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PROBLEM PREVENTION MANAGEMENT OR PROACTIVE MANAGEMENT

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Introduction

The level of sophistication of management practice in any nation is tied to the various environmental factors such as economic, social, cultural, technological, political and legal elements that pertain to that country at a particular point in time. To a Japanese audience, a discussion concerning management practices in Malaysia may be considered to be quite primitive and uninteresting, since no profound new developments of management practice can be referred to. Hence, the general topic of problem prevention management or proactive management has been selected for elaboration. The term, proactive management, has appeared only recently in management literature, and has not yet been widely publicised.

To explain in a nutshell, proactive management is directly opposed to reactive management. Reactive management is management by fire-fighting, when a manager reacts only when a big problem arises. A Malay saying, "like a nail and a hammer", can be applied to explain further the meaning of reactive management. When the nail is hit with the hammer into a piece of wood, it moves only when it is hit. It will not move at all if it is not struck. On the other hand, in the practice of proactive management, the manager takes action before a problem occurs, to ameliorate or remove altogether the debilitating effects of the outcome of the problem. It is the practice of problem prevention management or problem anticipation management.

In school, we learn some of the following proverbs and wise sayings :

- Prevention is better than cure.
- Look before you leap.
- Foresight forestalls misfortune.
- A stitch in time saves nine.
- In the spring, plan for the year, in the morning for the day.
- He who is unconcerned about the future will soon have cause to regret the present.
- Think before you are affected, save before you have consumed all.

The proactive manager puts into practice the principles that are associated with these proverbs and wise sayings.

At a three day conference held in Pittsburgh in the United States in 1941, a group of practising business managers and management educationists arrived at a more encompassing definition of management. According to this definition, management is *guiding human and physical resources into dynamic organisation units which achieve their objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering the service.*¹

Incorporated in this definition in an indirect form are the five basic functions that ALL managers perform, namely

- Planning,
- Organising,
- Staffing,
- Directing, and
- Controlling.

In order that an objective is achieved, there must be planning and controlling. Dynamic organisation units can only be present when there is good organising. The people rendering the service come from staffing. Guiding human and physical resources is undertaken through the directing function.

An American army officer was reported to have originated a law named after him called Murphy's Law. There are two prongs to this law, namely

1. If there is anything that can go wrong, it will go wrong.
2. Anything that has gone wrong will only go worse (if no action is taken speedily to rectify it).²

The manager works in an environment where there is much likelihood for things to go wrong. In order to be effective, he will need to

- plan to prevent things from going wrong,
- organise to prevent things from going wrong,
- staff to prevent things from going wrong,
- direct to prevent things from going wrong, and
- control to prevent things from going wrong.

These are the functions of the problem prevention manager.

Various types of managers

In the evaluation of the performance of managers, it is possible to group all managers at any point in time into three categories, namely

¹ Lawrence A. Appley, *Formula for Success: A Core Concept of Management*, New York: AMACOM, 1974, p. 13.

² The words within brackets are put in by the writer.

- the problem causers,
- the problem solvers, and
- the problem preventers.

The problem causing managers and the problem solving managers are readily identifiable while the presence of the problem preventing managers is not so visible or easily highlighted because they perform much of their work without fanfare.

As a result of inadequate training, personal incompetence and ineptitude, the problem causing manager makes mistakes when he acts, or fails to act when something should be done. So by acts of commission or omission, he causes problems to arise. According to a statement made by Lawrence A. Appley, a past president of the American Management Association, "An effective manager makes things happen, he does not allow things to happen, neither does he not know that anything is happening". Thus, the problem causing manager is not at all aware that anything is happening around him. He is insensitive to the changes that are taking place in the environment and seeks only to maintain the *status quo*. With this type of manager around, it will be necessary for others to follow up to correct the situation, sometimes calling for emergency measures to do so.

The problem solving manager is directly opposite to the problem causing manager. He is trained to identify problems and to solve them. This type of manager produces results and is highly valued. His service is highly sought after and he is often rewarded well for his excellent performance.

On the other hand, the problem preventing manager is good at working behind the scenes so as to ensure that problems do not occur. But his activities often go unnoticed or are taken for granted. For example, at a big dinner party, everything goes on like clockwork, well synchronised and orchestrated. The food is superb and the guests enjoyed themselves. After this function, how often is it that any guest will ask who is it that is responsible for making the party a resounding success. The chances are no one will be interested. This situation is often similar in the organisation that the problem preventing manager works for. Usually, no one knows that he has acted to prevent problems from occurring. As a result of the low visibility associated with his performance, his contributions are often ignored. The organisation will only come to know of its loss when he is no longer around and problems crop up here and there.

How a manager acts to meet deadlines is a good indicator of whether he is a problem causing manager or a problem preventing manager. Suppose that today is day zero and the manager is given a project to finish at the end of three months. This project requires one month to complete. If the manager starts to do this project at any time within the first month, he

will be able to complete the project early, and he practices problem prevention management. Should he procrastinate and commence to undertake the project exactly at the end of the second month, he is working on a tight schedule without providing any allowance for possible contingencies that may turn up. What happens if he is suddenly given additional work to do during this crucial period? If snags arise midway in the project itself, will he have sufficient time to perform any debugging? Working on this tight is like "living from hand to mouth" and can prove to be stressful indeed. Such a manager is asking for problems to appear.

In any organisation, there are certain activities that must be completed on explicit deadlines, year in and year out, like the preparation of budgets, financial statements, annual reports, and so on. The problem causing manager will not be able to meet the deadlines set for such annual recurrent activities. If he has to work in tandem with other managers, he will cause the others to be delayed as well. Somehow, he does not possess the gumption to start these activities earlier in order to complete them within the time limits allowed. Sometimes he is encouraged to persist in not meeting deadlines because he was not reprimanded for his laxity. This is an example of the application of reinforcement theory in the negative sense.

These three types of managers, problem creating, problem solving and problem preventing, should not be taken as mutually exclusive states. Each of these three states can be associated with the same manager at different points in time. It is necessary to ensure that the problem causing state is eliminated altogether, while creating moderate increase in the problem solving state and major increase in the problem preventing state. When problems are acted upon during the initial stage of emergence, they are easier to solve and the cost will not be so great. For example, if a manager finds that he has to communicate with someone five thousand kilometers away within twenty-four hours, he has to resort to the use of the telephone, telex or telegram, which are expensive communication instruments for long distance communications. If the time factor is longer, say ten days, he can write a letter and send it off by air mail, which is cheaper. This is the reason why it is necessary for organisations to study whether excessive costs are incurred for overseas telephone calls, telexes and telegrams, to see whether these costs can be reduced with increased planning and foresight.

Potential problem signal

In the book, *The Rational Manager*, written by Kepner and Tregoe, a comprehensive explanation was given concerning what is the cause of a problem and how to diagnose it. A problem arises as a result of deviation or change from the norm. The corollary can also apply in the sense that

if any change occurs in the environment, it is imperative for the manager to be alert and exercise more care to look around for the presence of potential problems that may arise. The motto adopted by the proactive manager is the same as that of the Boy Scout Movement as well as that of the United States Coast Guard Service, that is, BE PREPARED.

In the case study approach used in training managers, the process often ends at the recommendation of solutions phase. Proactive management takes this process one stage further, by seeking answer to the question, "What new problems will arise if these solutions are implemented?" A similar question ought to be asked during the preparation phase of any new activity or project. Forewarned is forearmed.

A change that produced traumatic problems for managers in organisations in petroleum importing countries all over the world is the 1973 oil crisis. Since then things are never the same again. This change has shown very clearly how dangerous it is "to put all one's eggs in one basket". Countries like Japan, possessing many good problem solving managers, have come forth with solutions to get out more output through the use of less oil, a conservation approach. This approach may be appropriate for the short term. In the long run, the proactive approach should be adopted, that is, to develop new ways of generating production energy through inexpensive means. This problem may be considered to be gigantic at this point in time. But it cannot be avoided because the day will come when all the world's mineral fuel resources will be exhausted. Proactive managers do not wait until that even to happen before they start to act. They ACT NOW.

Within any organisation, even a minor change like that of a supervisor, who is due to retire shortly, is a potential cause of problems. Even though he may possess a record of high performance previously, there is strong likelihood that he may slacken in his work as his retirement date draws near. This process may be considered to be natural because when this supervisor retires, opportunity for him to satisfy his extrinsic and intrinsic needs in the work place is reduced to zero. Under this circumstance, he will have to satisfy these needs elsewhere. Thus, there is a greater tendency for him to slacken off and be less demanding on his subordinates. He may try to be more friendly with his subordinates in the hope that after his retirement he can still socialise with them. The supervisor's superior should be alert and be sensitive to the possibility of occurrence of such a situation. He should be prepared to act early to nip in the bud any problems that may develop.

Controls for problem prevention

There may be a number of ways of categorising the various types of

available control systems that are applied in organisations. But for problem prevention there are only two types, namely those that aid problem prevention and those that do not contribute towards problem prevention. The first type involves the continuing controls while the second type refers to warning controls.

The continuing controls operate continuously to ensure that things do not go wrong while warning controls function discretely and only give warning after something has gone wrong. Oftentimes, the continuing controls are in operation without awareness being directed towards them. For example, in the human relations area, the work of selection, training, motivation and appraisal of the employees are forms of continuing controls. This can be explained by stating that :

- A properly selected worker prevents things from going wrong. If a troublemaker gains entry into the organisation as an employee, he will cause problems.
- A well trained worker prevents things from going wrong.
- A highly motivated worker prevents things from going wrong.
- A correctly appraised worker prevents things from going wrong.

So, it is absolutely vital that in any organisation, good selection, training, motivation and appraisal systems are applied. If these functions are performed ineffectively, problems will be created.

In the process of communications, it is stressed that the element of feedback should be included to ensure that the communications are transmitted effectively. But feedback is only possible after the process is completed, which may sometimes be too late for any corrective steps to be taken if something should go wrong. Thus, feedback can only serve as a form of warning control.

The systems approach to management refers to three stages, namely the inputs, the transformation process and the outputs. Feedback control can only take place after outputs are produced and evaluated, and not before. An eminent management theorist, Harold Koontz, came forth with the concept of feedforward control, that is, to effect control at the inputs phase and at the transformation process phase, and good quality outputs will result. Feedforward control is a form of continuing control.

In a paper which he wrote on this subject, Koontz gave examples of how managers can apply feedforward control. These examples include the control of inputs which would ensure that the organisation's cash position is satisfactory (through cash flow analysis), and the optimum amount of inventory is on hand (through economic order quantity analysis), at a particular point in time.

This feedforward concept can also be employed to mitigate pollution

problems. Waste products which cause pollution, are the outcome of the use of inferior quality inputs as well as ineffective transformation processes. If at the initial stage, continuing controls are effected to ensure that good quality inputs are used, and the transformation processes employ technologically advanced machines that are designed with tight tolerances, then the result will be a reduction of the production of waste, thus leading to the abatement of pollution.

Other management techniques and problem prevention

The management techniques that are referred to here have a common thread tying them together, that is, they are continuing controls and feed-forward controls, with some of them incorporating elements of motivation as well. These techniques include proforma financial statements, critical path network, management by objectives, zero defects, quality control circles, and just-in-time system, to name a few. The writer does not propose to go into detailed description of the structure and application of each of these techniques since excellent texts on them are available. The explanations that follow serves to substantiate how the application of these techniques contribute towards problem prevention management.

The writer once visited a factory manager in his office in Malaysia where he found proforma financial statements, with monthly calculations, hung on one of the walls where the manager could see them easily. In this way, this manager had on his finger tips the information concerning how well the company was performing on a relatively up to date basis. It is said that proforma financial statements are based upon estimates. But estimates are better than working with no information at all, or making decisions based on hunches and intuition only. If changes take place, like increases in raw materials costs or energy costs, this manager will be able to know quickly how these changes are going to affect his company's profit position. The traditional financial statements provide for feedback control only. It is often that in a number of companies, poor overall performances during the year can only be known after the financial statements are prepared. At this juncture, it is often too late to do anything to save the situation.

In the management of a project where critical path network is applied, whether the project is on schedule or not can be monitored easily. The network provides information that is understood readily. The manager who is in charge of the project may be away on leave, but if information is required about the project, other staff members will be able to decipher the information directly from the network diagram, without having to wait until the manager returns. Should it be necessary that the project duration time be shortened through the use of overtime, the overtime work is not directed

at all the activities in the project. Only the critical activities are provided with overtime, so that optimum benefits can be reaped through the increase in labour cost.

Earlier on in this paper, it was explained that the appraisal system is a form of continuing control. This concept should be clarified further because, under certain circumstances, the system will not be a continuing control. This situation occurs when the appraisal system is based upon the superior evaluating each subordinate at a certain deadline, as a one-shot approach, by just filling the appraisal form only. This is analogous to the taking of a photograph which shows the picture of the scene at that instant in time that the photograph was taken.

In order that the appraisal system is employed as a continuing control, it should be applied over a time frame. At the commencement of this time frame, each subordinate should be informed concerning the standards upon which he/she would be evaluated against at the end of that time period. The appraisal system is a management tool. Management is analogous to a complex game. In any form of game, the rules of play are made known to the participants before the game commences. If the rules are vague, inconsistent or changed during the play, problems will be created. Management by objectives is a management technique where the objectives to be achieved by a subordinate for each time period are agreed upon between the subordinate and his superior, at the commencement of this time period.

Zero defects, quality control circles and just-in-time system are powerful tools in the repertoire of Japanese management practices. The first two techniques incorporate the elements of motivation, while all three stress the importance of quality of output. Zero defects and quality control circles provide avenues for employee participation and the use of suggestion schemes. In the application of quality control circles, each member of the group contributes towards problem solving and problem preventing as an on-going process, thus causing the number of problems to be faced by the manager to be diminished. The just-in-time system, evolved in the 1970s at the Toyota Motor Company, calls for unit production as against lot production. Where multiple variety parts are produced on a machine, rapid set-up devices are used to cut down the set-up time. Since unit production is practised, an error free part will have to be made at each work station, to be passed on to the following work station for further processing, eventually resulting in the production of the final product where high quality is assured. This technique cuts down the use of floor space, the use of conveyors and the reduction of wastage of raw materials. Opportunity is also given for each worker to be a problem solver and a problem preventer.

In the application of management techniques, it must be appreciated that

each technique can be applied in the correct way and in the incorrect way. If the technique is applied correctly, it will produce good results that are associated with it. If it is employed in the incorrect way, more problems will be created and scarce resources like time and money will be wasted, leading to disillusionment being directed at this technique. It should be remembered that the technique by itself did not cause the problems to occur. It is the people who apply the technique incorrectly who create such problems.

Conclusion

Problem prevention and problem abatement had been advocated by society since ancient times, as indicated by the proverbs and wise sayings that are found in many different cultures. This concept has application in management, being reflected in some of the management techniques that proved to be popular at one time or another. For management to be practised effectively, to reduce stress, trials and tribulations in the work environment, in order to achieve objectives, problem prevention should be encouraged. In the application of problem prevention management, the manager takes a positive approach towards the work that he performs.

Many people may say that if there are no problems for the manager to solve, he will not find his work interesting and challenging. But it can be just as challenging, stimulating and satisfying, if not more so, when he pits his intelligence and his skills to PREVENT PROBLEMS FROM HAPPENING, and bring fruitful results to the organisation that he works for. In this way, he becomes a valuable member of society.

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