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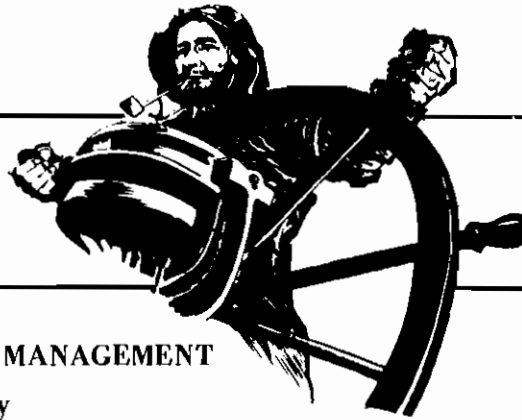
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SET AND DRIFT



THE WORLD OF MANAGEMENT

by

Robert F. Delaney

In the past quarter century a revolution of dimension has occurred in the managerial art, paralleling the earlier confrontation between the natural and the social sciences of last century. It has not come easily and it is accompanied by controversy.

Essentially, the change has been occasioned by six major factors:

- The increasing complexity and diversity of society, including both the private and public sectors and especially the \$120 billion Defense Establishment.
- The arrival on the scene of new psychological and sociological insights helping to explain human behavior.
- The introduction of information systems, quantitative methodologies, decision theory and mathematics into the processes of management.
- The orderly substitution of trained management for family ownership, charismatic and combat leadership, and corporate "freebooters."
- The growing weight and influence of bureaucracy throughout our institutions, or, to put it another way, the ascendancy of the public sector over the private sector.
- Finally, the profound changes wrought in American management caused by America's emergence as a world power and political/economic competitor for scarce resources.

Management, for our purposes at least, concerns the organized structure of society's institutions centered about the human core in such a way as to permit timely, correct decisions to be taken when required.

It does not require wide managerial or military experience to sense the recent change in psychological insight, technical diversification and increasing attention placed on fuller utilization of people. Indeed, the process is accelerating, bringing with it new demands on institutions and managers.

A simple example suffices. Years ago, I attended what was the first advanced management program at Harvard Business School. Not one single word about mathematics, systems or the computer was mentioned. Two years ago at an American Management Association seminar I attended only mathematics, decisionmaking theory and the computer were discussed.

What had happened in the interim?

One could be flip and say, "a funny thing happened on the way to an MBA: The world changed. The '12 table' is not enough."

This is precisely what did occur.

There has been a:

- knowledge explosion
- technological explosion
- communications explosion

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- economic explosion
- professional explosion

In addition, if we look at the effect on managerial programs, there has also been:

- the internationalization of markets, as with arms sales
- a shorter product life on industrial/consumer goods including weapons systems
- increasing importance of marketing
- basic revitalization of decision-making
- emergence of special line/staff relationships
- multiple memberships (NATO co-production efforts)
- a revolution in personnel management

We need not here overly dwell on societal change and its effect on institutions save to note that the heaviest affect on administration has not been in accepting the new array of management tools but in grasping the effects all of this has had and will continue to have, on individuals within the society, or to be more precise, the organization.

Look but to the immense shift in value systems in the last 25 years. English journalist Henry Brandon has called the change "the undressing of America," and Robert Townsend, in a more pragmatic context, explained it neatly as "Up the Organization."

Managerial man can often emerge from all this tattered and confused. But as Naval War College Professor George Brown has so ably demonstrated, new tools of logic and behavioral science provide an intellectually sized slide rule for us to assure ourselves that management is making the right decisions.

Man, the rational animal; man, the object of society; man, the manager, the consumer, the bureaucrat, the prize and the victim.

This brings us to the matter of economic (or is it rational) man. We find Professor Herbert Simon speaking

of "administrative man." I find it a particularly disheartening, but realistic appraisal: man doing his thing, in the vernacular. This interpretation goes a long way to explain the "gold brick," the workaholic, the careerist, the "goof-off." Each man institutionally is doing his thing.

Techniques designed to assist in the rational decision process are at the core of organization: how to push decisions toward goals and missions. With the military world daily becoming more organized, it is vital to understand the world of management. This process of understanding has consumed 50 years: from the primitive human engineering studies of pre-World War II (including, incidentally, the classic study of *The American Soldier* by Samuel Stouffer, which did so much to argue the case for the development of a managerial theory centered on people, not things) through the rise of the computer crisis management conflict resolution, feedback of all sorts, to total organization development, a state in which we are immersed today.

It was management consultant John Dibold who coined the phrase "technology as an agent of social change." It was on the wings of this movement, which found its supporters at Carnegie-Mellon, Sloan, Stanford and A.D. Little, Inc. and its detractors in social theorists Franz Fanon and Herbert Marcuse, that American business, first, then American government, later, began to modernize corporate, institutional structures. The operative phrase was "to rationalize" the structure (a term interestingly enough taken not from Herbert Simon but from the literature of Soviet planned economics).

And what did this theory tell us of man and his governance: essentially that, all things being controllable, man, economic man, optimizes—goes all out. Graham Sumner called it Social Darwinism. Horatio Alger reflected it as the free enterprise system.

Such was not easily to be, for the practicalities of corporate and organizational life interfered. Man passes through the psychological filters of alternatives and compromises to a new organizational state, washed by social psychology and marketed as administrative man, he who simplifies and "satisfices," one of the great nonwords in Shakespeare's tongue. And what is this "satisficer"? He is known to each of us for he is an economic everyone. He settles for what he can get. William Whyte spoke of him in his classic on *Organization Man*. We heard more of him in Whyte's sequel *Is Anybody Listening?* and we see his tactics in Anthony Jay's acerbic treatise *Management and Machiavelli*. What does it add up to? It adds up to a conflict, resolvable, in most cases, but certainly inherent in the nature of today's organizations and management. Directly put, the social sciences tell us that the more rational, efficient and effective the organization, the more closely we should watch for human failing, for the "satisficer" is constantly prepared to adjust. Modern management to succeed must balance corporate/organization decision-making and the manager's need to focus on the individual to exact that measure of motivation and communication necessary to success and achievement. This is as true of EXXON as it is of the Department of Defense.

Thus man is central to the decision and to the objective sought. The variables are not hard to find; the leader knows them; the manager analyzes them. Therein the military dilemma: a tendency to place the combat leader in conflict with the manager of violence.

Values, motivation, perception, communication, authority, power, process, change and development form a continuum of interest to us organizationally and managerially.

The umbrella over these perishable and mutable variables is the structure of consistent, calculated, decisionmaking.

Models, theories, concepts come and go, are tested, accepted or rejected. Perhaps the most insightful thing a manager can perceive in this process is the ability to distinguish "what is" versus "what ought to be"—the capability versus the intention.

Suffice to say, behavioral techniques, models and analyses are proven, usable tools to aid in decisionmaking, not necessarily to make the decision. Management's task remains to scan the organizational effort, become familiar with these new inputs, but never to forget the organizational structure through which rewards and goals flow. It is only then when appreciation of man, the manager, and man, the technician, is assessed that the range of administrative behavior will fall into place and man the satisficer will emerge, be it in IBM, Newport Naval Regional Medical Center or Aunt Tillie's variety store with her 35 seconds of computer time/month.

Just consider the 40 years from Frederick Taylor who "discovered" scientific management to Peter Drucker who raked up and "discovered" people in an organizational environment. From a Henry Ford Sr., entrepreneur, hard-nosed and reeking with prejudice to a Robert McNamara, armed with computers, impersonal, fact-oriented, option open and decision prone, is but one generation. The trained manager represents progress carrying both strengths and weaknesses. The modern manager is a far cry from the businessman's view of the "salesman on horseback" in Samuel Huntington's overworked imagery. A programmed Walter Wriston, as Chairman of Citicorp, seems far more compatible with modern management than does the thought of Horatio Alger being put in charge of systems analysis. This analogy is as true of national defense as it is of business.

To understand and to process these immense changes from simplicity to complexity, from authoritarian,

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hierarchical leadership to participatory management required many inputs and many schools of thought. Consider the list: the process school (the universal function of management), the empirical school (case studies of experience), the human behavior school (the active co-operation of people in pursuit of goals), the social system school (wherein society controls the inputs which eventually reemerge as outputs), the decision theory school (the rational procedures through which analysts assist managers to reach decisions), the mathematical school (the tools of assistance to bring precision within managerial reach), and finally, increasingly important, the comparative management school (which in management terms might be described as how to retain your cool, keep everyone happy, and still generate a bottom line).

There is obviously a price to be paid for all of this, humanly and institutionally: the growing weight and influence of the bureaucracy in both private and public sectors. It was the German sociologist, Max Weber, who first studied bureaucracy. It was exemplary. The bureaucracy in his hands was a meritocracy. It was the finest effort of the public sector. Bureaucracy has, to say the least, undergone change. In our society it has developed careerism, apathy, organizational jealousies and parochialism. Arthur Herzog has written a cynical little book on it, *The B.S. Factor*; Chester Bernard tried to cut it

off at the pass with his early work on *The Growth and Development of Executives*: to no apparent avail. Neither the brilliant Harold Lasswell nor social economist Edward Banfield seems to know the answer save to explain how it works. It is a problem that today severely besets the national security apparatus, and hinders our ability to react to crisis with flexibility and innovation. Bureaucracy has become to defense planners the greatest single obstacle to change.

This reality, however, is our world. William Jennings Bryan may have died on a cross of silver laced with gold, but today's managers who violate the bureaucratic code are not nearly so fortunate. Their cross is likely to be early retirement. Organizational change and development within our national bureaucracy is an apt area for understanding and study. The management of America, public and private, as commentators and critics alike tell us, is an immense business.

And this leads one to close with an observation from one of those exceptionally fine business school case studies:

An interviewer speaking to a foreign entrepreneur once inquired,

"Sir, would you mind summarizing in a phrase how you managed to rise from pauper to millionaire in only six months without learning more than three words of English?"

"Stick 'em up!"

