ANY MANAGER'S CLEAR RESPONSIBILITY

Too many managers measure their responsibilities by functions that are actually inputs rather than outputs. Outputs are the only true measure of effective management.

One organization I know has more than a 100 to one span of control. The top man is seen by some as an autocrat. The effectiveness areas for every job are very tightly defined. The organization works very well. It produces an array of beautiful products and job satisfaction is high.

Some of the reasons for this organization's success are said to be that everyone has been well trained, everyone knows what effectiveness means and how to measure it, and the firm, as a system, was designed by experts. There is an immediate feedback system so that everyone knows very quickly how he is doing and a reward system operates.

This organization is the Toronto Symphony Orchestra. Why not design other organizations this way? Satisfaction clearly can occur in a well-designed organization like this. People can clearly obtain satisfaction from work itself if the work is well designed.

What about the orchestra and management by objectives? Every orchestra is on a fully operational management by objectives scheme. If it were not, it could not operate.

Think of it. All the roles are clearly defined. There is an insistence on tight teamwork. There is high performance visibility. There is a tight linking of objectives both vertically and horizontally and a reward system operates.

Naturally, all this leads to high motivation and performance. To what else could it lead? The fact is that well-designed organizations are quiet places in which to work. Poorly designed organizations are death traps. Role conflict can and does kill.

Work life can be a great game, but to play it effectively we must know all the ground rules, respect our coworkers, agree to the objectives, know the score.

Why don't we do more of this? Do we not do it because we have the wrong assumptions? What are our assumptions about the nature of man at work? Is man a beast, so that the role of management is to control him? Is man a self-actualizing child of God, so that the role of management is to let him do his own thing?

Or, as I prefer to believe, is man a rational animal capable of both good and evil and motivated most when he both understands and can perform in the position in which he finds himself? Work is not intrinsically evil. What is evil is poorly designed work. Man wants to work and he wants to play. There is no difference. The manager's job is to create situations where he can.

There is no clear distinction between well-designed work and play, a point that Fred Herzburg has made so strongly. The hockey or football team is highly bureaucratic and has elaborate rules. It has a punishment system that works. It rewards only the best. It needs a tough results-oriented manager and an arch-bureaucrat as referee.

There are two popular management fictions that blind us to reality. One is to see the enterprise solely as an administrative or technical system. The other is to see the enterprise solely as a human system. Both views are clearly wrong; each is tied to the other so that to ignore one system is to make both systems inoperative.

The question is not "Do you advocate putting people or the organization first?" You must put both together in order to be effective. The conflict between the two points of view is not specific to business, of course. It is an old issue. The individual and the family or the individual and the state are always good for an argument. But what about a resolution?

In the development of management thought there was first the position, structure or organization school. They talked of the importance of unity of command, the importance of having only one boss, and the importance of authority commensurate with responsibility. All of these are clearly worthy of attention.

The structure of the organization and the design of individual positions are things none of us would want to ignore. Some people look at that side only. We focus on the structure and not at all on the people in the structure. We end up with a beautiful structure but little involvement –elegance without commitment.

A later development in management thought, starting in the U.S.A. in the 1930s, was the human relations school. It looked almost exclusively at the individual but overlooked the structure around him. They got great relationships but little output, high morale but low productivity.

Naturally, every manager thinks human relations are good, and structure is also of value, but I want to introduce another idea –the idea of managerial effectiveness. Fortunately, it is capable of clear definition: "Managerial effectiveness is the extent to which a manager achieves the output requirements of his position." It is output, not input. All needed positions are created for a purpose which can be stated in measurable output terms.

Managerial effectiveness is not an aspect of personality. It is not something a manager has but something a manager produces by managing a situation correctly. It is performance. It is not what a manager does but what he achieves.

A powerful hindrance to effectiveness, which affects many managers, is the traditional job description. It is largely a useless document. Its most frequent use is to fake a job classification scheme so personnel can manipulate salary differentials. It still has statements like "he plans", "he organizes", "he controls", "he delegates" and "he staffs". These give no indication of the true outputs of the position. They are simply activities. It is no wonder that some of our managers are less effective. They would have to be if they based their concept of the job on input statements like these.

There is more to effectiveness than some people realize. I am reminded of a boy's school report card: "He excels in initiative, group integration and responsiveness. Unfortunately, he cannot read or write!" Some managers are like that. They have all the inputs, skills, and principles but they are not effective. Jobs can only be described effectively in output terms:

- Not machine maintenance but machine availability

- Not changing attitudes but changing behavior
- Not calls made but sales made
- Not farmer education but high value crop acreage
- Not church attendance but a Christian life

George Bernard Shaw once said that the only problem with Christianity is that it has not been tried. Perhaps in business, as with the church we are good on inputs. But what about the outputs? A less effective manager wants to:

- Do things right rather than do the right things
- Solve problems rather than produce creative alternatives
- Safeguard resources rather than optimize resource utilization
- Discharge duties rather than obtain results.

Duties constrain managers – results liberate them. Everyone can learn a lot about the inputs he tends to emphasize by knowing what he would like inscribed on his gold watch on retirement.

I once asked a director of a regional government manpower unit if he was using management by objectives. He said "yes" I asked him how he measured his effectiveness, and he gave me this list:

1. Promotion of service
2. Control of staff
3. Capability of staff
4. Availability of staff
5. Research
6. Planning

This is a simple set of inputs, nothing at all to do with his job. His real job, as he later came to see, was

1. Unemployment decrease
2. Labor force upgrading
3. Manpower forecasting

This is a completely different view of his job. Imagine what implications it must have had on how he spent his time.

Managerial effectiveness needs to be sharply distinguished from apparent effectiveness. Apparent effectiveness is simply looking effective. Think of those qualities which may or may not lead to effectiveness: "Usually on time, answers letters promptly, makes quick decisions, good at public relations, good writer". These all give the air of apparent effectiveness.

However, they may or may not lead to managerial effectiveness. Any behavior must be evaluated in terms of its appropriateness to the needs of the situation. Appropriate behavior is effective behavior. In short, energy or appearance is often confused with effectiveness.

My research has shown clearly that all needed positions have outputs. Some positions are not needed at all. Often "job overlap" is to be found. One firm removed three levels of management from the

production department because they found that the three levels did not have a job. They had too many deputies where none was needed.

Many of us are in administrative positions. We may think that effectiveness, measurement and objectives do not apply to us. I do not agree. To put it bluntly, if one cannot find measurable outputs for a position, the position is not needed. Staff men have outputs, research and development men have outputs, and educators have outputs. The only trick is to work hard to find them. Even Saint Paul knew his effectiveness area – it was saving souls. That is easily measurable eventually but Judgment Day is a long feedback loop.

Effectiveness gives us a rationale and a guide for designing organizations and motivating people in them. We train to increase effectiveness, and we develop organizations or individuals to increase effectiveness. Let us keep the concept of effectiveness clearly before us.

What is a manager? I define him as anyone who is responsible for the work of more than one person. It is someone who has more than himself to be concerned about. I do not find it useful to separate supervisors from managers. Each manages others. That is the main point.

How does one appraise a manager? How do we know if he is effective? We cannot start unless we know the output requirements of his position. We then decide if he is delivering on the outputs. Effectiveness is multi-dimensional. It is seldom expressed in profit terms. In my experience, only one manager in 50 manages a profit center. The job outputs might be expressed as consumer product knowledge, typing pool efficiency, meeting various deadlines with associates' quality standards or customer satisfaction.

I once discussed with John Humble why MBO most often fails. His view was stated simply: "because people don't get committed to the objectives." He knows, as we know, that elegance of design is one thing but commitment to the design is another. We must work on both at the same time. Elegance without commitment produces sterility; commitment without elegance produces the equivalent of industrial anarchy. How can we get commitment with elegance? How can we bring these two things together?

What do people believe about work today? A recent survey by the University of Michigan Research Center asked 1,533 working people to rank aspects of work in order of importance. The first choice was interesting work; second was enough help and equipment to get the job done; third was enough information to do the job; and fourth was enough authority to do the job. Pay came only fifth.

There it is: interesting work, resources to do the job, information to do the job, and authority to do the job. Our orchestra has all these; our hockey players do also. Let us do it for industry and government as well.

Most of us would agree that too many people do not enjoy their work. They hungrily watch the clock waiting for 5:00 p.m. What a way to spend a life, wishing that each work day would come quickly to a close. Yet this is the story of the worklife of too many managers and perhaps even more workers.

Do I sound participative or just the opposite? There are only two occasions on which to use participation. One is when the decision is improved by using participation. If we don't use it then we are stupid. The other appropriate time to use participation is when commitment to the decision is increased and the commitment is needed for implementation.

I hope that these guidelines can be accepted. They say in effect "Use participation when appropriate, and don't use it when inappropriate." It is a rational approach to management.

A Chinese philosophy, Lao Tzu, over 2,500 years ago, had this view of leadership. "A leader is best when people barely know that he exists; not so good when people obey and acclaim him; and worst when they despise him. Fall to honor people, and they will fail to honor you. But a good leader who talks little, when his work is done, his aim fulfilled, they will say *We did this ourselve*s."

Too many current behavioral theories are grounded firmly in midair. They describe a Utopia, not reality. They don't help make managers effective, but they do make them feel guilty. Mary Parker Follett said it best 40 years ago: "How do we avoid the two great extremes: too much bossism on the one hand, or practically no orders given. My advice is to unite people in a study of the situation, to discover its laws and to obey them."

Her advice is just as sound for today. We don't need motivational theories about personality to explain things or to change things.

Recently I consulted for a consumer goods firm. They showed me the organization chart. The president had a single deputy; that deputy had a single deputy; that deputy in turn had a single deputy. It was a one over one, over one, over one organization –four in a straight line.

Being of an inquisitive turn of mind, and expecting to discover a new organizational principle, I asked to see the two managers in the middle. I was told that both had recently died of heart attacks. Both were under 50. Was it because they tried too hard to make an impossible organization work? We will never know for sure, but I think poor organization design created stress in them which precipitated their deaths.

Some of us are in this kind of fix today. We might call it a personality clash. Most are not personality clashes at all. The diagnosis is incorrect. If it is true personality clash, people would fight on the golf course or in the bar. If they don't fight, there must be a work-inspired role clash. Suppose we have one man responsible for increasing sales and another responsible for decreasing marketing costs. With a fuzzy power relationship between them would we have a personality clash?

It would look like it, but it is really a clash of roles in a badly designed organization. If we want to be humanists, let us resolve unnecessary clashes in our organizations. We do it by agreeing on the effectiveness areas of individual positions. Effectiveness can link the organization together so that people fight the competition not each other.

I am deeply concerned about the uninvolved man in management; I call them the deserters. These men are quietly marking time until retirement. They allow the in-basket to define their contribution and the clock is limit. They really enjoy work. They sit and watch it for hours. They are scar tissue on the human fabric of the organization.

While we all want to do something about our existing deserters, there is a more important consideration. Remember, people don't come to organizations as deserters –they are driven to it. They are driven to it by change clumsily introduced, by being ignored, by being trained by those who had ceased to learn, by never knowing the outputs of their position, or, knowing them, by not having the authority to achieve them. Managerial deadwood was alive once. The question is, what killed it?

Of course, we must do something about deserters. But more important, we must take steps so that we don't drive more good men into desertion themselves.

In part, I am clearly talking about motivation. Motivation is not what one person does to another, that is manipulation. Motivation is what we allow someone to do to himself. We allow him to engage his situation, to discover his effectiveness areas, to agree his objectives, to have the resources he needs to perform, to obtain feedback on his results, and to be rewarded if he succeeds. All these conditions motivate. Who will do something about it? Clearly it has to be us as managers – for our subordinates.

How can we change the situation in our part of our firm? My advice is to use the same principles we use when we teach a boy to ski. Before he can ski, certain conditions must be present. The same apply to learning about managerial effectiveness. First, the boy must know what skiing is and the manager must know what effectiveness is. There is something called effectiveness and it is capable of measurement.

Second, the boy must believe that he cannot ski now and the manager must believe he can still increase his effectiveness. If they believe they are working at optimum effectiveness, we won't get very far. Third, the boy must believe he can learn to ski and the manager must believe he can become effective. Fourth, the boy must believe he will obtain satisfaction from skiing and the manager must believe he will obtain satisfaction and be rewarded for being effective.

In our part of the firm, at this point, which of these conditions are present? Do our managers know what effectiveness is? Do they think they can improve their effectiveness? Do they think they can learn to be effective? Do they believe they will be rewarded for being effective?

Look at the other side. Many of us can create a subordinate position and assign to the position any effectiveness areas we wish. Do we know what this means? It means that our own jobs are fully flexible –we can make of them what we will if we can pass everything downward. If we are inside men, we can become outside men. If we are detail men, we can become general men. Have we used our inherent flexibility?

Some of us are thinking now "All this is great, but for my boss." Perhaps all of us are thinking it. The best way to change our superior is to be effective in our job – as he sees it. Without doubt, we think he is a bit wrong; but as a general rule businesses do not promote crazy people. Have we given him a chance? Have we also tried our best to make him effective?

What is the price of low effectiveness? Planes do fly; bridges do stand; companies do survive; magazines do get published; people do hang in. They muddle through, but at what price? We know at what price. Firms close their doors sooner, more people work at the minimum wage, and there is less interest and pride in work.

People operate below their true potential; our country becomes less competitive. Too much government money is used to bolster a firm at death's door rather than to help healthy firms become excellent.

With managerial effectiveness, we will get flexible working hours sooner, we will get paid sabbaticals, more innovating risk-taking. We will get portable pensions for all, and we will get a shorter working life if we wish it.

One idea which is apparent is that managerial effectiveness is not a one-sided concept. It is a value we can embrace. Whatever our personal values, objectives, moral philosophy or political orientation, managerial effectiveness is a lifeline. It says "Use resources productively, waste less, and made work

enjoyable and worthwhile." The question is not "Should I be nice to people?", or on the other hand "What rules should be followed?", but "What does it take to be effective here?" We are not talking about the work ethic –and clearly not about the welfare ethic– we are talking about the effectiveness ethic. It says nothing about "more power to the workers" or "screw the workers down." It does not argue for higher profit. It simply says "measure a manager by the extent to which he achieves the output requirements of his position."

Most businessmen are not first concerned about profit. They are concerned about survival. It is not the profit motive but the survival motive which drives us. Managerial effectiveness is using resources well. This leads to added value –it might go to the shareholders or it might go to taxes– but this is largely outside the manager's control and is a function of current legislation. Without effectiveness, there are no extra benefits to spread around no matter what the legislation is.

Most of us have youngsters at home questioning our values. That's right, values should be challenged. Most of us, though, while having a set of beliefs, have not worked them out so we can defend them. It is not only the youth who have values –managers have values as well. Does managerial effectiveness represent a value issue we can embrace honestly? What about the fact that one third of mankind goes to bed hungry? What about the fact that the average man lives in a hut with a body sapped with disease? Can we recognize all this and still embrace managerial effectiveness? What about managerial effectiveness and today's crisis of values? I also would like everyone to whistle on their way to work and I think we can deliver this. What has this to do with managerial effectiveness?

The point is this: managers in industry are the managers of the material resources of a country. They are solely responsible for combining resources in useful ways. The government does not have this responsibility, nor does the civil service, the church, the military or the educationalists.

Managers alone are responsible for wealth creation within boundaries set by the government. Resources are wasted and the country is poorer if managers are not effective. Society must benefit if managers are effective.

My bias is clear. There is a need for the application of intellect and rationality in the design of organizations in the managerial world. If we agree to do this, most of our human –and other– problems will solve themselves. There will be fewer heart attacks, fewer ulcers, fewer people kicked upstairs, downstairs, or simply ignored, and unplanned early retirement would disappear.

Let us become clear about the outputs of positions and let us motivate and train people to work to achieve them. How about deciding to be effective in your present position? It is a responsibility you assumed when you became a manager. How about fulfilling that responsibility?