

MAKING PEOPLE COUNT (EVEN MORE) A "TECHNOLOGY" FOR THE 21ST CENTURY

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It's no secret that technology is driving into the industrial world a new era of competitiveness and technological change is taking place at an unprecedented rate. Even solidly performing companies are at risk of losing their leading edge as their technology ages almost overnight.

In a race that will continue into our new century, the more efficient technologies, particularly the "machine directed," will be further impacted by the management concepts that directly influence these "machines." Changes in management styles and approaches have been largely incremental throughout the latter part of the 20th Century and, in many instances, not always effective in matching the dramatic improvements occurring on the technology development side. This has got to change.

The paradigm for effective management that has prevailed since the Industrial Revolution has been "Command and Control." Employees en masse have been asked to do what they are told and, historically, power has been directed from the top. Only recently have companies recognized that this top-down approach is somewhat antiquated. In some respects, the maladministration we see in some traditional organizations has proven to be far from effective. Yes, there have been some attempts to save the top down system by grafting on "fixes," that, too often, simply succeed in providing management with what it *believes* are innovative management concepts. More often, their effectiveness is short lived.

Organizational experts, educators, and learned corporate officials have foreseen a need for a different paradigm. Behind this effort is that safeguard conviction that, for the most part, people want to do what is right -- first for themselves, but also for the organization writing their paychecks. The more advanced companies that are committed to innovative management concepts believe that proper incentive, authority, buy-in, or shared ownership will continue to be the mainstays for getting employees to significantly contribute to the bottom line.

Here are a few novel and, admittedly, not fully proven concepts that I believe have been on the backburner far too long:

. For production class employees, consider a 10-hour shift. Employees could work this amount of time each day and be off work for three days. I am sure the naysayers would argue that this concept is impossible, reasoning that fatigue will set in, margin for error will grow, quality will diminish, etc. I continue to believe it can work and that employee support will prevail because leisure time is more valued than ever before.

. Modify or introduce more effective incentive plans. Although contrary to current supplemental pay systems, I believe incentive plan payments should be distributed quarterly vs. annually. If management believes incentive plans make a difference, then why should participating employees wait a full year to be rewarded for their good work? Further, make it a "no excuses" plan that impacts all aspects of production by requiring that both individual and group/team objectives be achieved. Leave it as is for executives - they should be measured on longer-term contributions.

. Train individuals to do their own quality control. More often than not, production should be held accountable for effective quality. Therefore, why shouldn't quality also be included as one of the paramount measurements of pay-for-performance? Where quality functions must be maintained as self-contained units, modify the charter so that this historical watchdog role is shifted back to performing individuals.

. Remove the caps on sales commissions that too often are arbitrary. In general, sales commission programs with restrictions attached are demotivators. Sure, set the bar high based on the economics of the business, but don't limit the sales commission for the high drivers. Remember the motto "earn to sell and sell to earn."

. And, importantly, for those organizations that haven't yet woken up, recognize that the concept of pay-for-performance is a way of life for progressive corporations. Paying employees for their individual and collective unit performance is now a lynch pin in improving all aspects of production for many companies. The historical concept of exclusively paying for position and grade is dated and no longer as effective as it once may have been.

I believe most employees of North American companies today, regardless of historical management-employee relations, continue to believe that their contributions have impact on their short term and, to a lesser degree, long term joint aspirations. Even with the pervasive restructuring and downsizing which has occurred over the last several years, union/management relations have been tranquil for more than 25 years with limited exceptions, i.e. General

Motors and Caterpillar. Work stoppages, union walkouts, and other major labor strife issues are part of past Americana. The same appears to be true in other nations, both developed and newly developing.

I admit my views may appear Pollyannish for certain audiences. However, I still believe most employees are bright enough to recognize that shooting themselves in the foot with secondary performance isn't going to lead them down the "yellow brick road."

Luckily, many organizations with which I am familiar have adopted more bilateral concepts for including rather than excluding employees in the decision-making process of production, whatever the form, whether product or service-based. Those that continue to manage their organizations in a historical, hierarchial and somewhat autocratic fashion are setting themselves up for problems in the new millennium. I predict cooperation, rather than confrontation, will be the business axiom more so than ever before. As always, only time will tell.

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