



The Catt Concept

© Ivor Catt

“When management is misguided enough to hire and fire frequently at all levels for shortsighted economic reasons, the very nature of the industrial situation changes fundamentally. As a result, new behavior patterns develop among those enmeshed in the New Reality. These behavior patterns are governed by certain laws, and it is a wise employee who soon learns to adapt himself to them...”

[About Ivor Catt, Technology, and Popular Sociology](#) | [Science Revisionism](#) | [Home page](#) | [Sociology and Economics of Science & Weapons Fraud](#)

[Inverse Firing Order](#) This causes a manager to lay off his best, rather than his worst, man...

[The Incompletion Gambit](#) The most secure project is the unsuccessful one...

[Secretiveness](#) The employee believes, rightly, that he is less likely to be laid off if there is uncertainty...

[The Supremacy of the Prosaic](#) Any suggested major improvement in product or technology is a threat...

[The Con Game](#) If a manager supports an idea which is unsuccessful, he is fired. So..

[The Domino Theory of Firing](#) The project is going badly, and middle management must prove...

[Layoff Fodder](#) Management ordains a 10 per cent layoff for every department...

[Leapfrog](#) C thinks his boss B is going to be fired or laid off. To avoid...

[Advance Planning](#) Future plans should be grossly optimistic.

The Semi-Blackmail The only real route to security is the semi-blackmail. ...

Such are some of the subtle stratagems employed by those subjected to the stresses of the New Reality in a vain attempt to protect themselves from 'economic reality'. These are some of the ways employees try to hang on to their jobs while everyone around them is losing theirs.

These are the laws of the Catt Concept.

THE CATT CONCEPT IN ACTION: AN EXAMPLE OF EVERYDAY LIFE UNDER HIRE-AND-FIRE Customer-Oriented Research and Development...

Inverse Firing Order *This causes a manager to lay off his best, rather than his worst, man. The reason for this is that in the future there will be a layoff at the manager's level, and a manager is more likely to be laid off if he has a good subordinate who can take his place. We should sympathize with the manager, who suffers much more from a layoff than a younger, more junior man. [\[Back to start\]](#)*

The manager will find it harder to get a new job, more difficult to sell his higher-priced, larger house, and the experience of yet again tearing up his roots and those of his family will be more searing. Surely he is entitled to nip the danger in the bud, when the new recruit looks to be rising above his station.

The high-flying recruit must bear this danger in mind and not show too much brilliance during the first year with his new company. Unfortunately, this means that should he be fired for some other reason, perhaps in a company reorganization or a recession, he will depart without having established a reputation for good performance. So he has to decide which chance to take. If he survives the first year and has established his position more firmly by the laws of Secretiveness, Con Game and Semi-Blackmail, he might perhaps venture to use his capabilities more fully. However, innocuous performance stills seems safest.

The Incompletion Gambit *The most secure project is the unsuccessful one, because it lasts the longest. Most layoffs occur at the completion of a project, so that only a fool or a brave man completes one if he is not already embarked on its successor. A wise worker will delay completion of a project and look around for another job during the last month or two. [\[Back to start\]](#)*

Of course, a project should not be seen to slip in its early stages, when the cost of dropping it would appear small. The best thing to do is to make

every effort to make it appear that the project is going well until the last month or two and then let it slip little by little, while always promising completion within the next five weeks. This is one example of the way in which information fed to upper management is doctored to protect employees from their 'dynamism'.

'Was Apollo Too Successful?'

'Nine months after the whole world watched Neil Armstrong climb down that ladder on the moon some Americans are "bored" with space, and we're breaking up the scientific team and mothballing the engineering complexes that produced what President Nixon called "the greatest event since Creation". ...

'The President put his name on the plaque Armstrong and Aldrin left on the moon and he telephoned them while they were there, but he cut America's space budget to the smallest total since John Glenn orbited the Earth. The Vice-President says on to Mars by 1985, but we won't make it by "stretching out" our effort. Perhaps NASA was too successful with Apollo. It violated the "Catt Concept", enunciated by Britisher Ivor Catt. According to Catt, the most secure project is the unsuccessful one, because it lasts the longest. Since most layoffs follow completion of a project, only a fool or a brave man completes one unless he is already entangled in its successor.' [From an editorial in *Popular Mechanics* (May, 1970), based on the first premises of the Catt Concept, as enunciated in *New Society*.]

This lunatic enterprise is too grandiose to be taken as a typical example for the testing of any theory. That would be like discussing the efficiency of the Hiroshima fire brigade in responding to the atomic bomb. Portions of the lunar project should, however, confirm the Catt Concept, insofar as they occurred recently enough to be affected by the creeping cancer which slowly develops from irresponsible hire-and-fire.

The lunar endeavor symbolizes some of the tendencies of our society. Despite the excitement of the occasion I was horrified to see those two men happily stumbling around on the moon. I thought of the repercussions in dozens of space-oriented towns. Not only were those two men likely to lose their jobs, along with all their colleagues, but they would have to sell their houses at a loss and leave town, taking their families with them. The schools would lose pupils; teachers would be out of a job. All the parasite industries would be in trouble. And for what?

Apollo should never have succeeded. Too many people depended on its failure. Hundreds of thousands of people were betrayed by the top management in NASA, who were willing to see ghost towns in place of happy communities just so that a couple of men could take photographs of each other wandering over the wilderness. The top brass lost interest and so wrecked the space industry.

Apollo also demonstrates the extremes to which a free country will go to keep alive the spirit of capitalism. It is in a different category from the Russian space effort, which is in the grand tradition of the Pyramids, another example of an enormous folly built by a totalitarian state for self-glorification. Such an explanation will not suffice in freedom-loving America.

The two justifications for Apollo are, first, that it diverts attention from the arms race into a less dangerous type of competition and, second, that it

is a means to inject vitality into the economy. Neither of these arguments is satisfactory or healthy or even very credible. America has spent far more in recent years on arms than she did before the beginning of the space race. Besides, should Americans not have started to question the nature of an economy which requires such a large percentage of industrial effort to be siphoned off into pointless exercises in order to inject vitality into the economy?

A barely credible rationale surrounds an investment running to billions of dollars. If people are unable to think clearly and deeply about Apollo, then perhaps it is not surprising that they remain blind to the wasteful consequences of hire-and-fire.

Secretiveness *The employee believes, rightly, that he is less likely to be laid off if there is uncertainty about his functions and how he performs them. This makes him secretive and ambiguous when discussing them. It is difficult for upper management to carry out a study of the way the place actually operates, because this is taken to be a prelude to a layoff.* [\[Back to start\]](#)

'... when a programmer left a project in midstream his work often had to be scrapped and started again from scratch. Sometimes the situation was worse - the new man would have to spend months unravelling what the old programmer had done before any further progress could be made.' *The Economist* (February 27, 1971).

The employee strives to convince his managers that they are not fully familiar with the situation. He does this in a number of ways. One useful trick is to bring in new words to replace well-known ones. Mnemonics, particularly those which already have another meaning, are useful. It takes a very confident manager to ask his subordinates what the terms SOS, MNOS, SEM, CTL, CMS mean, because he then looks like deadwood, ready for the scrap heap. So in a dynamic company or industry, everything will be renamed frequently in an attempt to give pause to the hatchet man and so elude him.

When his boss asks him for a resume of the current situation, the farsighted employee begins by defining about ten new terms and then uses these new, half-familiar terms, along with others undefined, in reply. He will also hint at a web of interdepartmental and intercompany agreements and understandings which would founder were he to be laid off. The intercompany agreement is particularly useful. A manager fears the repercussions from laying off someone who is the fulcrum of some intercompany plan. So the employee tries to make himself into a key element in the company's image-building efforts. However, time spent away from the company should be kept to a minimum.

Hire-and-Fire in the Electronic Age

Marshall McLuhan and others see a society of the future which has information as its main product and communication as its main activity. A

large proportion of one's working life will be spent being educated, and most of the remainder will be spent in communication, discussion and teaching.

The high-technology industries of today are thus archetypal of the future.

'Today's organization . . . is . . . principally a knowledge organization. It exists to make productive hundreds, sometimes thousands, of specialized kinds of knowledge . . . the bulk of workers are hired not to do manual work but knowledge work.' [Peter Drucker, *The Age of Discontinuity*]

A designer may think and calculate for days before spending half an hour at the workbench, to be followed by more days deep in thought, discussion and debate. Similarly on the production line, in the repair shop and in the field, most of the time is spent consulting documents, thinking and discussing.

By 'knowledge', McLuhan and others probably mean both information and understanding. However, it is important to distinguish between them when discussing the Catt Concept. It is usually assumed that if a man is asked to hand over his knowledge of a certain matter, he will do so willingly and further that it would be easy to see if he were not cooperating fully in the operation.

In the New Reality, both assumptions are untrue with regard to understanding, although they may still have some validity with regard to information. Unfortunately, as all aspects of the business, including technology, production and marketing methods, become more complex, the bare information, or facts of the case, become less and less helpful on their own, since they resemble the unassembled bones of a skeleton.

Give a colleague all the information about what you have done and plan to do, and he is not much the wiser unless you are doing something simple. If you want to help him, you must also show him your way of perceiving the many details and implications of the situation, so that he will not fail to see the wood for the trees. We have all had the experience of trying to get some understanding (rather than mere information) out of someone who is reluctant to hand it over. First you have to gain his confidence, get him to relax, and then he will talk around the subject, look at it from various angles, and you will have some chance of reaching his own level of perception of his speciality. However, in a dynamic company, where he may be fired next week, try as you will, you will at most get just the bare information. You have no grounds for complaint either, because the 'understanding' part of knowledge is too intangible to talk about. One cannot imagine someone saying, 'Sure, he gave me the information all right, but not the understanding,' unless he didn't mind having himself categorized as unable to relate well in a group situation and so ripe for layoff.

The conventional wisdom, derived from a previous, less complex, more leisurely age, assumes that given all the information, a self-respecting

employee could rapidly generate the understanding for himself, but this is no longer true. Most of the work today - and most of the value - lies in understanding, not in information.

We now see how fragile the high-technology industries are, how susceptible to drop in morale among their employees. In the New Reality a dynamic company or even a whole dynamic industry takes on the appearance of a country in the Dark Ages, when each baron kept within his fortified stronghold, and in between forts the countryside was wasteland.

Psychology of the New Reality

'Economic security, as represented in steady work and regular compensation, is a basic need of the worker which must be considered in the formulation of personnel policies and practices in industry and business.' [M. S. Viteles, *Motivation and Morale in Industry (1953).*]

'So far as industry is concerned, all the methods we have discussed in this book presuppose a factory and a society in which worker-management relations have not broken down beyond repair, in which there is some desire, however weak, to cooperate.' [J. A. C. Brown, *The Social Psychology of Industry (1954).*]

'.. the job insecurity experience has, in time, so permeated employee feeling toward the entire job situation that the fear-shock has seeped like a toxic inhibitor into all job-related attitudes - with, perhaps, the original cause of the fear being manipulated stiffly in thought merely as a logic-tight symbol.' [E. A. Grove and W. A. Kerr, *J. Soc. Psychol. (1951).*]

Always present in the New Reality in industry are such questions as: 'Is he telling me the truth?' 'Is he thinking of firing me?' and 'Does he think I'm thinking of firing him?' The result is a serious breakdown of communication in which any discussion is frustrated because the main elements of the situation usually cannot be mentioned. Like the cat after the ball on a string, each time you pounce on what looks like a solid fact, it slips out of your grasp. Each person holds a bank of misinformation. When the situation looks as though it might gel, so that everyone will know what is going on, a new load of artificial fog is fired over the scene before anyone has a chance to rationalize it (and perhaps conduct a layoff).

'How can you lay off people if you don't understand what they are doing and how it relates to other people's work?' the subconscious argument runs.

Or: 'We are not sure how the activity is progressing, but we're working on it.' This is like calling an armistice. No one loses his job while the situation is being examined. Such an examination can take a long time - long enough for everyone to go job hunting and sell his house.

The important principle is that the less management knows and understands, the more secure the job is.

The density and complexity of confusion which obtains in a company run by modern methods cannot be explained merely by the ignorance of procedures, say, which result from frequent layoffs. The indication is that

misinformation is being wilfully generated in large amounts. Whenever A gives information to B, he first reflects, 'Why should I tell him the truth?' And indeed, why should he? If the primary reason for management wanting information from A is to decide whether to lay him off, it is difficult to see why A should cooperate.

The ultimate nonsense is reached when you all know that you cannot believe each other, so there is little point in talking at all. However, a manager cannot tell his boss, 'They won't talk sense to me because they think I'm likely to fire them,' because by so saying he would immediately rate himself a poor manager. He has to cover up for his men. There are many ways in which people are constrained to cover up the madneses of the New Reality, and this is one of them.

If during a reshuffle you are put in charge of a department, it's not wise to go to your boss and say, 'I can't do anything with them. Fear-shock has seeped like a toxic inhibitor into all job-related attitudes.' No departmental manager who wanted to stay in town would dare say that.

Further, the departmental manager is in no position to usher in a new era of job security. In one company, after working there for three months and seeing people going down like ninepins all around me (why did they have to add me to their overheads at such a time?), I complained to the departmental head, saying that surely management should realize that no one could work efficiently in the circumstances. He said, 'The management of this company is known to be ruthless, but I have told them I will not tolerate layoffs in my department. If any of my men go, I go.' And sure enough, a couple of years later he went, along with some of his men. Cold comfort for me.

One of the most unpleasant jobs is to coax a man to sell his house and move his family to come and work under you in your dynamic company in the knowledge that possibly weeks later he will be laid off. ('Will you come into my parlor?' said the spider's procurer to the fly.) In my case, a man I brought in was laid off three weeks later. Can one treat such an experience lightly?

The obvious reaction is never to hire anyone. This practice is common. One appears to try to recruit staff but make sure that nobody comes by offering too little money, warning them off in the interview (one interviewer said to me, 'I ought to warn you that the president of this company is mad'), or in some other way. The better the man is, the more reluctant the manager to hire him and so perhaps damage his career.

The Supremacy of the Prosaic *Any suggested major improvement in product or technology is primarily a threat to the security and livelihood of one's co-workers. In the reorganization that will be necessary to take advantage of the change, many employees risk being laid off 'in the interests of efficiency'. So all staff should unite to*

nip in the bud a suggestion which promises more than a marginal improvement in the technology. [\[Back to start\]](#)

The best way to defuse the inventive and therefore dangerous talent in the company is to direct it into lines of research which are likely to be unproductive. This is what causes such confusion in meetings where new ideas are being discussed. Support for an idea may be honest and sincere, or it may be offered by someone who wants to lead others off on a wrong track. It is difficult to get sense out of anyone.

Written appraisals of an idea are often worded so that what appears to be one opinion really turns out to be another. The objective is to seem to support someone's quest for a red herring, although close reading of the report reveals an adverse recommendation.

The Big Success

Accidents sometimes happen, and occasionally a major step forward is made. This is usually the fault of one or more young, naive, fellows who do not understand the subtleties and the fragility of the status quo. Also, in their youthful arrogance, they may not very much care. They are the honest Young Turks, who will soar to fame through honest effort, in contrast with the devious maneuverings of their elders.

The next step is to announce the advance at a technical conference. A paper is read on the subject at the next major conference in Philadelphia or San Francisco. The lecture is relayed by closed-circuit TV to other rooms, and a feeling of purpose and dynamism is generated. The lecturer shows a number of slides during his lecture, and these all are photographed by the Japanese delegates present, who have brought their cameras for the express purpose.

The speaker says that the new product, the Quidge, is better, faster, cheaper and more radiation-resistant than the item it is replacing. The prototype is already working. Small quantity production will start in two months' time, and they will be delivering five thousand a month by next January.

The Japanese and Germans will carry the doleful news home with them, convinced that the United States has left its competitors at the gate.

Then all of a sudden, at question time after the lecture, something goes awry. An outsider of unsatisfactory appearance says, 'Pardon, I know I am speaking a little out of turn, but why should I believe that you will actually deliver the Quidge as you predict, since such predictions have never come true in the past? For example, IJI in 1962 announced their revolutionary new Jimble, said that the prototype was working, they would deliver their first units next month, and would be delivering a hundred a week in 1963. Where is the Jimble now? No one has ever seen an IJI Jimble. Similarly, what happened to the Klasp, and the Craje, and the MDTPQ?'

The lecturer then deals at length with the Jimble. First he points out that

he had no part in the unfortunate matter, that the company that announced it went bankrupt in 1965 and that the industry, after divesting itself of such shaky organizations, was now firmly organized on proper businesslike lines. Such failures as the Jimble were very much a thing of the early, uncertain, experimental days. (In fact, his own company is in serious financial difficulty and will go bankrupt in three years' time.)

The lecturer is very happy that day because in the corridors of the conference hall he has received attractive job offers from two large competing companies, eager to buy his Quidge expertise. This provides a safe avenue of retreat should the Quidge prove unsatisfactory in production. The individuals who made the offers do not necessarily believe in the Quidge. However, they are under pressure to hire good men to fill vacancies that their recently occurred in their departments. Their prestige and power would rise if they appeared able to buy in the figurehead of the latest craze, the Quidge, the theory being that if you can hire a names, then your name must be even bigger.

Flushed with success at the convention, the lecturer and his co-workers return to work, eager to see the implementation of their Quidge and also to get the fruits of their success - promotion and a new challenging project. They are surprised to find they get neither. Although upper management, having heard about the Quidge in Philadelphia, may be keen, middle management will block further development. The young fellows who developed the Quidge have got above their station and threaten to upset the status quo. Middle management will report that there are serious production problems that the Quidge men, in their youthful enthusiasm and ignorance, overlooked. Also, middle management will advise upper management that certain performance claims for the Quidge are untrue. Upper management will not check with the young Quidge men themselves. After all, it is not in their interest either that the young bloods should get above their station. The Quidge men will never hear the criticisms and so will be unable to answer them.

Even if middle management had supported the Quidge, it would not have managed the difficult trip from the development division to the production division. Production has been consistently throwing back anything but minor changes to the product because it wants to show that the whole development division is wasting its time, producing only impracticable devices. The production division has started up its own development department (called Applications) which it hopes will replace the development division when they are all fired or absorbed into production. Meanwhile, development is interested in causing production to fail to produce any of the new products, so that development will be given the job of cleaning up production.

The Quidge men find themselves isolated. Were they so foolish as to continue to work for years on a product which could not in fact be

produced? What is their future within the company if their Quidge remains a curiosity, so that they are regarded as unpractical backroom boys playing around with their whims?

The only course available to the Quidge boys is to leave. The curious paradox is that observers believe that they left to cash in on their success, whereas in fact their very success meant they had to leave. A company will not tolerate a big success but will close ranks against it.

Nine months after the departure of the Quidge men, middle management can, if it pleases, take hold of the project and push it through production in a proper, orderly manner. The disappearance of the Quidge men and the long delay have in a sense sterilized the Quidge, so that it is no longer harmful to the status quo. However, since no individual will benefit much from the Quidge, it is more likely to be forgotten.

The Con Game *If a manager supports an idea which is unsuccessful, he is fired. (If his boss did not fire him, he himself would be fired for shielding uneconomic, incompetent units of labor.) So he must mislead his boss and make him think that the project is going well, until the investment reaches such a level that the exposure of failure would lead to the firing of his boss rather than himself. [\[Back to start\]](#)*

When his boss finally finds out, he sets to work to mislead his boss. And so on. By this means, hopeless projects, in which no one believes, receive prolonged financing.

The Con Game is one of the reasons for the prevalence of Inverse Firing Order. When a phoney project has grown to large proportions, it is embarrassing to have a bright guy at a low level who can see through it. He may even try to convince the project manager that the project is doomed. The project manager already knows this, but cannot admit it, and will sometimes employ the clever maneuver of trying to fasten some of the blame for failure on to the young upstart. This usually stops the trouble. However, if he cannot do this, he has to fire the young man on some trumped-up charge, in order to keep the project alive.

The Hodge-Dodge Project

I was hired in London by an American company, who, in return for my signing a six months' contract, shipped out my family, furniture and me to Los Angeles. The saying was that the English were cheaper than monkeys and a little more intelligent. On arrival I was assigned to the (now-forgotten) Hodge-Dodge project, a machine started six months before and scheduled to be completed and delivered in another three months. The company was excited because it was thought to herald its arrival on the highly prestigious and (according to market projections) profitable computer scene.

Within a month, I decided the project was not only badly conceived and

implemented but could not possibly be successfully concluded within another twelve months. A perfect Con Game if I ever saw one! My attempts to argue with others cut no ice; they shrugged me off with irritation and proceeded with all the appearance of knowing what they were about.

This gave me pause, but after four years in the business I had sufficient self-confidence (or arrogance) to persist. But trying to extract information and even documentation about it from the others was so difficult that in desperation I told Peachly, the head of the department, that I guaranteed to find four major flaws in the project within a week. Peachly took up my challenge, and ordered the rest to hand over the documents.

Unfortunately, Peachly was fired two days later. His subordinate, Bracket, took over, and when I showed him the serious design errors I had duly found, he told me to take apart the machine and rebuild it to my design.

That same day, however, I came across a progress report written by Bracket to the company president saying that the project was going well and would be completed in six weeks. I complained bitterly to him about this, not realizing that he was protecting my job, as well as his own.

Bracket was upset and felt I had let him down, and when the chief engineer asked him shortly afterwards how the Hodge-Dodge project was going, he said Catt was giving trouble. The chief engineer said, 'Say, there's a layoff coming next week. Why don't we start with Catt?' And so they did.

That night we had a hysterical telephone call from Bracket's wife, asking us please to come over because he was very upset. Although it was very late, we hastened over to his house to reassure the man who had just fired me. This paid off. Bracket was so full of praise that a company down the road grabbed me the next day at a 27 per cent increase.

That was how my first firing occurred.

The Domino Theory of Firing *The project is going badly, and middle management must prove that it is dynamic and aggressive by firing someone as a scapegoat. The obvious target is the man at a low level who is closely involved with the details of the project. Unfortunately, when he is gone, a great deal of important knowledge about the project has gone with him, so the project gets into greater difficulties. A bigger scapegoat is now required, so his boss is fired. [\[Back to start\]](#)*

This domino effect has been seen propagating itself upward through five levels of management, the firings taking place at intervals of one month. Each time someone is fired, observers are very satisfied and feel that the unfair dismissal at the lower level has been expiated.

When the dominoes begin to fall, a far-sighted employee will already have his resumes in the mail.

The Consultants

When the Hodge-Dodge programme was six months overdue, it seemed insufficient to go on blaming superficial difficulties, and a proper scapegoat had to be found. So the designer was chased out of the company that same evening. Unfortunately, he had a very odd way of formulating his ideas, writing them down in secret code words, which he called mnemonics. The only man who had been successful in cracking the code was Catt, but of course, he was no longer available.

Bracket brought in some high-powered consultants to help out on the project. The consultants played their cards well. They wanted to stretch the Hodge-Dodge job as far as possible, for while it was obviously a loser, their list of consulting assignments was uncomfortably short. So they assured everyone that they could put Hodge-Dodge into good shape quite quickly.

They struggled with the hieroglyphics for a couple of months before giving up, then decided they must restart the Hodge-Dodge project from scratch. They told Bracket but not his boss - the chief engineer. Bracket decided to keep his boss in the dark about the new turn of events as well, since the chief engineer was working on a vice-presidential assignment and the Hodge-Dodge project was the launching pad he hoped would project him into business stardom. Hodge-Dodge, the ideal Con Game, had to succeed, or appear to succeed, for a while.

The Hodge-Dodge costs continued to mount. Those consultants were fantastic; they seemed to live on vodka and caviar. However, the crunch finally came from higher up, from the company president, who for quite a while had wondered what was going on in the computer division. While all progress reports were optimistic, many customers were making nasty noises. What the noises meant he couldn't fathom, because computers had always been Greek to him.

The president finally put the screws on the divisional manager, who showed unexpected force of character by promptly firing the chief engineer (who, smelling trouble, had just dumped Bracket, blaming every shortcoming on him). When the president looked into the books of the computer division, he was shocked to find that nearly all the money supposedly going into various activities had in fact been pumped into the Hodge-Dodge fiasco. To add to his troubles, the customer for the Hodge-Dodge system folded.

However, this bitter blow he turned to good use. He first cleaned out the divisional manager and then reported to his major backers and shareholders that the customer had promised a number of follow-up orders for Hodge-Dodge, which had justified the massive investment. It was very unfortunate and unexpected that the customer had gone bankrupt; but business was business, and in hard times like the present the best-laid plans could come unstuck.

The president conned them so well he is still there. He hired

replacements for the divisional manager, the chief engineer, Bracket and Catt and declared the new men were like a gust of fresh, clean air blowing away the cobwebs.

Layoff Fodder *Management ordains a 10 per cent layoff for every department once a year. This is supposed to get rid of deadwood, keep others on their toes and make them more efficient, and also keep bureaucracies from growing out of hand. How do middle managers react? They know there will be a layoff in the future, which will disrupt their department. So they hire 'layoff fodder', who are kept in reserve to be laid off when upper management demands some pruning. In the New Reality, a well-run department will carry some 15 per cent surplus staff, to provide for any eventuality. [\[Back to start\]](#)*

The surplus staff is placed in peripheral spots in the organization - technical coordinator, librarian, administrative assistant, advance planning, training officer and equipment supervisor are typical stables for layoff fodder. The important thing is that when upper management demands economies, these people can be offered up without seriously disrupting the organization.

The employee should ensure that he is an integral part of the organization and not potential layoff fodder.

The Speedy Speech Trainer

Fred had worked for a technological corporation for three years, longer than any other employee, and had come to understand the psychology of its management, which in turn reflected that of its shareholders, some of whom he had met. The shareholders seemed a poor lot, unintelligent men who pumped all their spare cash into some unlikely enterprise or other - desert land speculation, high-flying stock, various other unlikely gambles.

Long ago the corporation had developed some machines which forced you to read more rapidly by shining a light on the next line. These had sold very well to government agencies, which calculated that if their clerks devoted one hour a day to the reading box, they could be expected to read twice as fast during the rest of the day and thus turn out much more work. The agency would be able to fire some of its clerks, more than recouping the cost of the reading boxes. However, business in these boxes tailed off when the clerks went on strike.

The company president followed up his success with the speedy readers by raising a lot more money, enlarging his offices and getting Fred, his chief engineer, to hire men to develop more sophisticated machines. One idea was a machine to train people to talk faster and so to trim burgeoning telephone bills.

Fred was worried about hiring new men. He knew his limitations and

feared that a takeover from below might destroy him. So he was careful to hire defective men - over forties, foreigners, women and so on - who could be fired at any time, using already available pretexts. Further, he persistently reorganized the department, putting a subordinate in charge of his former boss, so that everyone was kept in a state of uncertainty.

Superficially, the resulting organization looked ineffective with nobody achieving much beyond registering discord; however, it served Fred's purpose admirably.

Every autumn the company president, nervous about the lack of progress with the Speedy Speech Trainer, especially since the backers saw reading box sales continue to fall, would ask Fred to lay off some of his staff as a gesture to prove management also felt concerned.

Had Fred organized the company conventionally, so that each man was an integral part of a functioning whole, he would have been unable to sack some of his men without provoking a dangerous reaction from the rest. As it was, however, he could do so with impunity since by reorganizations and other devices he had generated so much rivalry and discord within the organization that each layoff was greeted with relief, and even acclaim, by all but the individuals directly concerned. He had set up an organization composed entirely of layoff fodder, and this would keep him secure for at least two years.

Leapfrog *C thinks his boss B is going to be fired or laid off. To avoid being washed away with him and to try to get the resulting vacant position when B goes, he must try to withdraw as much as possible from B and leapfrog to B's boss, A. This means that if B is not in fact fired very soon, he in his turn fires C for trying to squeeze him out. The ostensible reason, as always, will be an attack on C's personality. A must support B in firing C; otherwise, B in self-defence must leapfrog A, and try to get on the good side of his boss. [\[Back to start\]](#)*

To block leapfrog attempts against himself, a dynamic manager interposes himself between his subordinates and the rest of the company. In the extreme case, his subordinates are not allowed to communicate directly with anyone in other departments. Their manager acts like the herald in a medieval tournament. This means that his subordinates, cut off from the rest of the company, are rendered virtually useless, and the whole department stagnates.

In the less extreme cases, his subordinates, though free to act, are instructed to inform him on every detail of their activities - sending him a copy of every memo or report received and sent out and so on. They react by trying to confuse him, rather than clarify his understanding of their work. The result is that our dynamic manager disappears beneath a mountain of paper, which he cannot hope to read and understand. His subordinates

achieve freedom by overinforming him with more and more, ever longer reports and memos, rich in ambiguity and complex turn of phrase. The few reports which he really wants to see are given misleading titles and disappear into lost byways of the filing system.

Advance Planning *Future plans should be grossly optimistic.* [[Back to start](#)]

A man is judged not only on past achievements but on predicted future achievements. Past achievements successfully completed are usually muddied by hiatuses of layoffs, firings, changes of plan and intergroup conflicts. So in general all there is to go on in judging a man is his own prediction of future performance. If he is too optimistic, he is unlikely to suffer the consequences because those to whom he made the predictions will have left, and the new middle management will be unable to reconstruct past history. Alternatively, the man himself will have changed jobs to further his personal growth.

The main task for a dynamic employee, therefore, is to devise plausible but highly optimistic predictions of future performances. He would, of course, be wise to make his most impressive predictions about the later stages of the project's development (such as design implementation, checkout of design and getting the product into production); however, he is influenced in the opposite direction, because the early stages (establishing the bounds of the problem and devising the overall plan) are under his individual control and a short time taken here to achieve success will redound more to his genius than will success in later stages.

We have, therefore, a basic contradiction. On the one hand, the man must make particularly gross claims of individual prowess in handling early stages of the project. On the other, it is safer to make gross claims about the later stages, when it will take longer for the chickens to come home to roost, and in an environment as dynamic as we are discussing, the whole kaleidoscope will probably have changed, and chickens, roost and all will have disappeared before the day of reckoning.

The way to solve this dilemma is to separate the actual date of completion of a stage of a project from the apparent date. The designer will claim that an early stage is complete but actually do the work when the schedule indicates that he is working on later stages. In this way he will meet, or appear to meet, his grossly over-optimistic claims in the crucial early stages and lose time in later stages, when it is easier to blame other factors outside the designer's control.

Middle management is in a situation similar to the individual designer. He is judged on the predicted future performance of his group, so he must make the amalgam of predictions for individual projects look as optimistic as possible. So it is in his interest to connive with his subordinates in

painting a rosy picture.

As we work through the nervous, insecure hierarchy, we continue to find that everyone wants it to appear that work has advanced farther than it really has and that future prospects are much better than they really are. Finally, we reach the company president, and again the same thing is true. He will tell his shareholders and his bankers that things are more advanced than they really are and also that in the future they will progress faster than they actually will.

In the end, a product that is ill-designed and badly manufactured is delivered to the hopeful customer. The customer works in another dynamic outfit where men who make mistakes - for example, by selecting the wrong product to buy - are quickly laid off when found wanting. The customer was scheduled to evaluate the article months before. Pressure of work probably led him to skip the process even at that late date. Also, he knows that should his project be seen to have met unexpected difficulties owing to substandard work by a subcontractor, his management will be forced to take action - and fast - to retrieve the position. They can either close down the project, or lay off some of the staff working on it, or add more staff to help the project over the hump. Even this last possibility is unattractive, since it will be preceded by an uncomfortably close scrutiny of the project which may show that it has not advanced as far as had been claimed. Also, the new men added to the project will not be safely restrained by the delicate checks and balances of semi-blackmails and other devices, so there is some danger that they may find out the true state of things. For these reasons, the normal procedure is to accept the faulty article quietly.

At lower levels the function of choosing which product to buy is separated from the inspection function of deciding whether to accept the faulty article when it is delivered. However, higher up in the hierarchy is someone with authority to overrule incoming inspection. If he doesn't want to leave town just yet, he will probably take the safest course and instruct inspection to accept the faulty product.

Occasionally the high-level manager has the courage to reject the faulty article. Back at the first company the inquest cannot begin in earnest for six months, because a confused semantic dialogue goes on between the two companies and among groups and individuals within each company. It is not uncommon to visit another dynamic company to discuss a problem and discover by chance that someone else posing as your company's representative is negotiating the same problem with a rival representative of the other company. Hire-and-fire causes a diminution in the flow of useful information within a company, so that it is difficult to find out who is dealing with what and what progress they have made. Anything unusual, like the rejection of a faulty article, generates all sorts of confusions and delays.

During this time, when a great deal of fog is generated by all parties

interested in confusing the issues, some individuals who feel threatened go job hunting and set themselves up elsewhere. When enough have left, those remaining conclude that the men who broke cover were to blame. Middle management, company president, bankers, shareholders and all are gratified that some charlatans who were inflicting serious damage on the company are now gone, and the future can be expected to be much more rosy.

The Come-On

Shareholders and bankers like to have their money invested in a secure, steady company, but one which also has its eye on the future and has the possibility of high growth and profit. For this reason, to create the best image, a company needs to put some of its effort into a come-on - that is, a dreamy sort of a project, full of technical complexity and obscurantism, staffed by a bunch of enthusiastic young graduates hot from university with their heads still in the clouds, and often presided over by the resident genius. (A group usually has its resident genius, whom they create so that they can bathe in his reflected glory. He is thought of as being very difficult to understand, brilliant though undisciplined in intellect, devoted to science rather than to technology, indifferent to the mundane question of his own status and future in the company, but hankering for a reputation in academic circles. In the New Reality, by the way, he is fired far less frequently than anyone else. I myself have not usually been given the mantle, but once it did fall on me. It was a weird experience to see the glow in people's eyes as they listened to me, and to overhear the word 'genius' from a distance. However, it is much more bearable to be resident genius oneself than to see another quack with the title.)

The resident genius, when describing his come-on at conferences and presentations to customers, uses a peculiar language and turn of phrase unfamiliar to the audiences. A heavy foreign accent or a speech defect is often added to confuse the listener further. He gets away with it because he has been so long in the business that everyone assumes he is using the correct, scientific approach and verbiage, rather than the sloppy colloquialisms with which they are familiar.

The most fruitful breeding ground for come-ons is the computer. Computer aided design, computer aided management, computer aided anything will go down very well with shareholders and customers. Lasers are good, too. In fact, anything new, expensive, complicated and cumbersome can be the nucleus of a come-on.

The Semi-Blackmail *The only real route to security is the semi-blackmail. If a man knows that you can damage him if he tries to get you fired, you are safe.* [\[Back to start\]](#)

If you smell a Con Game, that one of your boss's projects is an obvious waste of money, take an interest in that project, enough to show him that you see that it is fraudulent.

Other obvious grounds for semi-blackmails are the normal sources of scandal - corruption, sex and so on. A complex web of illicit liaisons can stabilize the situation wonderfully.

One middle manager's wife spread word about that her husband's boss was after her and also after him. This was too gauche a semi-blackmail attempt, because whether true or not, it was extreme and so lacked credibility.

To organize a semi-blackmail based on sex is very difficult. Unlike corruption, you can easily appear to be involved yourself, and the whole thing backfires unless by some lucky chance you are a known eunuch.

A good way to develop a semi-blackmail centring on corruption is to study the company pension fund. Far from benefiting employees, these schemes often are a device for robbing them. There may be no practical means for ever extracting money from a fund once it has been contributed, and while some of the people involved in setting up a pension scheme are altruistic, others are hard-headed, dynamic businessmen whose techniques often carry the day.

In one company I worked for, the money in the pension fund was so inaccessible it had grown to stupendous proportions. Any employee who could survive within the company for ten years, let alone retire from it, would net a cool hundred thousand dollars. As a result, those who worked there did so on a very low salary but never seemed to last the ten-year course.

In another company where I worked, the life insurance premium in the company scheme was three times higher than normal market rates.

If you decide that your company's pension fund is crooked and point this out publicly, you have a semi-blackmail which should keep you employed for a minimum of six months.

THE CATT CONCEPT IN ACTION: AN EXAMPLE OF EVERYDAY LIFE UNDER HIRE-AND-FIRE

Customer-Oriented Research and Development... [\[Back to start\]](#)

In the New Reality in management today there is no common interest between employer and employee. Employees at all levels change jobs frequently.

The farther an employee is removed from the production process, the more vulnerable he is when economic or psychological winds blow cold. Those working in research and development, where the bad effects of pruning will not show up for a long time, are particularly vulnerable. They see themselves as an exposed outpost of the company, and this weakens

their feeling of reliance upon the company and their loyalty to it.

This fact undermines the idea that a company can steal a lead over its competitors by developing a new technology, a new technique or even customer goodwill, since even this last is associated with individuals. With employees in research and development commuting between companies, developments are not secret. Also, even if a new development is patented, it is difficult for the patent to be an effective weapon for two reasons.

First, the man who conceived the idea has moved on to a rival company. Being a farsighted, inventive man, he originally conceived not only the patentable idea but also the way to circumvent it. Had he been unable to think up the latter, he would not have revealed the former, since this then would have restricted his future personal growth potential (i.e. employability). Also, by the time the legal conflict comes to the boil, the man who is supposed to generate the arguments justifying the claim of patent infringement is a new arrival from another company. He is still smarting from a sense of failure at not thinking up the idea himself. His personal growth is benefited most by minimizing the value of the patent.

The second reason why a patent will rarely stand up is that the company's legal department, like everyone else, has been smitten by the scourge of hire-and-fire and is in a confused condition. Most of the lawyers have moved in from other companies very recently and do not understand the technical details underlying the work and patents they are now handling. This is why they tend to play snap with lawyers from other companies, trading patents they do not understand. This leads them to exhort engineers to generate greater quantities of patents rather than quality, since in such a game quantity is what counts.

The cohesion and sense of common interest will be stronger between lawyers of supposedly rival companies than between a legal department and the management of its own company. Lawyers are exposed in the same way as research and development employees, owing to their being far removed from the production line. A dynamic or a frightened manager can dramatically improve the short-term profit picture by firing them all and so postpone his own eclipse. As a result, the negotiations between lawyers of rival companies will be essentially feigned, with a draw the most comfortable result.

In this analysis we see how management, by behaving irresponsibly towards its employees, destroys itself as a functioning entity and loses its power. Other groups - packs of engineers, packs of lawyers, computer worshippers and so on - move like shoals of fish through a sea of coral (the companies). The company may try to reassert its power over its various departments with layoffs or other shows of force, but this merely exacerbates the vicious spiral by further alienating employees.

The superficial result of all this is that people tell each other that research and development in the new industries is very expensive or that it

is difficult and expensive to fight a patent case in the courts.

Management has begun to notice that investment in research and development does not seem to pay off. In fact, one mark of a modern, dynamic manager is that he believes that research and development is a waste of time, and in this he is shown to be correct by the preceding analysis. However, no manager can stomach going to the limit of this logic by closing down the research and development department completely, and for good reason. The customer would become worried if the company seemed to take no heed of the future. He must be reassured by the continued presence of an R and D department; otherwise, he might hurry off to a competitor which appeared to be handling its affairs in a more rational way. The customer himself will have needs in the future.

So we see that the function of research and development is to give the customer confidence that he is dealing with a solid rather than a fly-by-night outfit.

In the New Reality, therefore, the research and development effort is really a public relations function. Perhaps I should say pseudo-R and D rather than R and D, because it is only necessary to promise future developments. One cannot help noticing that we are continually hovering on the brink of great technological advances, which figure prominently in the sales literature. This illustrates the general point that in the New Reality the main object of the exercise is image building rather than getting on with a real task.

[\[Back to start\]](#)

The above extracts are taken from 'The Catt Concept' (first published 1972), with permission of the author, who is a friend, much of the time, of Rae West. All rights reserved. The book was translated into several languages. I've Americanised the spellings. Much of Ivor Catt's experience was in early computers and 'defense electronics'. This book is in a similar tradition to *Gamesmanship*, *Parkinson's Law* and *The Peter Principle*, the first dealing with everyday situations, the second mainly with civil servants and the latter mainly with education. Unlike these, *The Catt Concept* was not followed by many more books in the same series. One might imagine a joint book, attempting to elucidate more general laws, might have been written; but any one of these authors could produce reasons why such co-operation wouldn't take place.

Ivor Catt does not, presumably, necessarily endorse all items on this website; Rae West does not necessarily endorse all statements in the above extracts - Rae West.

[Home Page of this Site](#)

[Comments? E-mail Rae West here](#)

Ivor Catt has set up his own website; [Click here](#) for his site. In my opinion, his proposed multi-chip computer is an interesting idea and seems likely to work and be useful and successful—if you have a few tens of millions of currency units to spare, or a redundant processor chip factory, why not check it out? The idea is to parallel process and carry out computations of similar type at the same time—the result being about a million times faster than a Cray.

Ivor regards his electromagnetic theory as his best work: but despite at least eight separate taped interviews, I remain unconvinced that he actually has such a theory.

He has a good grasp of the demarcation between theory and empiricism. As an example, he told me that someone he worked with was experimenting with MOS [metal oxide on silicon] technology, but thought he'd try metal nitrides. The product seemed unpromising. Completely by accident, a hefty current was passed through the chip, which was modified to the new value. Thus the 'EAROM' [electrically alterable ROM] was invented. However, to get development money a theory was needed. Nobody had any idea how the thing worked. So they chose, perhaps by tossing a coin, between two different plausible theories, and received their money.

Other material on his site looks at: western legal systems, particularly men vs. women, but also lawyers vs. non-lawyers; 'AIDS' and the connection with retrovirologists and discredited cancer research; Quakers; theories on scientific progress and scientific stagnation; fraud in weapons development, and its advantages; the plight of inventors, and technocrats vs. bureaucrats.

[\[Back to start\]](#)

Keywords, key phrases, subject terms: achievement | CV | ads | job ads | contract | contractors | dynamic company | technocrats | managers | work | study | work psychology | industrial psychology | hire and fire | management | industrial relations | staff insecurity | completion | computer | supercomputer | con trick | con game | deception | discord | rivalry | employe | employee | employer | employers | company plan | corporation planning | supervisor | information flow | industrial psychology | inventor | designer | technicians | Parkinson's Law | Social Darwinism | sociology of work | technology | white collar | blue collar | work expands | work psychology | job security | work | middle class | boss | funding | hierarchy | shortsighted economic reasons | new behavior patterns | patent | R & D | research and development | consultant | middle management | top management | fault | substandard work | ergonomics | pension fund | layoff | fire | firing | job loss | shareholder | banker

Scanning, HTML Rae West. First uploaded 98-06-13. Website info added 99-01-10. A few bits 99-01-27. This 99-06-14, revd 99-12-16, 2000-04-27, 2000-06-01. Link to Science Revisionism, an account starting with Ivor Catt and extending to others 2014-11-05. Viewport for mobiles added 2015-06-21