chap. 3 is especially recommended.

#### **Executive Stress: More of the Reality**

Benson, Herbert, M.D., "Your Innate Asset for Combating Stress," *Harvard Business Review*, Jul/Aug 1974, pp. 49-60. Benson addresses the issue of executive stress, arguing that it is built into the job, but that there is a medically proven but simple technique which can be self-taught, easily practiced, and which promises immense rewards in physical and emotional well-being. (A summary of his current best-selling book, *The Relaxation Response*, William Morrow & Co., Inc., 105 Madison Ave., New York NY 10016; 1975; 158 pp.; \$5.95.)

Levinson, Harry, *Executive Stress*, Rev. Ed., Mentor Executive Library, 1301 Ave. of the Americas, New York NY 10019; 1975; 302 pp.; \$1.95. Learning how to deal more effectively with problems, Levinson posits, provides another way of considering the issue of executive stress. This book addresses a series of issues familiar to managers in a way that provides insights into and suggests alternatives to one's behavior in a range of executive contexts. Sections three and four focus on typical and characteristic problems of advancement and of the executive role.

#### **Looking Ahead: Provocative Ideas with Significant Implications for Managers**

Lodge, George Cabot, "Business and the Changing Society," *Harvard Business Review*, Mar/Apr 1974, pp. 59-72. Based on an historical analysis of the interaction between economic activity and its ideological climate, Lodge argues that America has now moved to a new set of values in which the rights of equality and the rights of community have precedence over the individual or the corporation. A provocative discussion of this new ideology, detailing implications for managers of public corporations. (Article summarizes Lodge's new book, *The American Ideology*, Alfred A. Knopf Inc., 201 East 50th St., New York NY 10022; 1975; 350 pp.; \$12.50.)

Stone, Christopher, *Where the Law Ends: The Social Control of Corporate Behavior*, Harper & Row Publishers Inc., 10 East 53rd St., New York NY 10022; 1975; 273 pp.; \$12.95. Sociologists, economists, philosophers, and moralists have called for corporate reform through codes of ethics, appeals to managerial professionalism, or enlightened long-range self-interest. Stone suggests a new way of bringing social performance into line with social expectations, arguing that the law be used to "build into the institution itself mechanisms that play the function of guilt, shame, and a sense of responsibility in human beings."