

Reflections on Management



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he other day, I happened to tune across a program on management on one of the local television stations. I paused to watch and listen. There were three things that struck me almost immediately as being curious. The first was that each speaker was very certain in his statements. In my experience, managers are much more cautious. A successful manager, in my experience, soon learns that few things are certain in the organizational climate.

The second thing that struck me as being curious was that all of the speakers were young; that is, they all appeared to be under the age of forty (forty-five at the outside). While most of my career was defined spent in "management" positions, I never considered that I was at all proficient until I was almost fifty-five. Most of my colleagues shared this view about themselves as managers. The third curious thing was that only one of the speakers was a practicing manager, and he was a member of the family that started the business. I might add, too, that I had never heard of his firm before then. I must confess that as soon as I recognized these three things, I turned to a "Roadrunner" cartoon, which I regarded as far more likely to elicit an insight about management than this program.

It's necessary to define some terms, so as to establish a frame of reference. Only three terms are pertinent: management, leadership, and administration. Each are often treated as synonyms for the others. They are not the same, and it is essential that the distinctions be understood. The fortunate organization has all three of these; most have only management and administration.

Management: getting and keeping people together to accomplish desired goals and using available resources efficiently and effectively; the husbandry of a large complex organization. It consists of planning, organizing, staffing, directing, and controlling a group formed for a purpose. The definition usually includes a review function, purportedly so as to allow the group to both assess its performance and to correct poor group behavioral practices. Unlike the other functions, this function is seldom exercised with rigor.

Leadership: the ability to lead; i. e., the ability to guide, direct, or influence people. It is both a personal trait and a "doing" function. As a trait, it varies from person to person, with the result that some are better at leadership than others. The most important factor as a trait is that there is always a strong personal sense of what is the goal. As a "doing" function, that is management. That is, a leader is a manager; a manager is not necessarily a leader, contrary to popular opinion and punditry.

Administration: the organization, policies and procedures for overseeing and pursuing of the affairs of a business, organization, or institution. Many consider it to be the same as management, but there is one crucial difference. An organization can function without the planning and review functions; without these functions, there is no management. Hence, administration is a subset of management. A manager is an administrator; an administrator is not necessarily a manager. Further, a leader is not necessarily an administrator, but an administrator may be a leader.

It takes a bit of contemplation to understand the distinctions in order to maintain clarity of understanding of them. The lack of clarity probably account for there being more drivel written about management than any other topic. Just go into a library sometime and list all the books and articles that address management. Then, if there's enough time, dig a little further into that bank of information and see how many of the authors are outstanding managers. The correct modifying adjective is "outstanding", rather than successful, for we have come to accept as "successful" as being anything less than a total disaster. Given the demands placed on managers – equal employment,

diversity, fair labor practices, corporate good citizenry, safety and health, product liability, and so on – I often wonder how a manager can be other than mediocre at best. Then, there are the management fads that rise and fall on a regular cycle, which appears to me to have a period of four or five years.

Any discussion of management entails a consideration of organization; e, g, a group of individuals who share a common purpose or purposes. An organization may be simple: a unit organization is one that has a defined purpose and whose members are linked together by a need for mutual support in order to get their job done. A complex organization is made up of unit organizations. Max Weber¹, delineated the characteristics of a bureaucracy, which is the web that all large organizations must have in order to function. At the time of Weber's work, organizations were very hierarchical in structure, which was reflection of the times, not of the nature of organizations, but the damage was done, and more people than not have been inculcated with the notion that all organizations must be hierarchical in structure or they can't function.

Chester Barnard², who wrote about management in a later period, approached the organization from the viewpoint that it was a web of communications and that the executive was anyone whose primary function is to provide communications about the vital functions of the organization. That is a more satisfying operational notion than the one propounded by Weber, and to understand the modern organization both models of the organization are required. That is, it is not one or the other, both that are needed for the manager to be effective. Given Barnard's thesis, it is impossible to discuss management without discussing communications (the whole subject of "Communications" also has had its share of twaddle written about what it is and isn't).

Our management pundits, such as Peter Drucker³, have tended to regard the modern corporation as being distinguished largely by the nature of its product. Thus, Raytheon Corporation would be viewed as being in the same business as Hughes Aircraft, and the two would be treated as similar organizations. There is a fundamental difference, however, and that is that Raytheon has long been a publicly owned company, whereas Hughes was created, owned and operated by its owner. I respectfully submit that this is a significant distinction, for ownership has long conveyed certain rights and privileges that stewardship either doesn't or shouldn't. The point to be recognized here is that managers of publicly held organizations are stewards, not owners, even though their behaviors tend to be patterned after the behavior of those who are owners. This is natural, for the behavior of the owners was the only pattern available in the era when ownership of organizations was moving from private to public ownership.

Having said that, I'd like now to make a key point about organizations and the people who run them (which is the whole point of management, anyway). When an organization is created for a purpose, using the general principals of "good management", the organization tends to be successful. For example, the Tennessee Valley authority has been a model for the electric power industry almost from the time of its inception. Here, there was a clear purpose, and sufficient resources were provided for attaining that purpose. This is the key to good management – resources. To use another example, look at Amtrak. Here, the purpose is less clear, and Congress has been less generous in providing the resources that would realize success. Also, and this is also a key feature, the executives recruited for the Tennessee Valley authority came from an industry that was already on its way to being noted for prudent management, whereas Amtrak's executives came from an industry whose

¹ Weber was a German philosopher/socialologist who

² **The Functions of the Executive**, Harvard University Press, Cambridge, MA).

³ Drucker was heavily influenced by his studies of General Motors, which became (in)famous for structuring itself into divisions that competed with themselves rather than their true competitors.

reputation for excellence was at best laughable. Also, the railroads were by and large built and owned by individuals, rather than by the public.

(Yes, I know that I've used government chartered organizations to illustrate the points that I've made, but that's not the issue. The issue is that both a clear objective and sufficient resources are required, not to mention good leadership. Organizations can, and do, grow with insufficient resources, but the failure rate is high and the growth period is typically very difficult for most that do survive. On the other hand, organizations without a clear focus either fail or simply muddle through because they do command sufficient resources to continue operating. I can't say that the latter also are able to employ good leaders, because in my view a good leader would not put up with a lack of focus for the organization).

It seems to me that one of the most overlooked features of organizations is that no two are alike, even those whose purpose, organizations, functions, locations, and personnel skills are identical. You might ask "Why not?" Why not, indeed. The reason is best illustrated by the following anecdote. For several years now, I have been engaged in a training program that was designed, to put it simply, to train me to manage training. Each class that I trained with had different results. The results were always, at least so it seemed to me, successful and they were always different. I asked one of the instructors about this at the conclusion of one remarkable session, and he just looked at me and said, "It's simple; the people are different in every class". And that is why, I believe, an underlying reason that company A, with an authoritarian – even cantankerous – style of management can be just as successful as Company B, with a highly participative style of operation.

By the way, in this discussion, we have basically defined the elements of organizational success – at least, according to the majority of management pundits and executives – which are to have a clear purpose, adequate resources, a cadre of willing people who are committed to the purpose, and a communications style/system that is appropriate to the organization. Anything else is either superfluous, redundant, or a distraction.