THE MANAGERS' PRIME TASK

-Getting Competent People Committed

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"Change is so rapid that businessmen have to come back to the campuses to have their batteries recharged."

\textit{Miller of Stanford}

Recharging the Businessmen's Batteries

'Work smarter not harder' an old axiom with much merit. Today, however, everyone in business seems to be getting smarter and competition between companies and nations is becoming increasingly more severe as resources become more dear. The added complexities associated with international turmoil and interdependence plus ever increasing levels of specialization are also placing tremendous pressures on most management teams and make it more difficult for the 'one map show' type of organization and 'seat of the pants' management styles to prosper. As the opening quote suggests, to maintain a competitive edge based on working 'smarter' requires a continous executive educational program. In Thailand the Thai Management Association (TMA) and others are trying to fill this need. The ABAC Journal through its publication hopes to help 'recharge' the batteries of Thai Businessmen.

To Succeed in today's volatile world - Competent & Committed Managers are Vital

Innumerable studies and reports clearly point to the inescapable fact that most businesses fail because they lack skilled management and that most managers fail as managers because they cannot, or will not, delegate authority. Successful delegation of authority is seen by the author as one key to eliciting meaningful commitment. Before discussing delegation however we will try to define and amplify what we mean by commitment and give some of the consequences associated with having, or not having, competent and committed managers and employees. Also before discussing delegation it will be necessary to look at just what it is that motivates managers and workers toward desired work goals. Harvey W. Wallender writing in the Columbia Journal of World Business summarized his extensive case studies of business firms in developing countries by pointing out that the major problem associated with those firms is in the development of manpower and acquiring assistance. He indicates that the local educational systems have been unable to meet the demand for 'qualified' personnel and that much of the training done in the U.S., Europe and in other developed countries cannot be effectively put to use by the recipients when they return home. Therefore if one looks at all of the factors of production it becomes clear that countries such as Thailand really don't lack capital and they don't lack material resources -- they can be made available. They fail to grow and prosper as fast as they could because they lack competent and committed managers. In short, capital and resources though limited are not the limiting factor in the Nation's growth equation.
Competence - Brains

Competence springs from people of ability and is a function of a person's brain-power. When we add experience, education, training and time to people with ability we should get competent people. Competence is developed by establishing and enforcing high standards. This seems to be what is often lacking in Thailand, at least from my observations of the educational system. This failure to establish and enforce high standards applies to both instructors and students alike. We might add that we've felt this way about the U.S. educational system as well. From readings it now appears that the U.S. educators are finally waking up to this fact. However even competent people if uncommitted will simply do what is required of the position at the level and quality expected -- usually 'the average.' This 'average' cannot act as a stimulant for superior performance.

Commitment - Heart

Commitment, on the other hand, involves the emotions and is much more difficult for any enterprise to develop. Here one needs to deal with intangibles and psychological factors that differ from person to person and with sociological factors that vary from group and from nation to nation. As Peter Drucker has pointed out, however, the more a manager can make use of the traditions, values and beliefs of a society, the more he will accomplish. A committed person isn't the kind to be satisfied to operate at expected levels, he wants to accomplish the task with which he strongly identifies even if this means he must give up some of his free time, his part-time job, or another job that offers him higher pay. In short, the committed are prepared to make sacrifices. There is of course a danger -- if a committed person is not competent as well he can do great harm.
Committed and Competent a basic concern of Top Management

Having a competent and committed person whose objectives and goals are not in accord with those of the enterprise can be disastrous. A highly competent and committed purchasing officer who is committed to getting rich the fast way may be able to cheat a company out of hundreds of thousands of baht without being detected. On the other hand one committed to the success and growth of his company can save his enterprise millions. Specific ways, means and procedures for getting and keeping these kinds of people will need to differ as each nation has its own unique environmental set. What can gain meaningful commitment in situation 'A' may be useless or even detrimental in situation 'B'. Thai techniques and procedures to recruit and hold competent and committed staff need to fit the Thai environmental situation but the long term success and meaningful growth for any Thai enterprise that aspires to greatness is inextricably tied to the company’s ability to attract top flight talent.

Foreign firms and executives here in Thailand are keenly interested in understanding 'what makes Somchai run?' Unfortunately little has appeared in the English language media by Thai academicians or businessmen that have addressed this topic. That which has appeared seems to be all descriptive in nature. What we need are some prescriptive articles. Attending a TMA seminar last year conducted by Thai and Japanese academicians and businessmen the audience was fed a constant diet of U.S. Fortune and Harvard Business Review.

As mentioned, commitment involves emotional involvemen. Why was President Kennedy and NASA able to get a team of scientists and engineers committed to man's first moon landing? Why does company X, Y or even Z have trouble getting its work force committed to producing quality gigs? The answer is simply because the scientists and engineers were doing 'their thing' which coincided with the goals of NASA, Kennedy and the American People. Obviously then a key to getting one committed to an organization and its goals is to see to it that these goals and objectives are consistent with the workers own values and goals. For example, companies X, Y and Z can get a person committed, without too much difficulty, to a departmental quality goal such as zero defects if that person himself is a perfectionist. The 'may pen rai' guy, however, and zero defects are probably not too compatible. Many are committed-personally-to their boss. In these cases they will do what they think will make the boss, their patron, happy and think well of them. This will usually mean that this type of individual will do nothing original or creative. Gaining meaningful commitment is such an extremely difficult task that most managers even refuse thinking about it.
Pgymies to Giants or Vice Versa

Small businesses have often been singled out as being unable to attract and hold good employees. If this were so it would be most unfortunate as everyone big, medium and small alike recognizes that good workers are its most valuable asset. Both in the U.S. and in Thailand over 95% of the businesses are classified as small; but, according to Mr. Manu Leopairote the Director of 'Thai­land Management & Productivity Centre' the small business sector in Thailand lags far behind the large scale industrial sector in productivity. This particular productivity problem seems endemic to the developing nations but does not appear to be overly significant in the U.S. Today in the U.S. there seems to be a problem with the industrial giants -- they cannot match the productivity gains of Japan or W. Germany. Be that as it may, getting competent people committed may be of greater importance to the small firm in both the U.S. and Thailand than to its larger competitors. Afterall all of the industrial giants were once small, they grew because they were well managed with dynamic (genius?) leaders. Some of today's pygmies will become tomorrow's giants and today's giants (Chrysler?) may not be here tomorrow.

Henry Ford began Ford Motor Company with $28,000 cash at a time when there were hundreds of others trying to carve out a niche for themselves in the automobile industry. If one looks back to that time it would be hard to find anything that would single Ford out from the others. Ford however was able to attract men like the Dodge brothers, James S. Cozens, C.H. Wills and William S. Knudsen. It was Knudsen who left Ford for G.M. and put an end to Ford's domination of the lowpriced automobile markeL

Genius Managers

Henry Ford might rightly be called a genius manager, he certainly had a genius for attracting able lieutenants. Recently here in Thailand there have been several articles written about the 'genius managers' and their management styles. We certainly hope Thailand has its full quota. If they are true genius managers however there will inevitably come a time when they will die or their company will reach too big a size or complexity for any one man to physically handle. Further growth and success will then necessarily depend upon a management team. Truly successful companies will also outgrow the family's ability to supply managerial talent, witness: the Duponts, Fords and many others.

ORI : McGraw-Hill Expertise Bonanza or Otto's Farm

Last year the highly successful Data Resources Incorporated (DRI) was acquired by McGraw-Hill for $100 million when the company's assets were valued at only $10 million. Critics opined that this was too high a premium to pay. McGraw-Hill countered its critics by pointing out that it was acquiring the skills of the members of DRI as well as its computers and that this acquisition of human expertise was worth every dollar they paid. We would tend to with McGraw-Hill had DRI not run into a commitment problem -- six top executives resigned en masse, and more were set to follow; several began their own company. From reading the reports in the media it would seem that DRI and its 'genius' entrepreneur president Otto Eckstein, the Harvard economist, may have reached a size where genius management and possibly the autocratic/paternalistic style that so often accompanies successful and more often the unsuccessful) small businesses had reached its limits. Some of the key staff reportedly said such things as: "There's no doubt its Otto's farm. (We) have no responsibility and authority." Others voiced complaints that centered on the lack of personal recognition, unrealistic performance targets and insufficient budgets. To halt the executive exodus Mr. Eckstein gave more money -- front end bonuses and big pay raises. More money in cases like this simply serve as a tourniquet. It may temporarily stop the outflow of executive blood but a more permanent solution will probably
need to be found. In other words money, by itself, will not ensure long-term commitment by top flight professionals. 

This means that a starving man isn't going to be motivated by the fact that work will bring an honorary doctorate; he is motivated by the fact that work will bring food.

The second step, security and safety, is unfortunately where many if not most of the people on earth are seemingly permanently tied. The kind of commitment as measured by increased productivity cannot be gained from people who are worried about tomorrow's meal. Without adequate job security these workers will quit without notice for a job that pays a few baht more regardless of how severe an impact their leaving may have on the company's operation. Some managers are surprised when workers quit and go to work for their competitors for a baht or two more especially when they have much nicer, more modern facilities; clean, neat and attractive. Well nice work surroundings may only be useful for feeding the employer's self-esteem needs. If a person's safety and security needs are not filled men will try to migrate -- witness the exodus of boat people and the Cambodians. Of course if in leaving they are likely to lose the more... 

**THE MOTIVATION CLOVERLEAF**

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basic physiological needs (food) they may decide to stay and bear it. Even if the basic physiological and safety needs of employees are filled, about the only commitment that will be gained will be the commitment of their arms and legs -- while you are watching -- not his heart and certainly not his head. Their interest in the success or failure of the enterprise will be short term -- next payday.

Within Maslow belongingness (social) needs are needs that can be partly filled by a company and which can serve to gain long-term 'employment' commitment. However, if motivation is suppose to come from IR!mg a member of the company family we will usually find a company that strongly punishes the risk-taking individualist if he fails; and, gives scant reward for success. In these type companies we find that rewards are largely a function of being a member of the family -- an obedient one, seen but not heard. Those who want to be heard as well will tend to be discouraged. These paternalistic, one man show, type organizations have room for only one patron. Working for a prestige company such as Siam Cement or Borneo can help attain employment commitment. Prestige companies however are also the ones who pay relatively good wages and offer good job security. Government employment in Thailand is also considered a prestige job with high job security and seems to attract many in spite of its low pay. We all know that corrupt practices are all to common but not many of the lower ranking officials can generate much income from this source. The University professors, for example, do not 'often' get involved in corrupt practices and they work for a pittance. As a consequence they can be seen flitting from college to college like butterflies picking up part time jobs to supplement their incomes. How committed can they be to their University or to their partime employers? More importantly, for Thailand, how committed are they, or can they be, to giving a quality education to their students?

Motivators or Maintainers are Both

Herzberg outlined two sets of factors associated with work: one set called satisfiers is seen as leading to meaningful motivation. Included as satisfiers are such factors as responsibility, recognition and promotion. These factors are those directly associated with the job itself. The second set of factors are not directly linked to the job itself and they are called hygiene or maintenance factors. They include such things as: pay, working conditions, company policy and administration. The absence of the maintenance factors from a job are said to lead to dissatisfaction. On the other hand their presence is seen as adding little to eliciting constructive motivation (in the U.S. at least). A parallel can be drawn between Herzberg's satisfiers and Maslow's higher order needs of: esteem, and self-actualization. Herzberg's hygiene factors roughly correspond to Maslow's lower order needs. The hygiene factors must be satisfactorily filled before satisfaction and nimitful work performance can be expected. To Herzberg the satisfiers, if present, can lead to motivation toward constructive performance and higher productivity. If absent, however, they do not in themselves result in dissatisfaction. The satisfiers can also serve for some as hygiene factors and vice versa. Here in Thailand money, for example, which was originally viewed as predominately a hygiene factor by Herzberg, is probably much more of a motivator for the young Thai manager than for his U.S. counterpart.

Everyone gets a carrot, No one gets incentive

The carrot and the stick. Reward and punishment are the old standby motivators and are still effective and in wide use especially in the developing countries where the lower order needs of Maslow and Herzberg's hygiene factors are tenuous at best. The problem of the carrot-reward-which usually translates into money here in Thailand, is that most of the time everyone gets a carrot with no regard to his performance or contribution. Automatic merit increases, promotion by seniority and bonuses that have little or nothing to do with performance certainly cannot be considered incentives.
For example, one well-known educational institution the author knows of pays a one month bonus to everyone in December. This is not a bonus -- it’s delayed pay. On several occasions there were a few people who did a considerable amount of work over and above the call of duty. When suggested that they be paid a special year end bonus the administrative response was that they would consider this exceptional performance during the annual evaluations. Did they? No. The author has tried to point out that bonuses should be rewards for what employees 'had' done, step increases should be given for what they are going to do. December, is the middle of the term and they have had cases of instructors hanging around to collect their bonuses and then walking out on their classes at mid-term. This forced hardships on both the students and the administration. In these cases what did the bonus bring? Turmoil. The author had mentioned that it would be better to pay 'bonuses' twice a year at the end of the terms.

The Director of the aforementioned institution, an experienced educator/administrator, has wrestled with the problems associated with an incentive system based on merit for a number of years. He correctly points out that a reward system based on merit requires an effective evaluation system -- yes, it certainly does. He also is of the opinion that the automatic annual step increase system is the normal way of doing things in Thailand -- yes, and in quite a number of other places as well. He also voiced the belief that getting supervisors with "guts" to frankly and conscientiously evaluate their staffs is extremely difficult -- perhaps. All his concerns however do not alter the fact that such a system may well be necessary or even vital. As pointed out earlier competence is developed by establishing and enforcing high standards. This requirement presupposes an effective evaluation/reward system. Western evaluation techniques for use among the illeducated, non-professional Thai work force cannot be easily transplanted but an effective evaluation system can be implemented among the professional/managerial classes. These classes have been successful in such a system. As students, Seventy thousand Thai high school students sat for the University entrance examinations and only about fourteen thousand were successful. Not all who sat for the University entrance examinations received a carrot. In the universities and colleges they will not all receive 'As' nor will they all receive 'Cs'. They will be graded according to merit. Or will they?

When the author first began teaching in Thailand he recalls looking at the posted grades of a senior marketing class. There seemed to be quite a few As. A student was standing next to the author also looking at the grades and the author asked him if he were in that class and if so what grade he got. He replied "A" with a tinge of rancor in his voice. Upon further discussion it came to light that this student was unhappy. There were too many As -- he felt that he had 'worked' hard for his and that others were 'given' theirs. If this were a company and he were a highly motivated and productive worker we wonder how hard he would continue to work and produce. We have, of course, experienced many similar incidents. In our classes we usually award a few As, some Bs, many Cs, some Ds and a few Fs. The grades are usually well received. Instructors who have as a pJ-<josophy that grades are earned not given and who tend to be tough but fair will rarely have any problems with the students. What would happen if all students were given 'C' regardless of their efforts or success in the course? What happens to educated high achievement oriented men and women when they are given the standard, annual step increase?

Educational institutions especially business colleges should be leading the way and not be waiting for others to set the pace. Why do so many students think that the text books and the so-called 'real' world are alien to each other? Could one of the reasons be that the college and universities do not practice what the preach?

No one gets the stick

Outside of dismissing the 'F' performer
and perhaps the 'Ds' who cannot be upgraded the stick should be sparingly used. The stick of course can motivate a man to go through the motions of work just as it can make a Jackass move, but it cannot truly motivate him if by motivation we mean an inner desire to make an effort. The stick can be used to control men as long as they are struggling for their livelihoods. But this kind of control does not bring about any meaningful commitment to the enterprise's success. The overt use of fear for sustained periods of time has been shown to result in a host of unfavorable actions including poor workmanship and dishonesty. More often than not however the use of fear is at work without the conscious knowledge of the boss. This unconscious use of fear leads to an organization of 'yes men.' It is really surprising that so many managers are surrounded by 'yes men' and they don't know it. They think they have one big happy family of team players.

In concluding this short carrot and stick discussion we believe that the professional/managerial classes can live with and indeed thrive on an effective evaluation/reward system. The root problem seems to be an inadequate reward system. This inadequate system comes, in part, from the fact that there are too few growth opportunities within such organizations that do not have them. Why? Are their managerial/professional stafts both competent and committed? Probably not and that is also probably why there are so few promotion opportunities. All students don't receive nor expect As they can accept the 'tough but fair' standards of demanding instructors. They may seem to be predisposed to being McGregor 'Theory X' men or women but with proper leadership and with careful nurturing they can become 'Theory Y' Thais:

Douglas McGregor's Theory Y, Theory Thai (x)

Laxy, happy-go-lucky, refuses to accept responsibility, looking for a free lunch, prefers to be told what to do, has no ambition, the perfect theory X man. How often we've hoard these words directed at the Thai. How often we said some of the same things. Of course these kind of words have also been directed towards workers from all parts of the globe. In the U.S. we often hear 'What happened to the Protestant work ethic?' The usual answer is 'It's alive and well -- in Korea. The author once tried a Theory Y educational approach with his students -- results: an 'F' for the instructor. Judging from the author's lack of success a Theory X approach (drive, threaten, control) was definitely called for. Man is by nature lazy, he naturally does his best to avoid work, he must be driven etc. Man is by 'nature'....he is 'naturally'....No. The teacher got an 'F' not because theory Y was unworkable or wrong. He deserved to fail because he should have recognized that he could not instantly expect theory Y performance from a group of trained theory X students. The author is convinced that the average human doesn't dislike (productive) work, he'll not only accept responsibility he'll seek it. He will exercise self-direction and self-control toward the attainment of objectives toward which he is 'committed.' Most students have been taught since childhood to put pleasure before responsibility, to be seen and not heard. They have been spoonfed all their lives. For example, the author's wife.....a lovely kindhearted Thai has been teaching her sons to put pleasure first. As a case in point: Morning, son coughs once.....
wife, he's sick, he can't go to school. Husband returns home at midday. Where is the son? In bed? In the hospital? No, he's outside playing. Shortly after the school bus left he had a miraculous recovery. Have you noticed how many wives and maids take babies out for walks while at the same time they are shoving food down their throats. why? That's the only way he'll eat -- he'll only eat if he is also being entertained. Students also expect spoonfeeding and receive it. Instructors give a few pages of handouts which are blueprints for the examination. This alleviates the need for 400 to 500 pages of reading. Once this author gave handouts to help explain and amplify some difficult management techniques. Result: numerous complaints that some exam questions were NOT in the handouts. How naive the instructor was to believe he could change a lifetime of 'sanuk' and Theory 'X' training in a semester. Man is by nature lazy etc. .....No, he is taught to be. Just giving him responsibility and assuming all will be well is wishful thinking -- it will rarely work. It took years to make him -- him. It will take some time and explicit actions to increase his achievement drive and make him good theory Y material. The author also feels that for now the average teacher will be of little help in this effort of transforming Theory X trained students into Theory Y men and women. It will be up to the superior teachers, the leaders and top management. They will need to get or become committed to developing their staffs and students. They will need to reeducate and spend more time developing their staffs than what would normally be required in the West. The superior teachers and managers already are Theory Y's and have the achievement drives. They need to help others acquire it.

Before leaving this topic the author wishes to make it clear that although he fully subscribes to theory 'Y' and the participative management style it engenders he does not contend that theory 'X' management is without its uses. There are times, conditions and circumstances that call for theory 'X' -- but not as a continuing year in and year out diet.

Delegation a key to commitment and competence

At the beginning of this article we mentioned that the reason most managers fail as managers was because they cannot or will not delegate authority to their subordinates. We can understand why they feel they can't. Now we would like to propose that they do. Delegation seems to us to be a key to getting both competent and committed people.

Delegation, of course, implies trust. Managers who cannot trust their subordinates judgment and capabilities need to train them; if they can't trust their integrity they need to replace them. Koonze & O'Donnel point out: "more often than not, reluctance to delegate and trust subordinates lies in the planning deficiencies of the superior and an understandable fear of loss of control." In their book: Principles of Management, McGraw-Hill, they point out that failures in effective delegation do not occur because of any misunderstanding or the principle but happen as a result of an inability or unwillingness to apply them in practice. Effective delegators must be able to give their subordinates ideas a chance to work. They need to be ready with a pat on the back and help develop ideas. They must be supportive. Most importantly they must be willing to accept the mistakes that are sure to be made. Show me a manager who never made any mistakes and I'll show you a manager who is not a manager, he never made any decisions. Mistakes need to be treated as a training cost.
If a manager will, and can, effect­
vively delegate some of his authority then we feel
confident that he can develop competent
subordinates and elicit commitment because
the subordinates will have an opportunity for
achievement, they will be given recognition
and trust. If they accept their responsibili­
ties and their basic needs as previously
discussed have been filled and assuming he
is competent, then all the necessary ingre­
dients for fruitful job performance are pre­
sent.

It isn't unusual for top executives to
think that they have happy teams and that
they don't need to explicitly delegate any
authority (Otto Eckstein?). Just the op­
opposite may in fact be true, they may have
a group of envious and frustrated individu­
alists on their hands. Unfortunately few
Companies today have a conscious, explicit
plan for motivating their managerial staffs.
It is probably assumed that managers are all
self-motivated just as the author of this
article assumed his college business students
could easily be treated as Theory Y men
and women. It is also not a safe assumption
to believe that 'Western' types of motivation
will work with Thai managers because they
have their MBA's from abroad. This is
wishful thinking. Conversely, it should also
not be assumed that Thai motivators will
always work on Thais who have been edu­
cated abroad. On the one hand the 'Western'
types of motivation may not work on the
Thai educated abroad because he will
always retain some of his 'Thainess' and
many Thai values are still important to him.
On the other hand, his 'Western' education
will surely change some of his old Thai
values and new ones will have been acquired.
Delegation of authority is, in theory if not
in practice, an accepted principle of mana­
gement and the Western young managerial
class thrive on it and expect it. But here
in Thailand, and in many other developing
countries, where paternalistic and autocratic
leadership styles predominate, delegation,
when tried by managers who believe in
democratic, participatory management often
meet with difficulties if not outright failure.

In Thailand delegation is sometimes
seen by the young Thai manager as a sign
of weakness or a lack of decisiveness at the
top. Even the most western and confident
of the young Thai managers will probably
feel, at times, the need for a more supportive
relationship with his superior.

Team Effort : Businessmen and Educators

In conclusion getting competent wor­
kers committed in Thailand, or anywhere else, is a tall order. It requires a team effort with educators and managers acting as the co-captains. Managers need to constantly upgrade their skills and explicitly consider how to motivate their junior executives. They need to be a special kind of man. Top professional managers usually are. Unfortunately, however, the autocratic/paternalistic managerial style often associated with the entrepreneurial class of Thai managers (and American as well) is so much a part of their psyche that many of these businessmen would probably prefer to go broke or out of business than to adopt a more participative management style. Today we face many problems: we have an energy crises and are facing higher and higher costs plus double digit inflation to mention a few. We need to increase our productivity if we are to successfully compete. Working harder is not the answer working smarter is. Only the competent who are committed can make, or will make, meaningful contributions to increasing productivity.

The educational institutions and instructors need to redouble their efforts to see to it that the educational process goes beyond just introducing students to the various management principles and techniques. It isn’t enough that they know many things, they need know-how. They must be able to apply what they have learnt; they must want to apply it. This means that they need to understand and believe what they are taught. We educators must somehow reach the basic foundations of the Thai cultural value system and convince our students that what we have to say isn’t a waste of time just for test purposes. The text books and the "real" world are not antithetic they are supportive of each other. That said it also needs to be clearly understood that education should not be an arrogant attempt to undermine the pillars of Thai society: the King, Nation, Religion and Law. But if we have learnt anything from history at all we should have learnt that societies are either changed by evolution or destroyed by revolution. Competent and committed managers should be adapting and opting techniques and procedures that bring about beneficial evolutionary changes without destroying the uniqueness that make the Thai - Thais.