



It occurred to me the other day how irresponsible managers usually are. By that I mean to say that managers do not usually hold themselves responsible for the adverse consequence that follow from their bad decisions. Part of the problem stems, in part, because we have not developed, and certainly we do not enforce, effective indices to measure management's successes and failures. It is true, perhaps, that the most effective index of an organization's success is the increase in its value to its shareholders; but how much of that increase in any case is genuinely attributed to any particular manager? And how can we find out? We have already seen the tendency of the members of modern management to walk away from failure on the basis that we can rarely attribute failure to one person. On the other hand, they all jump on the bandwagon to claim a share of the success. This is certainly not true for any other trade or profession. There are measures of success and failure for every other occupation, whether it is the gardener or the specialist surgeon. Managers and administrators alone are exempt from any assessment.

I sit as an alternate director on board of a company that has been running at a loss for several years. Each year, however, the management comes with a request for an increase in salaries. The latest guise, in lieu of a direct increase, is to request that management are paid "an incentive." Indeed, the last request was for the "incentive" to be paid whatever the performance of the company. Apparently, this incentive is an inducement for the managers and executives to do their jobs, for which they are already highly paid, but not necessarily to do it well. Part of this problem comes from an incompetent board of directors, itself made up of managers from other companies, with very few of them having any direct financial interest in the company. There is little incentive for these directors to hold the managers to any useful or measurable standard because they do not wish to be held to similar standards in their own organizations.

If we recognise that this is a problem with the for-profit organization, it becomes an insoluble problem in not-for-profit organizations and in the public sector. We have virtually no measure of success for administrators and managers in public organizations, and we do not seem inclined to develop them. It is not unusual, then, the managers of such organization to offer meaningless indices of success. For example, how persons in each day came to the organization for service (as if the management had anything to do with that) or how many times did the staff answer the telephone. Reflect for a moment on the administrative structure in a university or college. The academics are usually held to very clear and measurable standards: How many times have you published this year? How many students do you have in a class? If the college or university academic does not measure up to these standards, they will lose their jobs. At the very least, they do not get promoted. Contrast that position with the administrator in the college or university. Whatever her performance is, a college administrator is consistently promoted up the line. It really does not matter what adverse consequences follow from her misadministration.

This must be the challenge for the next generation of management scholar-practitioners: To develop techniques to measure management performance in an organizational setting. Looking at where we are now, I am not sure that we should hold our breaths.