

Management or leadership?

It doesn't matter what you call it – it matters what you do!

By John Chamberlin.

“Is there a crisis of leadership in British industry?” Interview on *Today*, BBC Radio 4, 11 May, 2004.

It's now more than seven years since that question was posed on the BBC Radio 4's *Today* programme, but that answer is still the same today – yes.

The bulk, by far, of companies and organisations in the UK are badly managed, many of them appallingly so. And it appears to be getting worse.

My own recent research (Chamberlin, 2008) showed very clearly the lack of leadership at a range of senior levels in two, large public sector organisations. The sadness, though, is that they have no monopoly on the problem and you don't need to do research to confirm it. You just need to keep your eyes and ears open and, mostly, you won't have to stray any further than your own organisation to come across managers – often senior managers – who appear genetically immune from the last century (almost) of management and leadership research.

At the beginning of his seminal text *Out of the Crisis*, Deming (1986: xiii) nailed

his colours to the mast: “The careful reader may note the use of the word *leadership* where the usual word would be *supervision*. The reason is that, for survival, supervision will be replaced by leadership.”

And later, at the start of point ‘7’ – of his ‘14 Points of Management’ – he reinforces this with: “The job of management is not supervision, but leadership,” (ibid: 54). The crucial comment, though, is a little further down on that same page: “**Leaders must know the work that they supervise.**” (This author's emphasis).

What's in a name

I've emboldened this because it doesn't matter what you call it – management, supervision or leadership – it matters what you do! You have to know (or get to know) how the work works (Seddon, 2003) in your own business or organisation and you have to do that from the customer's perspective. Sid Joynson (1995) called it ‘GeYoHaDi’ – occasionally, you will have to get your hands dirty!

Former Dana Corporation Chairman and CEO Ren McPherson put it quite succinctly: “When you put on the hat of manager for the

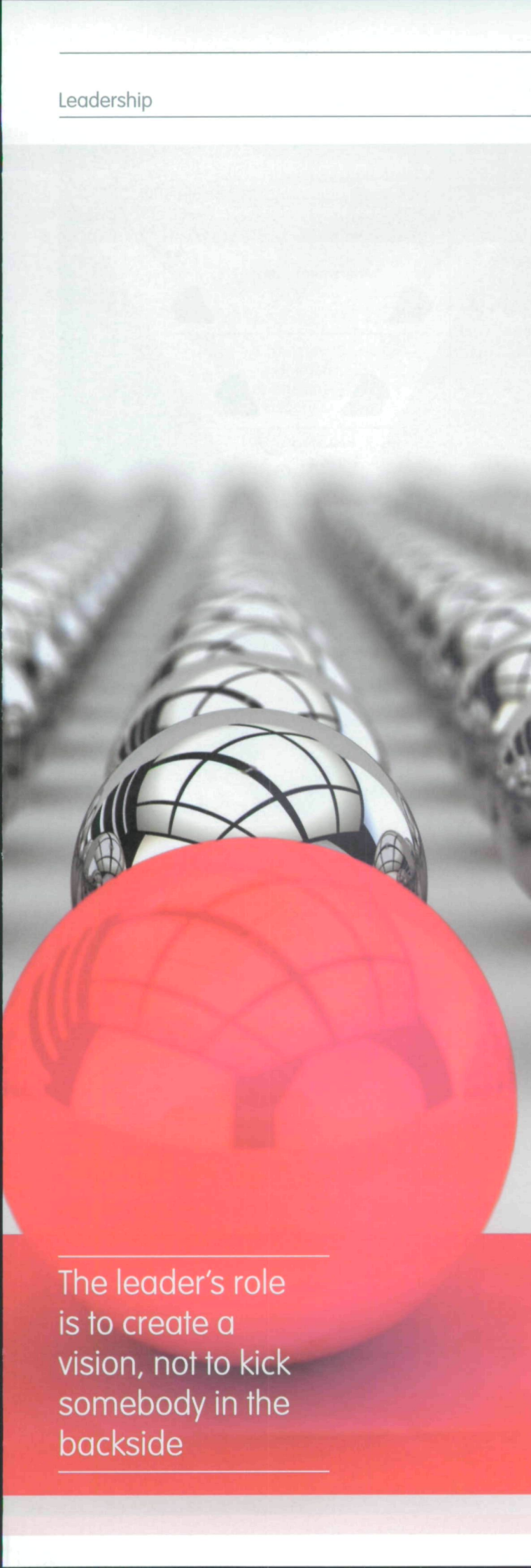
first time in your life, you give up honest work for the rest of your life. You no longer drive the forklifts, open the mail or answer the phones or do anything of direct economic value to the enterprise. Given that that's the case, says Mr McPherson, the only thing you've got left is the way you spend your time.” (Cited by Peters, 1985)¹.

And that's the bit that matters: how and where ‘you spend your time’! For decade after decade, since (at least) the second quarter of the last century, there has been a growing body of evidence for cross-functional, team-based, participative management-led and systems-focused leadership.

Yet, it is still almost universally ignored in many public and private sector organisations*. Research has delivered countless books – from the thin paperbacks to the thicker, textbook-type academic tomes – extolling the virtues of managers getting close(r) to the workplace, yet there is unlikely to be a single textbook or academic paper saying managers must spend time in their offices!

Unfortunately though, modern management styles are still rooted in those century-





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old 'right stuff!', top-down' and 'command-and-control' behaviours that tend to oppress, distrust and restrict the bulk of the real talent in many organisations.

(*NB If you want to read something around this try John Sheldrake's *Management Theory* as a starter for ten and, for some interest and balance, Art Kleiner's *The Age of Heretics*. Then – and you'll need to stick with it, but it's worth it – read W Edwards Deming's *Out of the Crisis*.)

Imai (1997) called it 'going to gemba' (gemba is the Japanese term for the workplace, the 'factory floor'); Peters and Waterman (1982) called it 'MBWA' (Managing By Wandering Around, from their observations at Hewlett-Packard); Seddon (2003) called it being 'in the place of transaction', whilst Covey (1999: 255) put it slightly differently, 'seek first to understand'.

Seddon (ibid) puts this even more succinctly when he states that the manager's job is to 'get knowledge' – knowledge about the 'system' over which they preside – reinforcing what Deming (ibid: 19) had said previously: "There is no substitute for teamwork and good leaders of teams to bring consistency of effort, along with knowledge."

The 'crisis' is that managers in most organisations – large or quite small – rarely spend any time at the 'place(s) of transaction' and, therefore, never experience the 'system' from a worker's or a customer's perspective. Managers are still living in this outdated command and control paradigm**, based on the erroneous assumption that they know best. They don't. The workers do. All you need to do is ask them.

(**Command and Control – apart from being two of Fayol's (1916/49, pp 97 and 109). *Five Elements of Management* – was based on military management:

"Primarily, the idea is that people do what you tell them to do and, if they don't, you yell at them until they do and if they still don't, you throw them in the brig for a while and if that doesn't teach them, you put them in charge of peeling onions on a submarine, sharing two cubit feet of personal space with a lad from a farm who really never quite learned about brushing his teeth." (Spolsky, 2006).

Removing obstacles

By 'workers' I mean those people whom, day after day, have to do battle with the inordinately wasteful systems within which they are required to work, doing their best – despite, not because of, management's efforts – to deliver customer satisfaction; those delivery drivers, nurses, lecturers, cleaners, checkout staff, council employees, call centre staff etc. All those good people you recruited. All of whom want to come to work and have a good day. And it's management's job to show them what that 'good day' looks like and then remove all the obstacles that prevent them from succeeding.

It was Deming (ibid: 315) who estimated that: "...most troubles and most possibilities for improvement add up to proportions something like this: 94% belong to the system (responsibility of management); 6% special."

(NB By 'special', Deming was differentiating between 'common cause' variation and 'special cause' variation).

And by 'special', Deming did not mean the people – he meant those 'causes' that were outside the upper and lower control limits of a statistically stable system; those things that do not form part of predictable demand and, therefore, cannot be trained for.

It is somewhat surprising, therefore, that the bulk of

today's supposedly (but actually not very) enlightened managers still insist on spending 100% of their time on what is (in effect) less than 6% of the problem – 'managing the people' – when their time would be far more effectively employed initially addressing genuine 'special causes' and then addressing 'the system' itself: "...any substantial improvement must come from a change in the system, the responsibility of management," (ibid).

If this prevailing top-down, command and control, hierarchically structured, target-driven, inspection- and appraisal-ridden regime is to be changed – and change it must – then management across the UK is going to have to change the way it thinks. It's what Seddon (2007) called a 'thinking thing'.

Current general thinking amongst most managers is to treat any variation in a person's performance as a 'special cause' when, in fact, it is most likely to be normal, 'common cause' variation within the upper and lower control limits of a 'stable system' and, therefore, outside of the control of the front-line worker – the 'system' is management's responsibility. The snag is, as Tribus (1989) said: "...[management] question everything except their own theory of management."

And this is not new stuff. Just three years after their benchmark book *Reengineering the Corporation* (Hammer & Champy, 1993) was published, James Champy (1996) wrote *Reengineering Management* because he realised where the real obstacle to solving 'process' (or systems) problems lay. With the people who had created them – managers. As Tribus (ibid) said: "The enterprises which continue to be managed the old way are going to disappear."

Never – never ever – blame

your people for problems in your organisation. All – and, again, I repeat – all problems are management's problems.

It might make some managers (and especially those arrogant, company-hopping, career-minded managers) feel good to set individuals 'stretch' targets, but the fact remains that most managers have absolutely no understanding of this concept already mentioned, called common-cause variation – those 'variations' in normal performance; ie what happens in any 'stable system' – and instead seek to 'performance manage' their people so as to satisfy in turn their own bosses' demands.

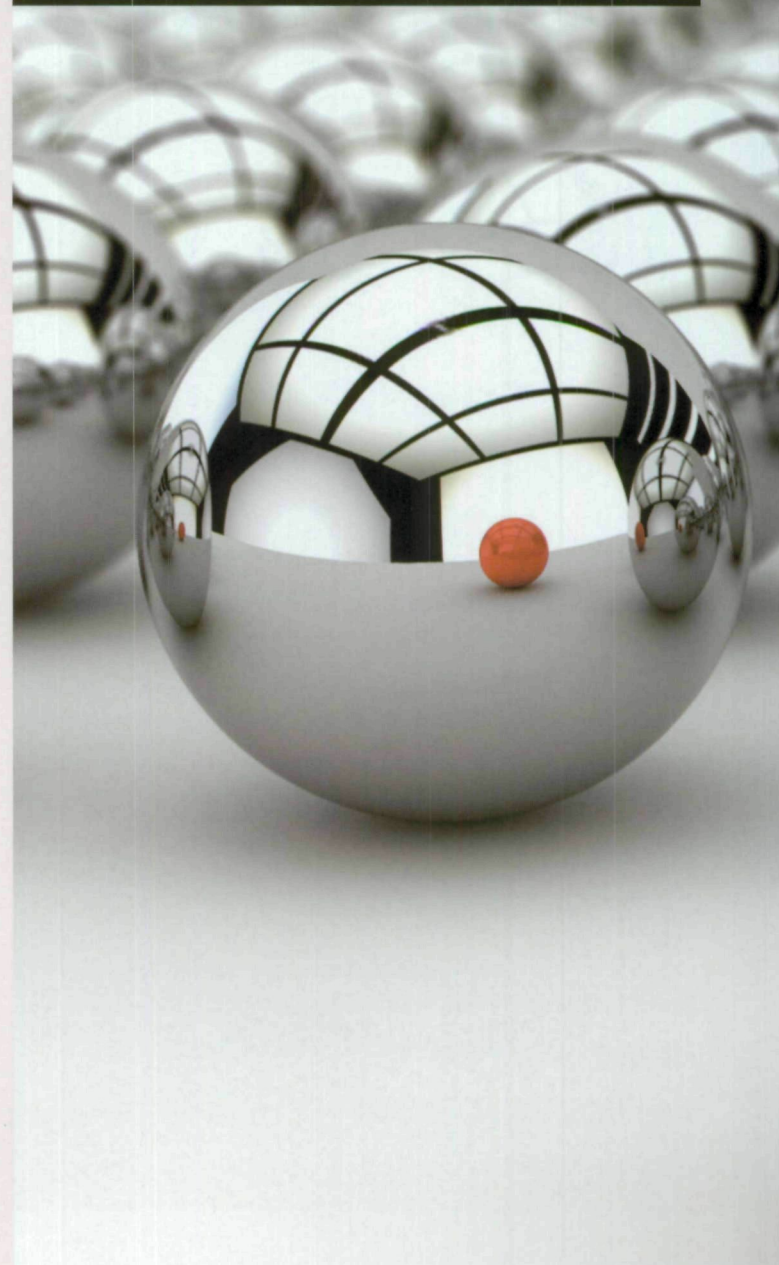
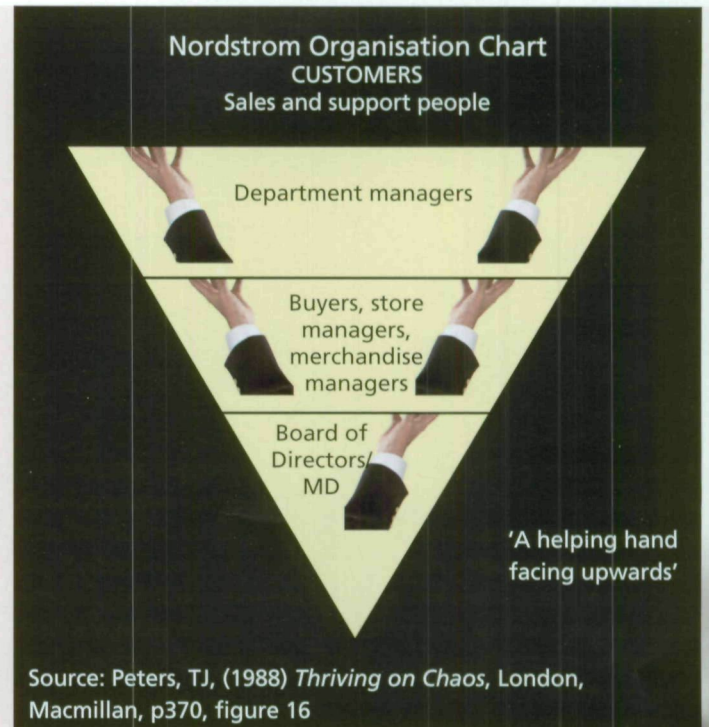
Eyes on the prize

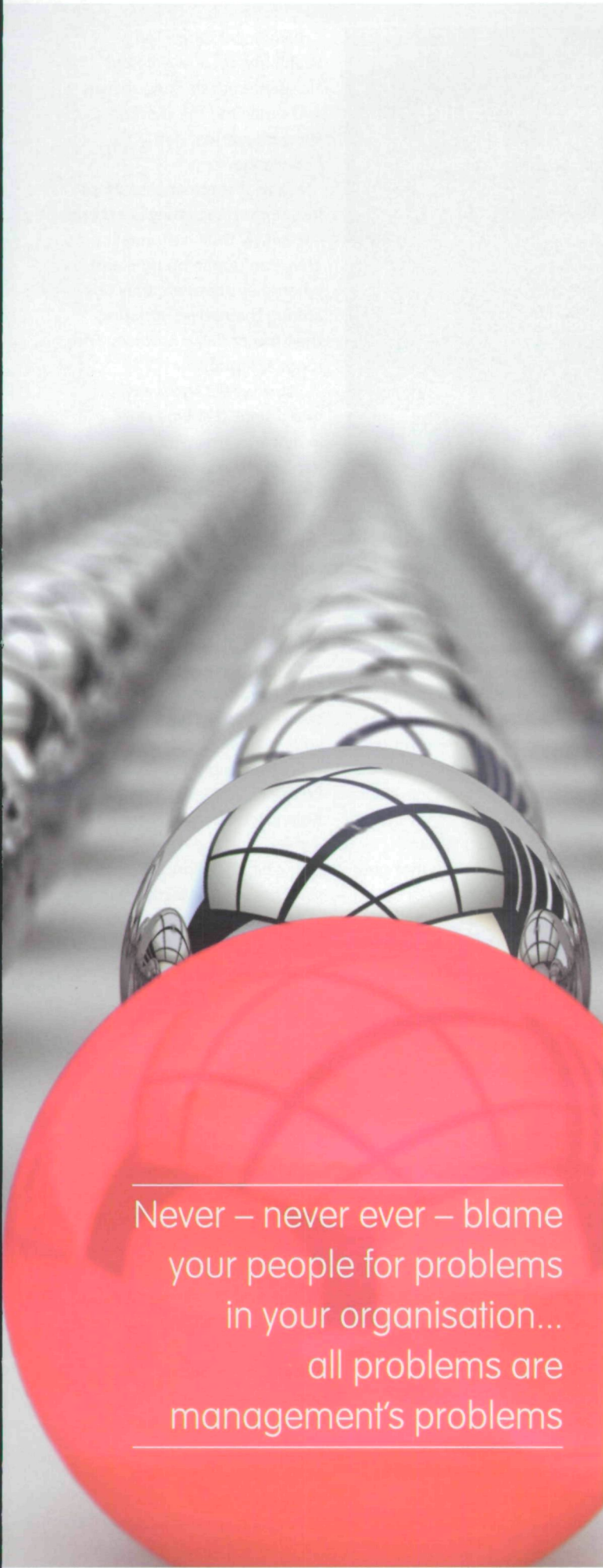
Let's deal with those 'less than 6%' first and get that out of the way. Ricardo Semler (2003), reckoned that about '3%' of his Semco people had their hand in the till (I paraphrase) and my own experience, over a couple of decades of operations management in the field, (a big 'field') suggests it was something similar, at around '4%'².

Semler said he'd tolerate that. I didn't. The reason I didn't was because the remaining '96%' mattered. They needed to see that management cared about the rogues and vagabonds who were shafting the organisation, so we did something about it; we did not ignore the less pleasant aspects of a manager's job.

Remember, the rest of the staff know what's going on, but it's not their job to tell you. It's your job to know and then to do something about it.

That one aside, the '94%' (Deming, ibid) of 'most troubles [and] possibilities for improvement' are where, by far, the bulk of management time should be spent. And please don't say you have 'more important' things to do. 'More important' to whom? Your





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boss? Or the customer? Or – and more importantly – those customer-facing employees who are trying really hard to satisfy your customers whilst trying to clear or circumnavigate all the pointless and wasteful hurdles your own systems place in their way – systems *you* put there.

Remember, when you get your new diary each year, it's empty. If you start by filling it with meetings, then that's a choice you have made. If, instead, you decide to fill it with numerous and regular blocked-out periods for visiting the front-line in your organisation/department/unit, so that you can do some real learning and gain some true knowledge about how the work flows (or doesn't) through your organisation, then that's also a choice. It's just a better one.

Sam Walton had a refreshing approach to how he prioritised and spent his time: "He says his weeks are very simple... [he has] three-and-a-half days in the store, a day with his vendors and a half-day in the office, which, he says, is excessive but he says he's 68 and it's not too late to learn new tricks and he's trying to cut it back!" (Peters, 1985).

And that was more than 25 years ago! But it's not even that new. Mant (1979: 53; citing Sheldon, 1923) put it quite clearly: "Management is no longer the wielding of the whip; it is rather the delving into experience and the building upon facts*. Its leadership is based upon knowledge* rather than upon force. Its task is no longer solely that of 'getting the job through' rather, in many of its activities, it operates through the application of a capacity trained in the investigation* and solution of problems. Management, in fact, instead of being a law unto itself, has found that there are laws which it must obey."

And, just to emphasise the

point, that was almost 90 years ago. (*Note also the repeated references to 'getting knowledge' – seeking 'first to understand'!).

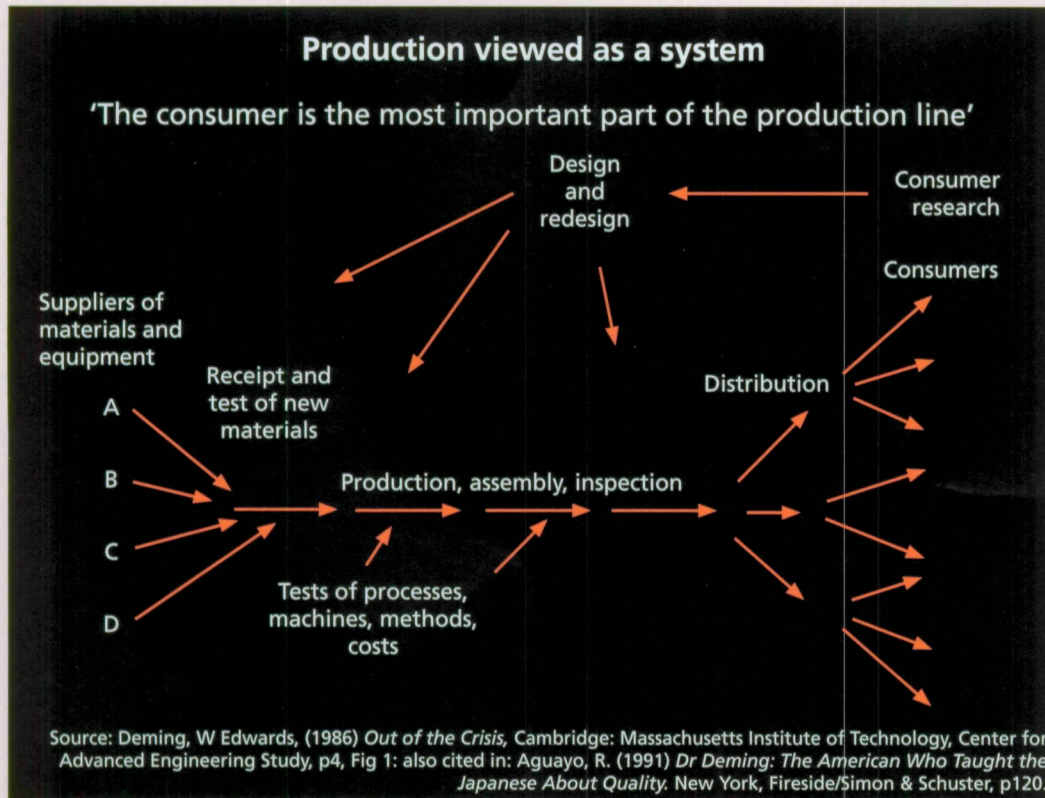
Of course, you will never know any of this from your office. No-one is going to come and tell you, despite your so-called (occasionally) 'open door' policy. Some years ago, one of my own former bosses used to send out a monthly email with the dates and times when her 'door would be open'. So I used to reply: "Well, go out of it then." She did. Once, under the pretext of attempting some 'MBWA' (I think they'd all been told to do it) and when she saw something that she didn't like, instead of seeking 'first to understand', she went back to her office and -mailed a grapeshot 'all-staff' bollocking. She just didn't get it.

If you are going to spend time with your people, whether or not that's at the 'front line', then it has to be to genuinely show interest. You have to do it on the basis that it's a real attempt to understand what it is that they do – and how you might help them to do it by removing some of the obstacles in their way; obstacles that (normally) you have put there.

Robert Townsend (1984: 69) said: "So get out and ask them if there's anything you can do to help" and Deming (ibid: 51) regarded it as the requirement of managers to remove the 'barriers to pride of workmanship both for production workers and for management and engineers'. Nordstrom made this principle of managers being the support group for customer-facing employees real, by incorporating it very visually in its organisation chart, seen on p32.

Roll up those sleeves

Those of you old enough to remember Brian Clough will recall that he didn't spend his



Saturday afternoons in the office poring over spreadsheets of data about the previous Saturday's match. It was all they could do to keep him off the pitch (and they were not always successful). Unless you start to practise that little-known management technique called GOYA – get out of your office (I paraphrase) – and some truly genuine MBWA, then you'll never 'get knowledge' about what those obstacles to success are within your own organisation; systemic obstacles, the ones causing '94%' of the wasted effort in your organisation, the ones you designed in and the ones it is your responsibility to do something about.

Not only does management have to spend frequent and regular time on 'the pitch', you have to fully embrace your customers in that process.

Either (or preferably, both) you have to seek feedback from them or you have to experience your service in the same way that they do. Otherwise, you will miss the best opportunities you have to get it right for

them. Possibly one of the most important diagrams to make this point was Deming's (1986) 'Production viewed as a system', shown in the chart above.

In a recent (November 2011) personal example, my wife and I booked a weekend in Yorkshire to check out a small holiday apartment, with the possibility of going back for a week some time in 2012. It was opposite, and belonged to, a nice pub and the pub was run by two nice people.

However, on arrival the flat was cold. Not only that, when we both came to use the shower, neither of us could make it work; the flow rate kept changing without warning, as did the temperature.

Later, they told us the heating was on the 'summer setting'. Why? It was November. They knew this beforehand. And they knew we were coming. Also, though, and more importantly for this theme, I would wager a reasonable sum that neither of those two 'managers' had ever taken a shower in that apartment. Why not? I contend

that they should spend at least one night (and preferably two – one summer and one winter) in their own apartment in order to experience it exactly as their customers do.

Now, if you're J Willard Marriott Junior³, then that gets a little difficult. But even he should (and probably does) be sleeping in a random selection of his own rooms as he tours the world staying in his Marriott International hotels. What he should not do is have his 'usual room' prepared.

Size doesn't matter

And this same principle applies no matter how large or small your business. In the Derbyshire town where I live, the local shopkeepers and business owners often complain about the way the supermarkets are 'taking their business'. Yet the reason (apart, occasionally, from price) that customers often migrate to (eg) Sainsbury's is because the staff in Sainsbury's are well trained and the 'manager' is regularly out on the floor of the store (Sam Walton, again).

Remember when Terry Leahy first took over Tesco? He spent days stacking shelves and observing the checkouts. He was learning, getting knowledge.

Many of these smaller shops lose sight of why they are there – to satisfy their customers. They don't open on time and, when they are open, they talk among themselves, ignoring their (potential) customers. This is not acceptable.

Some weeks ago we went into a small deli-type cafe⁴ in a nearby town and the experience was different again. Chatting to the manager we could see why – commitment. She said she was up at 4am and in the cafe by 5am, seven days a week, and you could see the effects of that. As Deming (ibid: 5) said: "Quality begins with the intent, which is fixed by management." You have to intend that it goes right for your customers.

Robert Swiggett, former President and CEO of the Kollmorgen Corporation, put it this way: "The leader's role is to create a vision, not to kick somebody in the backside.

"The role of the leader is the servant's role. It's supporting his people, running interference for them, coming out with an atmosphere of trust and understanding and love.

"You want your people to feel they have complete control over their destiny at every level. Tyranny is not tolerated here. People who want to manage in the traditional sense are cast off by their peers like dandruff. We preach trust and the golden rule." (Swiggett, R; in Peters (1985); and in Peters and Austin (1985), p206; originally quoted in Inc, (1984)).

Kicking 'somebody in the backside' – or 'KITA', as Herzberg (1968) put it – is not the way to 'motivate employees': "People are motivated, instead, by interesting work, challenge and

increasing responsibility" (ibid: 53) and they are motivated by managers who show a genuine interest in what they do by 'being there' (Lundin & Christensen, 2001), in those 'places of transaction'.

The issue is serious. No matter the size of your business – local pub or local council, police or NHS – managers have to fundamentally change their thinking if they are to make any sustainable improvements to the service their organisations deliver and given the parlous nature of much of it at the moment, that shouldn't be too hard. However, it will require some learning, which entails the appropriate mix of theory and experience: "Experience alone, without theory, teaches management nothing about what to do to improve quality and competitive position, nor how to do it," (Deming, ibid: 19).

Stay with the issue

And before your eyes glaze over at the mention of 'theory', remember Lewin's (1951: 169) comment: "There is nothing so practical as a good theory."

A good start would be to read and adopt Deming's (ibid:

23) '14 Points of Management'. But then, ally this with a very clear intent to GOYA, and spend some serious amounts of your own management time working alongside your own people in order to understand your own 'systems' from an end-to-end perspective (the customers' perspective), and then exercise your managerial authority to continuously improve these systems to remove the obstacles to your people's success. This is management's responsibility.

What will matter in the future is how you spend your time. It will matter what you do!

Footnotes

1 In the book of the same title by Peters and Austin, McPherson's quote is: "When you assume the title of manager, you give up doing honest work for a living. You don't make it, you don't sell it, you don't service it. You don't stand on the loading docks in the cold or sit in the PBX rooms answering the phones hour after hour."

2 I had something called my 'rules of firmodynamics' where using a rather pragmatic Pareto-based approach, I reckoned that 80% of my 'problems' were caused by 20% of the staff, but that (Pareto again) in about 80% of those were worth hanging in with the people concerned and 20% (ie four in every 100) weren't and they mostly got sacked. And rightly so. It was the '96%' who mattered.

3 The 80-year-old Chairman and CEO of Marriott International.

4 www.freshbasil.co.uk.

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ABOUT THE AUTHOR

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After 34 years in the telecommunications industry (BT), the final decade as a senior operations manager with a large external workforce covering the East Midlands, John took early retirement in 1996, but within a year of this had signed on for a full-time MBA at UoD. Graduating in 1999 with one of only two distinctions – and the only 'Masters' Level Prize for Outstanding Performance' – John then became a part-time lecturer within DBS.

Early in 2005, he again reverted to being a full-time student, to embark upon a PhD studying the implementation of business process reengineering (BPR) within two local authorities, graduating in 2009.

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