



Two Sides of the Same Coin



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The Disposable Manager

Much has been said in recent years about the disposable employee. The majority of us discovered some time ago that a job for life was a thing of the past. The comparatively few who thus far have been untouched by this change in the world of work may feel it for the first time in the coming months as the world enters the worst economic downturn since the 1930s. Perhaps less well known is that managers, too, are disposable, and to the same or greater extent as employees, as we will see in this month's newsletter.

How the role of modern managers began

In order to understand how managers (and employees) became disposable, we must first remind ourselves of what the world of work was like before; and to do that, we need to go back to the agricultural period prior to the English Industrial Revolution. In the 16th century, the majority of people were unskilled, working on farms or as day laborers. A much smaller number of others had their own cottage industries or were engaged in the import and/or export of goods. The skilled were found largely within the craft guilds. Here master craftsmen produced high quality goods which they sold directly to their customers. The Industrial Revolutions (IRs) in England (1760-1820) and the US (1860-1920) changed all that.*

The skills required to operate the machinery in the textile factories of northwest England and later in New England exceeded that of the average farm worker. The factory owners concocted a method (which became known as the *division of labor*) to subdivide each of the manufacturing processes into smaller jobs that required a much lower level of skill. Then they superimposed a hierarchy of supervision over it to manage the entire operation. Each

* For a thorough discussion of how the organization and management of work has changed in the last 450 years, see *Managing Value-Based Organizations: It's Not What You Think*, Bruce Hoag & Cary L Cooper. <http://www.amazon.com/dp/184064981X?tag=bruchoagorgap-20&camp=0&creative=0&linkCode=as1&creativeASIN=184064981X&adid=1XBE8EVAJMW3D71P6WQ6&>

manager (called an overseer) was responsible for a part of the process of producing cloth, and each one was expected to do so to a pre-determined standard. Collectively, this enabled the unskilled to do the work of the skilled. The quantity of output was based on what a master craftsman could produce in a day; but everyone was paid for their time. Although the abundance of unskilled workers meant that no one was truly indispensable, the success of the operation depended on their constant availability. (This is one reason why division of labor is no longer an appropriate means to produce goods or services. The average worker today is overqualified – highly skilled and highly educated.)

From the 1920s, and certainly by the end of the Great Depression, that hierarchy of authority became the basis for the complex organizational structures that are in place today. Over time, those hierarchies became career paths, which eventually took on further meaning: If you work hard and stay out of trouble, you can expect to have a career with the firm that first hired you, experience some advancement, and retire with a pension large enough to keep you comfortable for the rest of your days.

Now, in your mind, scroll forward to the early 1980s. In the US, two recessions between March 1980 and April 1982 caused unemployment to rise to 11%. Xerox, alone, shed 20,000 jobs worldwide. A similarly large recession occurred in the UK less than a decade later, though by then there were widespread rumors that no one had a job for life anymore. The recessions in the US and the UK made significant numbers of middle managers redundant. The flat organization suddenly was in vogue. Less hierarchy also meant fewer managers, fueling a rapid expansion in the management consulting industry. Today, most people accept the idea that their working lives will consist of a series of short- to medium-term contracts which at most might last for three or four years at a time.

What do you suppose happened to the roles of supervisors and managers as a result of those recessions? To answer that, we first have to consider what they did beforehand.

What traditional managers did

The activities of managers is a contentious issue, but probably the most well known summary of what they did in the past was represented by the acronym POSDCORB, which stands for Planning, Organizing, Staffing, Coordinating (later Controlling), Reporting, and Budgeting. Planning could mean everything from making some notes on the back of an envelope about

what to do next to sitting in a stuffy boardroom for days at a time smoking Cuban cigars and drinking the CEO's brandy. Organizing was pretty much self-explanatory, and amounted to arranging the firm's resources to accomplish the work. Staffing had to do with all things pertaining to the recruitment, training and hiring of people. Directing occurred when managers and supervisors told employees what to do, either through written or oral instructions. Coordinating referred to the manner in which all the activities, jobs, and tasks created through the division of labor were brought together so that the company could manufacture its products in quantities required and to a given standard. This function was later described as Controlling and included the reduction of process errors and faults as well as reducing competition for customers. Reporting took the form of feedback – quality reports, financial statements, and performance appraisals, to name a few. Budgeting, everyone's favorite enemy, reflected the money that was available to fund the entire enterprise. That's the way it used to be.

Independent contractors vs. managers/employees

The implications of 'no job for life' are actually much larger than many people imagine. In fact, it means that almost everyone is an independent contractor. Most people have a beginning date and an ending date on their work contract, whether they are considered employees or managers. The difference between now and say the 1970s and before is that there is no implication or expectation that the "employer" or "employee" will renew the contract. The irony is that many so-called employees are now expected to do all of the things that traditional independent contractors have done for years, such as buy their own work clothes, obtain their own health care and professional liability insurance, and manage their retirement funds. In addition, professional development, which is tied to employability, is often left up to the worker.

So what happened to supervision and management? When the expectation of a job for life was rescinded by firms, everyone became a manager of him- or herself. They now perform the same activities for themselves that managers over them once performed. They plan their work, decide how, where and when to do it. They allocate the time required to complete their work and organize their resources. They "recruit" those within their network that they believe will enable them to complete the work to the standard to which they have agreed. They direct themselves by performing those things they do best, while delegating those activities which they do not to those with more expertise, and they coordinate the resources and the people

necessary to complete their contracts. They seek feedback as and when they feel it is appropriate and in a form that suits them. Finally, they negotiate their own costs with suppliers and remuneration for their services.

Close supervision is seldom necessary in the new world of work. Just consider how often we are told that workers today should think and behave like entrepreneurs. There is simply no need for a traditional hierarchy because there are so few who require the degree of supervision that such a hierarchy imposes. Everyone is expected to manage themselves.

When organizations withdrew their guarantee of a job for life, they also forfeited the claim they had over the people they formally employed. In other words, they said in effect, “We are no longer responsible for your career or your professional development.” The end result has been what Bruce Tulgan has referred to as a “just-in-time workforce:” a group of people who arrive to complete the job, and then disappear. Of course, this has caused huge problems for organizations that traditionally relied on a stable workforce. It’s one thing for a company to say that it can no longer provide a job for life; it’s quite another for a worker to say, “I may not want to work for you. I may have other plans.”

How has your behavior changed?

So in the era of disposable managers (and workers), what can organizations do? One of my favorite questions (after “why?” and “who cares?” or “so what?”) is *how has your behavior changed since you realized that you didn’t have a job for life?* Admittedly, as the workforce ages, this question may seem less important; but the funny thing is that many independent contractors are still pretending to be employees and many organizations are still pretending to employ them. So, I ask you again, *how has your behavior changed?* If you’re still among the great pretenders, then you’re in for a real shock because one day when you wake up it will be your new reality. You need to start thinking about how you should behave differently now while there’s still time.

If you are currently a manager who is “employed,” then you need to consider the fragility of your current role. If you don’t offer those you contract jobs for life, then why do you expect them to work the sort of hours that suggests they do; and why are you surprised when they refuse, or resign when you press them to do so? It may seem like poor timing to remind you that you are facing a shortage of skilled labor given the current economic woes; but a

recession is hardly the time to evaluate the efficacy of your management styles or personnel policies, or to congratulate yourself on your high retention rates. Just because people can't leave tight this minute doesn't mean they don't want to or that they won't the first chance they get. If you want to make yourself employable, which is another way of saying that you want to be of greater value to your organization – that you want your contract renewed, if you like, then here are three suggestions which I believe will help you to do it:

1. Use your expertise and your authority to remove obstacles. The people that you supervise have enough trouble getting their work done without having to negotiate their ways around all the potholes in the organization. You need to recognize that you are the point-person of your little combat unit. Keep a sharp look-out for those things that threaten the success of your people and do all that you can to smooth the way for them.
2. Share what you know. There is a huge misunderstanding in the world of work today. It is this idea that knowledge is power. Knowledge in and of itself is *powerless* unless and until you do something with it. I have met Mensans who could solve the most complex puzzles in seconds, but who failed to apply all their brain power to anything that really mattered. What's the value in winning trivia games or completing crosswords if that's all you can do with what you know? Real organizational power comes from teaching those you supervise to be as good as or better at what they do than you. The best organizations operate at their peak without the interference of their managers.
3. Build relationships. So much is possible if you have good relationships with the people you work with. We have to get past this old notion that you can't be friends with the people you supervise.[†] Friends will do things for one another that acquaintances or even strangers won't and for the right reasons; because they care about what's important to you and because they care about you.

The role of the traditional manager is obsolete. If you are a manager in an organization today, you need to focus your efforts on adapting your behavior to the new world of work. This means that you must recognize that you and those your supervise are independent contractors. Take some time over the next month to think about what you need to do differently. For those

[†] See Vol 1, No. 2

of you who still think you are employees, meditate on the question I asked earlier: How has your behavior changed? Perhaps I should ask this instead: How does it need to change?