

Executive **EDGE**

PRINCIPLES THAT ENDURE

Several management fads have come and gone during the past 40 years. What have endured, however, are the following broad management principles:

- Management is a practice.
- People are a resource.
- Marketing and innovation are key functions of a business.
- Discover what you do well.
- Quality pays for itself.

In 1954 Peter Drucker published *The Practice of Management*. Before then, Drucker says, "nobody had even thought of managing a business. It led to the whole idea of objective, of what is the mission of a business." Drucker believes senior managers must concentrate

on strategy and allow staff to carry out their objectives.

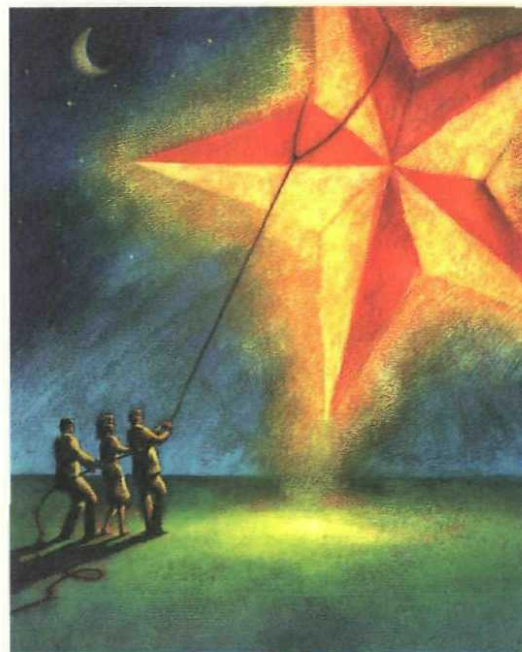
Managers of successful businesses view their workers as a resource, not a cost. Management guru Peter Senge and others have asserted that empowered workers help a business thrive. Empowerment, states Stanley Gault of Goodyear, "has allowed our nation to record unprecedented progress in the areas of productivity, creativity, technology, product development, and overall competitiveness in a global market."

As a result of global competition in the 1970s, businesses began to concentrate on serving the customer, a philosophy not unlike patient-focused care, which healthcare orga-

nizations have recently adopted. Today, corporations learn what their customers want by conducting test marketing, surveys, and focus groups, which can lead to the creation of new products or services.

Strategic planning did not take root in corporate America until the 1970s, when General Electric experienced success after analyzing competitors' past, present, and expected future. Such planning helps corporations focus on what they do best, their core competencies (e.g., marketing, research and development) that give them the competitive edge.

Although W. Edwards Deming introduced the notion of



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continuous quality improvement in the 1960s, U.S. business has only recently adopted it. Today, organizations that continually improve the quality of their products, processes, and services are prevailing because they

save time and money, reduce waste, and introduce improved products to their customers sooner.

Brian Dumaine, with Anne Faircloth, "Distilled Wisdom: Buddy, Can You Paradigm?" Fortune, May 15, 1995, pp. 205-206.

DISGUIISING THE BOSSES

The American Dietetic Association (ADA) has taken a current corporate trend to a new level. Last November, while reorganizing into a team structure, the ADA abolished job titles. Former Chief Executive Officer Beverly Bajus now describes herself as merely a "member of the chief operating officer's group." The ADA's other 139 employees are titleless, too.

In making the change, the ADA sought to improve communication and cooperation among staffers at various job levels. "It sends a message to employees that we're not into status," says Winthrop Hamilton, the organization's top fundraiser. Since November, "people feel more open in walking around and talking to people," according to Karen Lechowich, supervisor of the member services group. ADA leaders—who, though untitled, remain leaders—hope that new ideas will now percolate more readily from the organiza-

tion's lower levels up to them.

But so far, some staffers say, there has not been much evidence of such intellectual percolation. And the change has made other employees unhappy. "I think people felt a bit anonymous, devalued," says Betsy Crist, who lost her title as managing editor of the organization's magazine.

The ADA may also have a problem with motivating its workers. It is currently trying to develop ways to reward those exemplary team members who, at a more traditional organization, could be given impressive-sounding job titles. ADA leaders say pay raises are one possible answer. Meanwhile, says Bajus, she is putting more letters of commendation in deserving employees' files.

From Hal Lancaster, "Life without Titles: What Makes Bosses Bosses, Peons Peons," Wall Street Journal, May 16, 1995, p. B1.