

Management: An experiment in reinvention

Management has been pushed out of the limelight by the rise of leadership in recent years. But, says Julian Birkinshaw, now is the time to take a fresh look at the undervalued role of the manager and develop a more comprehensive understanding of it

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Management has become a demeaned profession over the past few decades, giving rise to spoof characters such as Dilbert and *The Office's* David Brent. How can it be reinvented to the benefit of both organisations and employees?

When you ask children what they want to be when they are older, it's not many of them who say "a manager". I've certainly never met one. In part, this is because management is a pretty amorphous concept to a 10-year-old. But it's also because we adults aren't exactly singing the praises of the management profession.

In a 2008 Gallup poll on honesty and ethics among workers in 21 different professions, a mere 12 per cent of respondents felt business executives had high/very high integrity – an all-time low. With a 37 per cent low/very low rating, the executives came in behind bankers, lawyers, union leaders, estate agents and building contractors.

Moreover, there are no positive role models. The reason Dilbert is the best-selling business book series of all time, and the television sitcom *The Office* was a big hit, is that they ring true. The "pointy-haired boss" in Dilbert is a self-centred halfwit, while David Brent is entirely lacking in self-awareness. If these are the figures that come to mind when the word "manager" is used, we have a serious problem on our hands.

What should we do about this? Some observers would like us to get rid of the word "manager" altogether, favouring instead terms such as "leader", "coach" and "entrepreneur". But a more useful approach is to reinvent management – to go back to first principles and recapture the spirit of what management is all about. We need to help executives work out the best way to manage, and help employees to get the managers they deserve.

Social endeavour

Let's start with a definition: management is the act of getting people together to accomplish desired goals and objectives. But this definition misses out a lot of stuff. No mention of planning, organisation, staffing, controlling or budgeting; none of companies or corporations; and absolutely nothing about hierarchy or bureaucracy. And that is precisely the point – management is a social endeavour, which simply involves getting people to come together to achieve goals that they could not achieve on their own. A football coach is a manager, as is an orchestra conductor and a cub scout leader. But over the past century, the term "management" has metamorphosed into something narrower and more pejorative than Webster's Dictionary might suggest. Managers are often seen as low-level bureaucrats who are internally focused, absorbed in operational details, and controlling and coordinating the work of their subordinates.

Why has this change in meaning taken place? One reason is that our way of thinking and talking about management is based on the century-old form of management practised in large industrial firms. This approach was all about improving efficiency, standardisation and quality control, and it was built on such principles as hierarchy, bureaucracy and extrinsic rewards. The trouble is that these objectives are not what drives success in most sectors today – we are much more likely to be concerned about innovation, agility and engagement. And yet we are still, for the most part, using these industrial-era concepts to shape the way we get work done.

The other reason is to clear a space for another concept. “Leadership”, as a field of study, took off in the 1960s and has continued to rise. To make room for leadership, gurus felt compelled to diminish the role of management. John Kotter saw managers as being the ones who plan, budget, organise and control, while leaders set direction, manage change and motivate people. Warren Bennis viewed managers as those who promote efficiency, follow the rules and accept the status quo, while leaders focus on challenging the rules and promoting effectiveness. By dichotomising the work of executives in this way, Kotter, Bennis and others squeezed out the essence of what managers do and basically left them with the boring work that “leaders” don’t want.

My view on the management-versus-leadership debate is that leadership is a process of social influence, concerned with the traits, styles, and behaviours of individuals that causes others to follow them. Management is the act of getting people together to accomplish desired goals. To put it simply, we all need to be both leaders and managers.

Change or no change?

Can management be reinvented to make it more effective as an agent of economic progress and more responsive to the needs of employees?

One school of thought says management cannot be reinvented. Guru Henry Mintzberg argues in his most recent book, *Managing*, that the nature of managerial work has not changed noticeably in the 40 years he has been studying it. Management is fundamentally about how individuals work together, and the basic laws of social interaction are not susceptible to dramatic change, he says.

Indeed, most of the major innovations in management – the industrialisation of research and development, mass production, decentralisation, brand management, discounted cash flow – occurred before 1930. If we extend this logic, we could conclude that the evolution of management has more or less run its course.

But it hasn’t. There is some validity in arguing that the basic laws of human behaviour are not going to change. But the practice of management is enormously context-dependent and as the nature of business organisations evolves, so too will management.

Another school of thought says we are on the cusp of inventing an entirely new model of management made possible by the IT revolution. Thomas Malone of the MIT Sloan School of Management argues that: “We are in the early stages of another revolution... that promises to lead to a further transformation in our thinking about control. For the first time in history, technologies allow us to gain the economic benefits of large organisations, without giving up the human benefits of small ones.”

But we have been here before. All the arguments on decentralisation and empowerment have been debated. Every generation of management writers – including such luminaries as Peter Drucker, Gary Hamel, Rosabeth Moss Kanter and Sumantra Ghoshal – has argued for its own version of revolutionary change in the years ahead.

A new understanding

There is a third way – a useful way forward that avoids the extreme positions of these other two schools of thought. We don't need to throw up our hands and say "management has gone as far as it can", or to create a whole new model of management. We simply need to develop a more comprehensive understanding of what management is really about, to help us to make better choices.

By going back to a basic definition of management – the act of getting people together to accomplish desired goals – we can frame our discussion of the activities and principles of management more explicitly. And armed with this new understanding, we can help managers make better choices within the universe of known possibilities, rather than suggest they invent something that has never been thought of before.

Here is an example. Why should we assume that all important decisions get made by the people at the top of the organisation? Is it possible that important decisions might be made in less-hierarchical or non-hierarchical ways?

Yes it is. In fact, entire books have been written on the "wisdom of crowds" and "crowdsourcing" techniques for aggregating the views of large numbers of people to make better decisions. So it would be wrong to assume that all decisions in the future will be made exclusively by those at the top of the hierarchy. Yet it would be equally wrong to assume that crowdsourcing will entirely replace traditional decision-making structures.

The right model depends on a host of contingencies, including the nature of the decision being made, the company's size and background, the interests and capabilities of the employees, and so on. The right management model for your company is the one based on the most appropriate choices you make within known boundaries – between, for example, the principle of hierarchy on one hand and the wisdom of crowds on the other.

Your management model is simply the choices you make about how you work: the way you set objectives, motivate employees, co-ordinate activities and make decisions.

Most companies have an implicit approach to defining their management model that is simply working with what they have inherited, or what they have seen in other organisations. But they need to look more critically at those implicit choices. This process involves four steps:

1. Understanding: Be explicit about the management principles you are using. These principles are invisible and often understood only at a subconscious level. But they drive the day-to-day processes and practices through which management work gets done.

2. Evaluating: Assess whether your company's management principles are suited to the business environment you are working in. There are risks associated with whatever principles you employ; you need to understand the pros and cons of each one so you can choose wisely.

3. Envisioning: Seek new ways of working by looking at examples from different industries and new contexts.

4. Experimenting: Be prepared to try out new practices in a low-risk way.

There is no recipe book for reinventing management. While these steps suggest a process for evaluating and rethinking your management principles, there is only so much you can learn from the mistakes made by troubled companies or from the latest Dilbert cartoon. The right choices depend entirely on the specific circumstances and opportunities facing your company, and on your willingness to experiment with unproven practices.

Further Info

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Publication

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