Creighton University
College of Business Administration

REGIONAL STUDY OF THE COMPARATIVE MANAGEMENT THEORY IN
THE NATIONAL GAS DISTRIBUTION BUSINESS IN
SOUTHEASTERN NEBRASKA

Independent Research and Study MBA 299
Professor James P. Keenan

by
Richard A. Glasford
Auburn, Nebraska
# TABLE OF CONTENTS

**I. INTRODUCTION**

A. Definition of Comparative Management  
B. Purpose of Comparative Management Studies  
C. Scope of this Study  

**II. SCIENCE AND ART OF MANAGEMENT IDENTIFIED**  

**III. FARMER-RICHMAN THEORY OF COMPARATIVE MANAGEMENT**

A. The Farmer-Richman Model  
B. Farmer-Richman Comparative Management Restraints  
C. Ranking of Constraints  
D. Constraint Evaluation  

**IV. THE NEGANDHI-ESTAFEN APPROACH TO COMPARATIVE MANAGEMENT**  

**V. THE KOONTZ ANALYSIS OF COMPARATIVE MANAGEMENT**  

**VI. REGIONAL THEORY OF COMPARATIVE MANAGEMENT**  

**VII. APPLICATION OF COMPARATIVE MANAGEMENT CONSTRAINTS TO A REGIONAL BASIS**  

**VIII. COMPARATIVE MANAGEMENT ANALYSIS IN THE NATURAL GAS DISTRIBUTION BUSINESS**

A. Results of Questionnaire Analysis  
B. Results of Interview Analysis  

**IX. EXPANSION OF THEORY TO RELATED AND UNRELATED BUSINESSES ORGANIZED ON A DECENTRALIZED REGIONAL BASIS**  

**X. SUMMARY**  

**BIBLIOGRAPHY**
I. INTRODUCTION

A. Definition of Comparative Management

Most approaches to the exploration and study of the "management theory jungle" reveal that virtually all theories approach the problem of management as an internal problem within a productive enterprise. Most students of management focus their attention on functions and principles of internal management in a given firm in a given environment seeking to determine how a firm might gain more effective and efficient operations. The firm may be said to be viewed as "fixed in time and space."

In fact, most studies of management have taken place within a "black box" labeled "management" without much concern for the external environment in which the firm may operate. And, as long as the external environment is about the same for all firms, the approach is valid, however in cases when the environment differs significantly, present theory is inadequate to explain comparative differentials in efficiency. Where environments do vary, as in the case between nations, it is necessary to examine the external pressures, or constraints, upon internal management.

Thus, comparative management theory is the dealing with problems of management and managerial efficiency in various countries. In this type of study it becomes clear that our present tools and techniques which can be used in the comparative management area have serious drawbacks in terms of orientation and applicability to different types of cultures and economies.
A definition of comparative management cannot be attempted until it is first explained that the subject evolved because of the basic variations in the multitude of cultures prevalent throughout the world. The cultural differences should be thought of in a technical sense the same as in defining anthropology and sociology. Every human group has its own culture. "We cannot say that one group or individual has more or less culture than another group or individual. We can, however, compare cultures from group to group, noting their similarities and differences."¹

In comparative management we are attempting to study the impact of these cultural influences upon management and their effect upon the results obtained by management. A variation of management techniques and approaches must be implemented according to the culture in which the company operates.

Many are the American multinational companies that have found they must vary their managerial approaches and techniques when they move to the management of an operation in a foreign country where they are forced to take into account different sets of customs and mores, as well as obvious differences in government and labor rules, capital and equipment availability, and levels of learning of available workers.²

This does not mean that the fundamentals of management are different in differing cultural environments, it does mean that in a comparative management analysis, the researcher must carefully distinguish between these fundamentals and their application.

¹Ross A. Webber, Culture and Management, p. 30.
B. Purpose of Comparative Management Studies

Throughout the Eastern world, America is considered the source of superior management techniques. The modern business school is an American invention, and has been widely copied abroad—in form, if not in context. The vast bulk of the international management literature has originated in the United States.

What basis is there for the belief that American management is, on the average, better than that found elsewhere? Why have American methods been going abroad rather than the reverse?

The answer is clear. American industry is considered to be the international top performer. The evidence behind this belief is that America is the country with the highest standard of living (among the big nations) and with the greatest productivity per man. On the face of it, one might expect that the quality of management has had something to do with this.3

In any country, the world of management is a curious one. The more one sees of it, the more difficult it becomes to comprehend just what is actually done by successful managers—the ones who get to the top of the heap in their organization—and also to see what distinguishes a "good" executive from a "bad" one.

The measurement of management effectiveness (per se) is also extremely difficult. It is in most occasions an intangible that requires a strong microscope if one is to see in detail all of the criteria which must be judged in determining how effective any manager is in any given situation. And when one throws in the variables that are of concern in

international comparative management studies, each situation is like a new ballgame—with a whole new set of rules. The purpose of this paper will be to examine rules effecting the ball games and then prove that the international theory of comparative management may also be used on a regional basis within the United States by comparing various external constraints playing on communities in a given area of study.

C. Scope of This Study

To compare the various aspects of internal management of one country with another or a group of countries with another group of countries is beyond the scope of this paper. The volumes of work that has been accomplished in this field by qualified authors is overwhelming.

It is interesting to note that on occasion even they can't agree.

As an illustration of this point, there have been many articles written on the comparative management aspects of Russia and the United States techniques. Specifically, an article written by Gregory Ryapolov entitled "I Was a Soviet Manager" in which he discussed in detail his own experience as a manager in the USSR. Although he covered very many of the intricate details of internal management, and the managerial process, he failed to mention any extreme similarities.

However, another author in comparing the Russian factory with its American counterpart, made it plain that there are several similarities. Its organization is similar in some respects. Work incentive wage structures are similar. The goal of production is the same. Management incentives are provided in both systems. Formal and informal organiza-

---

^4Culture and Management, p. 416.
tions are apparent in both systems.

Ideological considerations aside, there are striking similarities between Russian and American economies. Of course, there remain real differences between the two systems politically and in other respects as well as economically. Most of us are aware of the differences, but we may overlook the similarities.5

Perhaps the similarities will increase in the future. A knowledge of basic ideas about management should help us appreciate more fully the similarities between the two systems as they now exist and may develop. In summary, it appears that in spite of ideology, political autocracy, and other environmental disadvantages, the Russian economy is productive in part because of the influence of its managerial practices.

So it would not be a valuable use of time here to try to arrive at a valid specific comparative management analysis of the managerial techniques from country to country. Rather, it will be within the scope of this study to explore as concisely as possible some of the new theories of approach in conducting comparative management studies. Please keep in mind that most of the important contributions to the field of comparative management have been made only during recent years.

Then, the application of these theories to a specific company and ten communities in Southeastern Nebraska in which it operates will be tried. The thesis to be proven that is that the international comparative management theory also is valid within our own country when studied on a regional basis. This theory proves that external constraints affecting the operations of a company and the degree of successfulness of managers.

vary from region to region and community to community and these external constraints playing upon the communities can, in fact, be measured.
II. SCIENCE AND ART OF MANAGEMENT IDENTIFIED

Harold Koontz, in his article "A Model for Analyzing the Universality and Transferability of Management," published in the December 1969 issue of Academy of Management Journal, felt it very important to distinguish between the science and art of management.

Koontz says that managing is an art—the same as engineering, medicine, accounting, and baseball. "Art," according to him, "is the application of knowledge to reality with a view to accomplishing some concrete results, ordinarily with a compromise, blend, or design to get the best total results. As can be readily recognized, the best art arises where the artist possesses a store of organized and applicable knowledge and understands how to apply it to reality."\(^6\)

This is true of the task of managing. As an art, there is every reason to believe that it will succeed best if the practitioner has a store of applicable and organized knowledge to serve him. When it is organized in such a way as to serve practice best, it becomes truly an operational science. Koontz makes very clear that by making the distinction between science and art that the only comparative and transferable aspects of management between societies or between cultures are those which can be classified as a science.

This does not necessarily mean that a given management technique or approach that is successful in one society or culture may not work with a few modifications in another. But it does mean that if a manager

\(^6^{Koontz}\)
borrows a technique from one culture where it has worked well, he should be aware that some change may be required to make it workable in another cultural environment. But at the same time, some management techniques can be surprisingly easily transferred from a well developed culture to a much less developed one. It is true that recent researchers of comparative management have clarified the science, as well as the practice, of management by placing increasing emphasis on the environmental factors.
III. FARMER-RICHMAN THEORY OF COMPARATIVE MANAGEMENT

A. The Farmer-Richman Model

A meaningful approach in the study of comparative management was pioneered by Professors Farmer and Richman. Their approach was to develop a model in which the critical elements in the management process were identified and attempt to evaluate their operation in individual firms in varying cultures. Secondly, they identified environmental factors that have significant impact on operation and the effectiveness of managers such as economic, educational, political and legal, and sociological-cultural variables.

Their belief is that environmental factors just mentioned have a definite effect upon the management process, the way managing is done, and the effectiveness of the manager. Thus, Farmer and Richman have attempted to separate environmental factors from the basics of management.

Graphically the Farmer-Richman model is shown on Exhibit A, on the following page.

B. Farmer-Richman Comparative Management Restraints

Although this approach sounds completely theoretical and hypothetical, a noble attempt at a practical implementation of their theory can be shown.

As a beginning for a comparative analysis, it is useful to consider the economic goals of the societies being studied. It is basic to assume that all countries want more goods and services and a higher level of per capita income. The manager's job in all situations then would be to
Exhibit A

THE FARMER-RICHMAN MODEL*

become more efficient over a given period of time. Increasing productivity efficiency would be the goal of enterprising managers in most societies and cultures.

Physical efficiency of a country can be measured by comparing real inputs and real outputs. A rough guide to managerial effectiveness in a given economy as compared to other economies would be a comparison of gross national product per capita or growth of gross national product over a long period of time. Management in any given economy must be effective if growth in gross national product is to be obtained.

Individual comparisons of managers within varying cultures may be obtained by the same method. In other words, the manager's effectiveness may be determined by analyzing the results he obtains with available inputs. Management is an active factor in the success of any firm in any given culture. A country can have endless resources of all sorts but unless management is applied to these factors, the production of the system will be close to zero. The better the management the greater the output will be.

But, in making comparisons of management efficiency between countries with different social and cultural environment, difficulties can soon arise when traditional types of analysis are applied. (See Exhibit B on next page.) We observe two managements in the same sector, and we note that in country A, managers seem far superior to their counterparts in country B. However, we cannot state categorically that managers in A do their internal managing job better than those in B, since the nature of the external environment facing the two managers may be completely different.
Exhibit B

FARMER-RICHMAN COMPARATIVE MANAGEMENT RESTRAINTS

\[ X = f(C_1, C_2, \ldots, C_n) \]

(External constraints should be considered when analyzing individual managerial effectiveness in separate countries)
Considering all the external constraints could well prove that the presumably inept managers in B are actually doing better than their counterparts in A, given their external constraints. The point here is that comparisons between internal managements in different cultures may prove useless unless the external environment is also studied carefully.

The external environment may be termed as the "macromanagerial structure." It consists of the crucial external factors which directly influence the activities and effectiveness of firm management. The external constraints act on managers to inhibit or aid their effectiveness. These external constraints mentioned before are: economic, legal-political, sociological, and educational.

Since managerial effectiveness depends on, or is influenced by, external constraints it could be shown by the following formula:

\[ X = f(C_1, C_2, \ldots, C_n) \]

It should be pointed out here that some of the external constraints are interrelated. A culture's view toward managers may well be closely connected with educational achievements, or the efficiency of the commercial banking system may depend at least in part on formulation of business law. The result can be an extremely complex set of interrelationships which determine in large part how efficiently a country performs economically.

C. Ranking of Constraints

Farmer and Richman developed a matrix attempting to measure the importance of external constraints on internal managerial effectiveness. Their approach was to assign each major external constraint a numerical value suggesting its relative importance. For any given country, it would
### Exhibit C

**COMPARATIVE MANAGEMENT MATRIX***

<table>
<thead>
<tr>
<th>External Constraints</th>
<th>USA</th>
<th>USSR</th>
<th>UK</th>
<th>Mexico</th>
<th>Saudi Arabia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Educational (100)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C1.1</td>
<td>48</td>
<td>45</td>
<td>45</td>
<td>25</td>
<td>6</td>
</tr>
<tr>
<td>C1.2</td>
<td>15</td>
<td>11</td>
<td>10</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>C1.3</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>C1.4</td>
<td>6</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>D1.5</td>
<td>8</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>78</td>
<td>76</td>
<td>43</td>
<td>14</td>
</tr>
<tr>
<td><strong>Sociological (100)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2.1</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>C2.2</td>
<td>35</td>
<td>25</td>
<td>35</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>C2.3</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>C2.4</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>C2.5</td>
<td>12</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>C2.6</td>
<td>8</td>
<td>9</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>68</td>
<td>63</td>
<td>55</td>
<td>36</td>
</tr>
<tr>
<td><strong>Political Legal (100)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C3.1</td>
<td>25</td>
<td>20</td>
<td>28</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>C3.2</td>
<td>6</td>
<td>3</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>C3.3</td>
<td>10</td>
<td>5</td>
<td>15</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>C3.4</td>
<td>18</td>
<td>15</td>
<td>20</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>C3.5</td>
<td>6</td>
<td>5</td>
<td>8</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>C3.6</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
<td>50</td>
<td>84</td>
<td>58</td>
<td>35</td>
</tr>
<tr>
<td><strong>Economic (200)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C4.1</td>
<td>30</td>
<td>20</td>
<td>32</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>C4.2</td>
<td>18</td>
<td>10</td>
<td>19</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>C4.3</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>C4.4</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>C4.5</td>
<td>18</td>
<td>10</td>
<td>19</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>C4.6</td>
<td>16</td>
<td>12</td>
<td>10</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>C4.7</td>
<td>19</td>
<td>15</td>
<td>15</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>C4.8</td>
<td>35</td>
<td>25</td>
<td>30</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>C4.9</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>107</td>
<td>146</td>
<td>90</td>
<td>59</td>
</tr>
</tbody>
</table>

#### Total (Constraint Index)
- 380
- 303
- 369
- 246
- 144

#### 1960 GNP per capita
- $2,300
- $760
- $990
- $280
- $110

#### 1954-60 growth rate
- 1.5
- 4.0
- 2.0
- 1.5
- 2.0

#### Efficiency Index
- 405.0
- 272.6
- 178.2
- 37.8
- 19.8

---

*S.Benjamin Prasad, Management in International Perspective, p.245.
then be possible to give values to these constraints on managerial effectiveness. The scores given will be based on a subjective evaluation of how the constraint affects management—the higher the score, the more helpful the constraint is in making internal management more effective.

Clearly, such numerical evaluations are incapable of being refined values of the impact on such constraints. In effect, what is being done is to rank the effectiveness of each constraint between nations. An observer making the rankings could only rank constraints according to his own feeling or knowledge of the constraint. The purpose of giving the rankings is to focus on the best available subjective evaluation of a given constraint. Most persons familiar with a given constraint, such as central banking, would probably rank this constraint as it affected the economy of various countries somewhat the same as if they were very familiar with the subject.

The ranking of external constraints has additional value in focusing on the reason why a country has poor management. The lower scores on selected constraints point to where corrections or needed improvements in efficiency should be made.

The list in Exhibit D identifies some external constraints and assigns weights according to their affect on managerial effectiveness. One could examine any number of constraints according to the intent of the study. There is a danger that one would attempt to go too deep in choosing constraints or that definition of constraints would lead to discussion of everything in the world. The variables mentioned are only a few of the obvious and could very well lead to a detailed study that would take a lifetime. However, if it would be kept in mind that only
### Exhibit D

**EXTERNAL MANAGERIAL CONSTRAINTS AND SUGGESTED WEIGHTS**

1. **Educational Characteristics** (100)
   - C1.1 Literacy Level (50)
   - C1.2 Higher Education (20)
   - C1.3 Specialized Technical Training (10)
   - C1.4 Attitude Toward Education (10)
   - C1.5 Educational Match with Requirements (.10)

2. **Sociological Characteristics** (100)
   - C2.1 View of Managers as an Elite Group (10)
   - C2.2 View of Scientific Method (40)
   - C2.3 View of Wealth (10)
   - C2.4 View of Rational Risk-taking (10)
   - C2.5 View of Achievement (20)
   - C2.6 Class Flexibility (10)

3. **Political and Legal Characteristics** (100)
   - C3.1 Relevant Legal Rules of the Game (30)
   - C3.2 Defense Policy (10)
   - C3.3 Foreign Policy (20)
   - C3.4 Political Stability (20)
   - C3.5 Political Organization (20)
   - C3.6 Flexibility of Law and Legal Changes (10)

4. **Economic Characteristics** (200)
   - C4.1 General Economic Framework (50)
   - C4.2 Central Banking System (20)
   - C4.3 Economic Stability (10)
   - C4.4 Fiscal Policy (10)
   - C4.5 Organization of Capital Markets (20)
   - C4.6 Factor Equipment (20)
   - C4.7 Market Size (20)
   - C4.8 Social Overhead Capital (40)
   - C4.9 Interorganizational Cooperation (10)

**Perfect Score: 500**
the portion of the constraint directly influencing internal management is considered, the task becomes somewhat simple.

D. Constraint Evaluation

For a given country, the constraints can be evaluated by a person familiar with the general cultural, economic, business and political environment in the country. Quantification of the external constraints is obviously subjective and difficult, but at least an effective ranking can be accomplished. The kind of evaluation desired is one which tries to weigh the effect of the constraint on internal management effectiveness in a country. The lower the assigned score, the greater the impediment to efficient internal management. High scores for a given constraint suggest a favorable impact.

The total scores achieved by various countries in effect rank the country with other countries of the world. And, total scores may be similar, but internal ratings may suggest weaknesses worthy of further study. The usefulness of the rating scale is to focus on the kinds of serious problems which require analysis, change, and reforms.

"Specialists" are sometimes brought in to rank countries and assign weights to specific constraints within their sphere of competence, when a specific study is required by a multi-national corporation. In addition, a series of interviews and questionnaires, and additional research is added to crosscheck and give confidence to the rankings, weights, and values for the countries under analysis.

The scores for each country are added and compared. Then compared to such other factors as GNP, GNP Growth, BNP per capita, etc. If the hypothesis that productive efficiency depends upon managerial effective-
ness is correct, there should be a close correlation between the GNP growth index and the managerial effectiveness index.
IV. THE NEGANANDHI-ESTAFEN APPROACH TO COMPARATIVE MANAGEMENT

Professor Koontz discussed another model offered by Professors Negandhi and Estafen in 1965. The purpose of their research was also to focus on the task of separating environmental variables from managerial practice. However, their model differed from the Farmer-Richman model in that they introduced an independent variable in the form of management philosophy.

Management philosophy to them meant an implied attitude of the firm toward important internal and external agents such as consumers, employees, distributors, stockholders, government, and the community.

Geographically, their model would appear as shown in Exhibit E on the following page.

Obviously this model illustrates that both management philosophy and environmental factors have an influence on the practice of management. And, environmental factors have an independent affect on the effectiveness of the enterprise.
Exhibit E

THE NEGANDHI-ESTAFEN MODEL*

MANAGEMENT PHILOSOPHY

Management Attitudes toward:
- Employees
- Consumers
- Suppliers
- Stockholders
- Government
- Community

Affect

MANAGEMENT PRACTICES

Planning
Organizing
Staffing
Motivating & Directing
Controlling

Affect

MANAGEMENT EFFECTIVENESS

ENVIRONMENTAL FACTORS

Socio-economic
Educational
Political
Legal and Cultural

Affect

Enterprise Effectiveness

V. THE KOONTZ ANALYSIS OF COMPARATIVE MANAGEMENT

Professor Koontz of the University of California has added another point of view to the previous models. His concept states that in addition to management the firm's success depends a great deal upon other factors such as the availability of human and material resources. In addition, specialized skills inherent in the firm have a great deal to do with its success. Koontz cites marketing, engineering, production, and finance as essentials to success enterprise operation.

Koontz contends "As is well known, many are the enterprises that have been successful despite poor management, because of brilliant marketing, strong engineering, well organized and operated production, or astute financing." He feels that the activities of an enterprise fall into two broad categories, managerial and non-managerial. Either or both can be the causal factors for at least some degree of effectiveness.

The Koontz model is shown in Exhibit F on the following page.

Koontz feels that the real problem is not only to separate the influence of environmental factors but also the importance of managerial rather than non-managerial factors in determining enterprise effectiveness. Obviously this is difficult and very complex.

8Koontz.
Exhibit F

THE KOONTZ MODEL*

The theories of comparative management proposed by the experts in the field, and especially that of Farmer-Richman, may have application within the United States and even on a smaller regional basis.

Many companies whose trade territory covers the continent or a region of the United States have organized their operation on a decentralized regional basis. A division manager is placed in charge of a geographical portion of the company's operations and he in turn separates his division, or geographical area assigned to him, into districts. Each district manager may then have a smaller geographical segment of the business to operate. This type of organization may be found in supermarket operations, financial initiation or loan companies, farm equipment dealers, drug stores, chain retail stores, catalog stores, etc., and the national gas distribution business being studied herein.

The above type of operations would have stores, offices or outlets in various communities throughout the United States or throughout the region in which they would operate. Many of these organizations would have blanket advertising policies, financing policies, merchandising policies and other broad policies covering many facets of their business.

These organizations may also have one job description to cover all district managers' jobs and store or local managers' jobs and may have only one blanket method of measuring the performance of their management personnel.

The theory proposed in this paper is that each manager has a set of external constraints acting in the community where he operates that
may either help or hinder his performance and overall effectiveness in his job. Also, it is proposed that these constraints can be named and measured. The measurement process would be somewhat like that mentioned in the Farmer-Richman studies.

If this theory is correct, then each manager's job description should mention the external constraints and weighting should be established for them. In the Natural Gas Distribution business, that being studied in this paper, there is only one job description for all district managers' jobs. (See Exhibit G.) Likewise, all district managers' performance is rated on the same basis without regard to external constraints and their beneficial or detrimental affect upon the manager's performance.

This paper will attempt to denote some of the external constraints playing upon managers in the various communities served by Natural Gas in Southeastern Nebraska and measure their effect upon the manager's job.
JOB INFORMATION SHEET

POSITION: Local Manager

UNIT: Distribution
LOCATION: As Authorized

JOB NO.: 711
NEW REV. CONV.: 1
DATE: January 8, 1969

IMMEDIATE SUPERVISOR: Zone Manager
REVIEWING SUPERVISOR: Vice President and Regional Manager

EDUCATION AND EXPERIENCE REQUIREMENTS:
High School or vocational school graduate; some college work in business curriculum is desirable. Several years work experience related to both technical and administrative functions in a natural gas distribution operation.

SKILLS AND REQUIREMENTS
Planning, administrative, supervisory and technical skills to manage a local distribution system. Demonstrated ability in the area of sales and customer relations in order to promote the utilization of gas-fired equipment. Human relations, public relations and communicative skills are critical to job success.

FUNCTION:
To provide gas service through the effective management of local distribution properties; to promote the sale and utilization of gas-fired equipment.

SCOPE:
Serving as manager of one or more local gas distribution systems, the incumbent is responsible for the operation and maintenance of system facilities and is held directly accountable for their continued growth and profitability. In this regard the Local Manager is concerned with various managerial duties including financial planning and budgeting. Supervision of subordinate activities and the implementation of effective sales promotion programs. The incumbent operates under broad zone guidelines receiving general direction from a zone manager. The unit typically has 3,000-4,000 meters; $500,000 to $900,000 in annual revenue and $80,000 to $130,000 in direct operating expenses per year. Operations are complicated by metropolitan and/or geographically dispersed rural communities, curtailment and the operation of peak shaving plants.

ACCOUNTABILITIES:
1. Operation and maintenance of the local distribution system providing natural gas to domestic, commercial and industrial customers; recommendations for system extension or enlargement to meet customer demand, etc.
2. Supervision and development of up to 20 non-exempt technical and/or clerical employees; recommendations concerning selection, training, performance evaluation and salary administration.
3. Formulation, preparation and administration of annual income and expense budgets necessary for managerial control; administration of allotted funds; performance of administrative duties, i.e., preparation of operating reports, delinquent account collections, review and resolution of customer accounts, etc.
4. Recommendations on and implementation of an effective sales promotion and dealer assistance program; assisting in the establishment of and directly accountable for the attainment of appliance sales goals.
5. Establishment and maintenance of sound community relations to enhance the Company's image and position.

DESCRIPTION APPROVAL DATE: 1/4/69
RATING APPROVAL DATE: 1/4/69
PERSONNEL:
NO. PEOPLE SUPERVISED: 19
GRADE & SCHEDULE: EXEMPT
NO. OF INCUMBENTS: X
ANALYST: Meyer

LAW DEPARTMENT
FORM 771 (REV.)
NORTHERN NATURAL GAS COMPANY AND SUBSIDIARIES
VII. APPLICATION OF COMPARATIVE MANAGEMENT CONSTRAINTS TO A REGIONAL BASIS

Many of the same constraints measured in the Farmer-Richman study of International Comparative Management may be applied and measured on a regional basis within the United States. In fact, many of the same constraints measured by Farmer-Richman may be analyzed on a community-by-community basis.

Naturally, the overall national policies which affect the firm would apply the same to any organization within any community. As an example, federal government taxes would be the same in all communities. Government subsidies may be the same as offered to all communities, but the degree to which federal assistance or subsidy programs are put into effect in a given community may depend to a great extent upon local politics and possibly even some socio-ethnic overtones in the community.

But there are many measurable differences in constraints from community to community. Some of these will be mentioned and measured later on in this paper.

The point is, that if analyzed closely with a strong microscope, many of the external constraints which vary among nations also may be proven to vary among regions within the same country and even among communities within those regions.
It was first determined by this analyst that differences in external constraints were apparent when compared on a community by community basis. Most managers in the Natural Gas business have approximately the same experience and same level of education. But the results achieved and degree of results achieved in many areas of the job vary. This is explained by the fact that the external constraints or pressures do, in fact, vary by community.

Managers of several communities were interviewed giving even further acknowledgment to this theory. A study of economic indicators published by the Department of Economic Development in conjunction with the University of Nebraska Business Research Section further emphasized that differences among communities do exist.9

Interviews of politicians, and chain store managers throughout the Southeast Nebraska Region revealed that there were a variety of views at the community level which would affect business. To determine if these differences were real and measurable, a questionnaire was prepared and mailed to ten managers in the Natural Gas Distribution business to obtain a measurement of the differences in various constraints with which they were confronted.

---

9Bureau of Business Research, Business in Nebraska.
A. Results of Questionnaire Analysis

Procedure Used

The questionnaire mailed to ten managers in the Southeastern Nebraska Division of Peoples Natural Gas contained questions about aspects of their job which are the most important as related to external constraints in their communities. Basically, the constraints covered four general areas: Educational, Sociological, Political-Legal, and Economic. The questionnaire was mailed to the managers in a "confidential" envelope and all were returned the same way.

Discussion among managers about the questionnaire was not allowed. An interview of the managers about their reaction and answers given on the questionnaire indicated that they all understood and interpreted the questions the same. No one asked to change any of his answers as they were discussed on an individual basis. It therefore becomes apparent that the answers to the questions on the survey form are valid, as interpreted and measured by each manager.

The questionnaire itself contained forty-one questions. (See Exhibit H.)

Each question was weighted or valued by the manager on a scale from one to nine. One was the lowest rating an answer could receive, meaning that that particular constraint acted negatively upon the manager in his business environment. Nine ratings would be interpreted to mean that no problem existed on that particular constraint, or that there may be a positive force playing externally upon the manager's job. Levels in between one and nine were to indicate a degree of pressure on the manager from the external pressure—either positive or negative depending upon which side of the scale closest to one or nine was chosen.
Auburn, Nebraska
November 8, 1971

Homer Mudge, Fairbury
Willis Russell, Tecumseh
Bill Duff, Weeping Water
Jerry Reber, Ashland
Jim Sybert, Auburn
Gerald Sillman, Wymore
George Johnson, Pawnee City
Clifford Lacey, Humboldt
Jerry Hodgin, Louisville
Tim Connealy, Eagle

Gentlemen:

Complete the attached questionnaire for the communities designated adjacent to your name above.

Please return the questionnaire in the stamped, self addressed envelope by the 15th of this month.

Thank you.

R. A. Glasford
Division Manager
EXTERNAL CONSTRAINT MEASUREMENT QUESTIONNAIRE

PEOPLES NATURAL GAS

Each manager in Peoples Natural Gas has factors that affect his success or level of achievement as a manager which are strictly under his own control and also those over which he has no control. Those factors over which he has little or no control are called "External Managerial Constraints". These "External Constraints" and their effect on your success as a manager can be measured, we feel.

If we are correct, and they can be measured, or if we can at least prove that each manager has different constraints from all other managers, then we may find a more efficient way to measure your performance. If you will please answer the questions on the following questionnaire to the best of your knowledge and ability, as you see your job, or as others in your organization may see your job, we will make an important step in proving that each manager's job has many variables which he cannot control that affect his success or level of achievement.
EXTERNAL CONSTRAINT EVALUATION

PEOPLES NATURAL GAS

Please rate the items on the following pages from one (1) to nine (9). Circle the nine (9) if the item discussed causes you no problems whatsoever as a result of external pressures - (those which you cannot control). Circle the one (1) if the item discussed causes you outside pressures that adversely affect your performance, the pressures would affect anyone in the management job, and the source of the pressures cannot be changed or improved by you as an individual.

Ratings between one (1) and nine (9) are to be used as gradation between the above two extremes.

Example:

1. How would you rate your dealer cooperation and sales in your community?
   (Bad) 1 2 3 4 5 6 7 8 9 (Good)

   Nine (9) was circled above to show that dealers are extremely cooperative. Their sales are easily made and are increasing each year in that particular community.

2. How would you rate the city council and mayor in your community as they affect our business?
   (Bad) 1 2 3 4 5 6 7 8 9 (Good)

   Three (3) was circled here to show that political pressures are tough in the community, but in a few ways the council is cooperative with us.
(1) How would you rate dealer cooperation and sales in your community?
1  2  3  4  5  6  7  8  9

(2) How would you rate the city council and mayor in your community as they affect our business?
1  2  3  4  5  6  7  8  9

(3) How would you rate new housing growth in your community?
1  2  3  4  5  6  7  8  9

(4) How would you rate banking activity and the ease with which loans may be obtained?
1  2  3  4  5  6  7  8  9

(5) How difficult is rental property to find in your community?
1  2  3  4  5  6  7  8  9

(6) How difficult is qualified help to find in your community?
Men 1  2  3  4  5  6  7  8  9
Women 1  2  3  4  5  6  7  8  9

(7) How would you rate competition in your community from the electrical distributor?
1  2  3  4  5  6  7  8  9

(8) How would you rate competition from dealers in the community for sales of gas appliances?
1  2  3  4  5  6  7  8  9

(9) To what degree do ethnic or religious cliques in your community cause problems?
1  2  3  4  5  6  7  8  9
(10) What degree of difficulty do you feel you would have from the council in obtaining a rate increase if they had to vote on it?

   1  2  3  4  5  6  7  8  9

(11) What about a new 25 year franchise?

   1  2  3  4  5  6  7  8  9

(12) What degree of cooperation do you get from dealers in appliance sales campaigns?

   1  2  3  4  5  6  7  8  9

(13) How do electrical rates compare to gas, competition-wise?

   1  2  3  4  5  6  7  8  9

(14) What degree of "patriotism" do local people feel for the electrical industry in your community?

   1  2  3  4  5  6  7  8  9

(15) How would you rate advertising dollars spent and the effect of advertising by competition on your business and your effectiveness in your job?

   1  2  3  4  5  6  7  8  9

(16) Rate housing costs in your community.

   1  2  3  4  5  6  7  8  9

(17) Evaluate rental property costs in your community.

   1  2  3  4  5  6  7  8  9

(18) Rate economics in general in your community.

   1  2  3  4  5  6  7  8  9

(19) Rate political pressures in general in your community.

   1  2  3  4  5  6  7  8  9
(20) How difficult are collections in your community - not only with the gas company, but all collections?
1 2 3 4 5 6 7 8 9

(21) How well educated are most citizens in your community?
1 2 3 4 5 6 7 8 9

(22) How would you rate "social problems" among your local citizenry?
Younger set 1 2 3 4 5 6 7 8 9
Older set 1 2 3 4 5 6 7 8 9

(23) Rate the general prosperity of your community.
1 2 3 4 5 6 7 8 9

(24) Rate competition for good employees in your community.
1 2 3 4 5 6 7 8 9

(25) Rate the standard of living in general in your community.
1 2 3 4 5 6 7 8 9

(26) Rate industrial growth in general in your community.
1 2 3 4 5 6 7 8 9

(27) Rate the growth rate in general of your community.
1 2 3 4 5 6 7 8 9

(28) Evaluate how the city cooperates with you in construction and maintenance activities.
1 2 3 4 5 6 7 8 9

(29) Rate the quality and effectiveness of your Chamber of Commerce.
1 2 3 4 5 6 7 8 9
(30) Rate the quality of work or effectiveness of your local city attorney.
   1 2 3 4 5 6 7 8 9

(31) Evaluate the general view of those in your community toward higher education.
   1 2 3 4 5 6 7 8 9

(32) Do the local citizenry view the Peoples manager or representative as a professional or elite group?
   1 2 3 4 5 6 7 8 9

(33) How do local citizenry view "risk-taking" ventures?
   (No risk taking) (Will take all risks)
   1 2 3 4 5 6 7 8 9

(34) How flexible are citizens in your community? How easily do they adapt to change?
   1 2 3 4 5 6 7 8 9

(35) How "stable" are the politics in your community?
   1 2 3 4 5 6 7 8 9

(36) Do you have zoning laws? Yes
   If you do, are they flexible?
   1 2 3 4 5 6 7 8 9

(37) Rate the attractiveness of your community to the "young set."
   1 2 3 4 5 6 7 8 9

(38) Rate the attractiveness of your community to the "older set."
   1 2 3 4 5 6 7 8 9
(39) How would you rate the general business atmosphere in your community?

1 2 3 4 5 6 7 8 9

(40) How would you and others rate the tax structure in your community?

1 2 3 4 5 6 7 8 9

(41) How would you rate social and recreational activities in your community?

1 2 3 4 5 6 7 8 9
Constraint Scoring Summary

In summarizing the results of the questionnaires, the questions were grouped according to the category of constraint being dealt with. (See Exhibit I.) The educational constraint contained six questions. If all the questions were answered with a nine by a particular manager, he would have a perfect score of 54, meaning that the educational constraint posed no problem in the particular community being surveyed.

Likewise, sociological questions, thirteen in all, would produce a perfect score of 117 if all were answered with a nine; political perfect score would be 63, and economic 163.

Needless to say, there were no perfect scores. But the scoring of the answers within the constraints being specifically measured did vary from one end of the scale to the other in many instances.

Educational Constraints

Educational constraint measurement totals varied among the ten communities surveyed by only thirteen points. This would indicate that most communities measure up in general approximately the same. It should be pointed out, however, that sub-points within each constraint varied from a two to a nine indicating that educational constraints within individual communities may vary and be examined more closely by dissecting the constraint and examining the sub-constraint more exactly.

Further, deviations from the mean may be explained in detail here. Fairbury had the highest educational rating, which should be expected because Fairbury has an excellent Junior College.

At the lowest end of the scale with only 28 points was Weeping Water. This may be explained by the fact that Weeping Water is basically
### Exhibit I

**COMPARATIVE MANAGEMENT MATRIX**

Ten Communities in Southeastern Nebraska

<table>
<thead>
<tr>
<th>Question #</th>
<th>Educational</th>
<th>Sociological</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4 6 6 4 3 4 9 7 4 4 5</td>
<td>9 5 9 9 8 9 9 8 2 9</td>
</tr>
<tr>
<td>69</td>
<td>4 2 4 6 5 4 3 3 4 6 3</td>
<td>5 8 5 7 3 5 5 4 6 8 3</td>
</tr>
<tr>
<td>66</td>
<td>4 6 4 9 5 5 6 6 5 6 6</td>
<td>8 1 3 4 5 7 7 4 4 4 4</td>
</tr>
<tr>
<td>21</td>
<td>5 8 5 7 4 6 6 7 4 5 5</td>
<td>6 3 4 3 5 7 7 4 5 5 2</td>
</tr>
<tr>
<td>24</td>
<td>5 6 9 7 5 9 7 8 3 5 8</td>
<td>7 5 3 9 9 4 9 7 6 6 6</td>
</tr>
<tr>
<td>31</td>
<td>7 8 7 9 7 7 7 8 7 8 8</td>
<td>3 5 4 3 5 4 3 5 8 3 4</td>
</tr>
<tr>
<td>Total:</td>
<td>29 36 35 42 29 35 38 33 28 35</td>
<td>74 88 85 84 73 66 86 66 66 59</td>
</tr>
</tbody>
</table>

**External Constraints**

**Educational**

<table>
<thead>
<tr>
<th>Cumulative</th>
<th>Ashland</th>
<th>Auburn</th>
<th>Eagle</th>
<th>Fairbury</th>
<th>Humboldt</th>
<th>Loupville</th>
<th>Pawnee City</th>
<th>Tecumseh</th>
<th>Weeping Water</th>
<th>Wymore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>29</td>
<td>36</td>
<td>35</td>
<td>42</td>
<td>29</td>
<td>35</td>
<td>38</td>
<td>33</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>(54)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sociological**

<table>
<thead>
<tr>
<th>Cumulative</th>
<th>Ashland</th>
<th>Auburn</th>
<th>Eagle</th>
<th>Fairbury</th>
<th>Humboldt</th>
<th>Loupville</th>
<th>Pawnee City</th>
<th>Tecumseh</th>
<th>Weeping Water</th>
<th>Wymore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>74</td>
<td>88</td>
<td>85</td>
<td>84</td>
<td>73</td>
<td>66</td>
<td>86</td>
<td>66</td>
<td>66</td>
<td>59</td>
</tr>
<tr>
<td>(117)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Exhibit I (cont.)

<table>
<thead>
<tr>
<th>External Constraints</th>
<th>Ashland</th>
<th>Auburn</th>
<th>Eagle</th>
<th>Fairbury</th>
<th>Humboldt</th>
<th>Louisville</th>
<th>Pawnee City</th>
<th>Tecumseh</th>
<th>Weying Water</th>
<th>Winmore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political-Legal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question # 2</td>
<td>6</td>
<td>4</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>19</td>
<td>8</td>
<td>1</td>
<td>3</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>28</td>
<td>9</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>30</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>35</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Total:</td>
<td>43</td>
<td>29</td>
<td>52</td>
<td>41</td>
<td>56</td>
<td>45</td>
<td>43</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(63)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question # 3</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>7</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>13</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>15</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>9</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>17</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>4</td>
<td>9</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>18</td>
<td>3</td>
<td>8</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>20</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>9</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>23</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>26</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>27</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>39</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>40</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>7</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total:</td>
<td>73</td>
<td>91</td>
<td>74</td>
<td>101</td>
<td>70</td>
<td>107</td>
<td>82</td>
<td>67</td>
<td>87</td>
<td>59</td>
</tr>
<tr>
<td>(153)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GRAND TOTAL: 219 241 223 279 213 255 262 241 225 191 (390)
a "laboring" type community. Its main and only industry is mining of underground and strip lime and cement mines.

**Sociological constraints**

The scoring of sociological constraints varied further than education. Lowest in the sociological scoring was Wymore with only 29 points and Auburn had the highest rating of any manager with 88 points.

In discussing the sociological questions with the Wymore manager, it was brought out that the community is quite resistant to change and the citizens are somewhat stagnant in their thinking in general. Conversely, Auburn had the highest rating (88). Auburn's "image of difference" is that it is one of Nebraska's more progressive communities in many sociological aspects.

**Political-Legal Constraints**

There was a 100% variation between the high and low scores measuring the political-legal constraints. Further investigation revealed differences in political structure between communities as well as local governmental officials. Local laws and the degree to which they are enforced also have a bearing on these sub-constraints and the external pressures exerted upon the manager in his job.

**Economic Constraints**

Here again, vast variation between the high and low community was noted. Economic indicators may show a 30 point difference at various times of the year between the positive and negative indexes among communities. Fairbury, for example, always has been a good trade area and
rich soil in the surrounding farms has made many wealthy farmers. Conversely, Johnson County has been designated an Economically Depressed area by the Federal Government.

So, it is obvious that economic differences do exist among communities in close proximity. These economic differences may act negatively or positively upon the manager in his job as he attempts to grow in his job or improve the economics of his assigned unit.

B. Results of Interview Analysis

Interviews were conducted by this analyst in all of the ten communities being studied. In each community the interviews were conducted with local gas appliance dealers, competition of the natural gas manager, the banker, and a representative of the city council.

It was concluded as a result of the interviews that the answers provided from the questionnaires were valid. Each community representative expressed a desire for further economic growth or improvement in economic conditions.

10 *Business in Nebraska.*
IX. EXPANSION OF THEORY TO RELATED AND UNRELATED
BUSINESSES ORGANIZED ON A DECENTRALIZED
REGIONAL BASIS

As a result of the studies and research conducted in the com- tative management constraint analysis in the Natural Gas Distribution Business in Southeastern Nebraska, it has been proven that variations of external constraints are present. How these constraints are identified, measured, evaluated and coped with by managers is not the purpose of this paper, but would make an evaluation of the job specification more critical and measurement of the results of the performance achieved by each manager more accurate.

This theory is not only valid in measuring constraints as they affect the managers in the natural gas industry, but this same analysis of external constraints will apply to all other businesses in the communities being studied. That is, the supermarket chains (Hinky Dinky and Safeway) would be faced with the same external constraints. So would the Rexall Drugs, Sears Stores, Warden Stores, chain lumberyards, Gambles, gasoline stations, etc.

It is interesting to note that many of the citizens in the community who can easily identify their own local problems in politics, education, economics, and sociologically, are an integral part of the problem themselves or in many cases would have the prestige (as a respected local businessman and citizen) to at least exert some influence to improve a given situation in the above if the point in question was well identified to have a significant influence on his own personal well being.
X. SUMMARY

In this paper a very important but complicated subject has been discussed. It was pointed out early in the presentation that the detailed analysis of intricate managerial functions would not be covered in depth. Rather, some of the recent comparative management approaches were presented. The theories of three contemporary experts were covered in detail to show the perception that must be applied when considering comparative management approaches both internationally and on a regional or local basis.

Obviously, there are shortcomings in all of the systems of comparative management analysis presented in this paper. It was not the point of this paper to weigh and consider the good or bad aspects of these systems—rather, it was felt more important to make known some of the recent and noteworthy contributions in this field of study. It cannot be denied that comparative management is a very useful tool in studying the fundamentals that comprise the elements of management and will in the future contribute further knowledge in the never ending search for the factors which determine managerial and enterprise effectiveness.

The American business manager of tomorrow will have to know more about why he manages as he does and why others manage as they do. The destinies of organizations the world over are becoming interdependent. Management education is awakening to these developments. "Curricula are notoriously slow to change, but already the International Business program is one of the largest concentrations at the graduate level, and
comparative approaches to management are being developed." It may very well be that a graduate course in comparative management will be included in future MBA programs throughout America.

"Managing is perhaps the most complex of all arts. Growing knowledge, plus the spurs of world-wide super competition and rapid change, mean that those who manage increasingly face the problem of becoming obsolete."^12

A very enjoyable thought on this by Feldman and Moore from their article "Are Industrial Societies Becoming Alike?" humorously summarizes their study of comparison of management in various societies: "We do think the leverage provided us by comparison is rather less than had been hoped for, because the place to stand turns out to be moving at high speed and is very shaky in transit. It is not simply our deepened understanding that makes the world complex. It really is!"^13

---

^11 Koontz.
^12 Koontz, p. 442.
^13 Koontz, p. 567.
BIBLIOGRAPHY

Bureau of Business Research. *Business in Nebraska*. 
Volume 46, Number 19, February 17, 1967 
Volume 47, Number 19, February 1968 
Volume 48, Number 19, February 1969 
Volume 49, Number 19, February 1970 
Volume 50, Number 19, February 1971 
Volume 51, Number 7, October 1971


