



HEWLETT
PACKARD

7/11

Stanford Park Division * PO Box 10151 * Palo Alto, CA 94303-0889
415-857-2060

From: John Minck

Date: July 10, 1989

To: Dave Packard

Re: Your January Manager Talk

I just read a transcript of your talk to the General Managers in January.

1) With regard to your comments on the growth of bureaucracy at HP, your timing couldn't have been better. For those of us working in the trenches, it seems that many managers have forgotten their earlier days and the need to reduce the frustrations for the workers.

Many of these frustrations masquerade under the guise of "good business practice", or "management control". And some of those are clearly required by our audit needs. But they inevitably lead to an audit mentality which tends to assume that people are dishonest and are trying to do the company in. That is not the HP Way.

2) Your comments about the Golden Rule was also very appropriate. For example, I felt that the recent changeover to the new payroll schedule was not handled with the employees in mind. For people like myself and most managers and professionals, we have little problem dealing with a paycheck that comes 6 days after the beginning of the month. But for clerical people like my daughter working at Cupertino, it meant I had to loan her \$500 to bridge the gap.

I got the whole story from our controller. The payroll changeover saved the company about \$4 million or more and cleaned up the 4 or 5 different schedules existing. But it worked a hardship on hundreds and thousands of the lower level people.

I believe that part of the problem may be a growing elitism in the management ranks. People tend to forget their roots, and tend to forget the workers who make all this possible, the great quality, the enthusiasm, and the pride in this company. For example, when I appealed the plan to several of the corporate people, they didn't even answer my letter.

Your comment about using some of the \$800 million profit to help our HP people struck me as 100% Bill and Dave thinking. Our corporate managers could have proposed the payroll change with the provision to "advance" one week's pay to all employees who made less than \$2500 per month. That would have shared the transition difficulty, and would have been more the HP Way. This is just a guess, but say 30,000 US employees would be affected, at say \$500 each. That would have been \$15 million. After all it is their money, so it is not a loan. HP in fact is holding the employee's money which they have earned as of the 1st of any month.

Dave, I apologize for this long note. But, believe me, comments like your "growth of bureaucracy" really do have an impact. You and Bill always had the greatest knack for coming out with those statements at the right time. Please keep it up.

David Packard

July 18, 1989

John Young
cc: Executive Committee

General Managers January Meeting

Dear John:

You questioned my remark about the growth of bureaucracy at the General Managers meeting. I think we all should take John Minck's remarks seriously,

Sincerely,

David Packard

DP/hlh
Attachment