

Managing by default

Ready made software may be adequate for most purposes, but relying on 'default systems' is ultimately limiting. Even worse, applying the default approach to managing an organisation carries significant dangers, says Dr Leandro Herrero

Last time you bought a computer or a laptop, the chances are it came with a ready-to-use software package. This, I'm sure, was much appreciated because it meant you didn't have to load disks, as in the old days. The software allowed you to use the computer immediately. It gave you a good feeling of mastering the equipment. You felt proficient and boasted to your teenage daughter that you knew how to work these machines after all.

What you got that day was your 'default system' – up and running, ready to go, not pretending to do anything but the minimum so that you could start right away. The settings, however, can be adjusted, and each application adapted to your specific needs. In many cases, the system can be made very sophisticated, because the potential for customisation is enormous. Once customised to your preferences, the new application looks very different from the default. It becomes yours.

But maybe you, like many others, chose not to customise. You did not see anything wrong with the default package. After all, it worked. When upgrades came along, you did not bother to use them. You had neither the

time nor the energy to switch to another more complex version and, besides, who knows how the new one would work. Only later, your company decided to upgrade or change software altogether. Hey, that was a massive disruption, even if your hand was held by the IT folks. At that time, you had no choice, somebody had chosen for you. So you moved to the next level.

This story may seem more or less familiar to laptop and spreadsheet users. However, organisations behave in the same way. There is, for example, the 'default organisation'. The one that is just there, perhaps inherited after a merger or acquisition, and of which people do not hesitate to say 'it works', there is nothing wrong with it. Staff join it day after day at 9am on the dot and stay until 5pm.

Although there may be some ups and downs, it is comfortable and contains everything an organisation needs. It has people performing tasks, managers supervising people and bosses managing the supervisors. It is OK, not sexy but OK. You can't ask for much more, can you?

Default organisations do not engender much excitement and there is little hope they will generate any business breakthroughs. But it is a good default organisation and you don't see anything wrong. In bad times things are different. People become stretched, supervisors become nervous, managers become restless – and start polishing up their CVs.

The company is now asking for extraordinary efforts that need extraordinary systems, extraordinary people, extraordinary processes and extraordinary ideas. The company doesn't have them. It is a default organisation that is supposed to take you smoothly from nine to five – and so it did.

Organisations that remain in default mode are unsuited to times where high customisation is needed. They simply can't cope. As William Shakespeare's character, Coriolanus, put it, "when the sea was calm all boats alike show'd mastership in floating". Mastership in running a floating organisation for calm days is like driving a car under 40 miles an hour with no one else on the road on a clear day. If this is how you drive every day you will have some difficulties navigating the Monte Carlo Grand Prix.

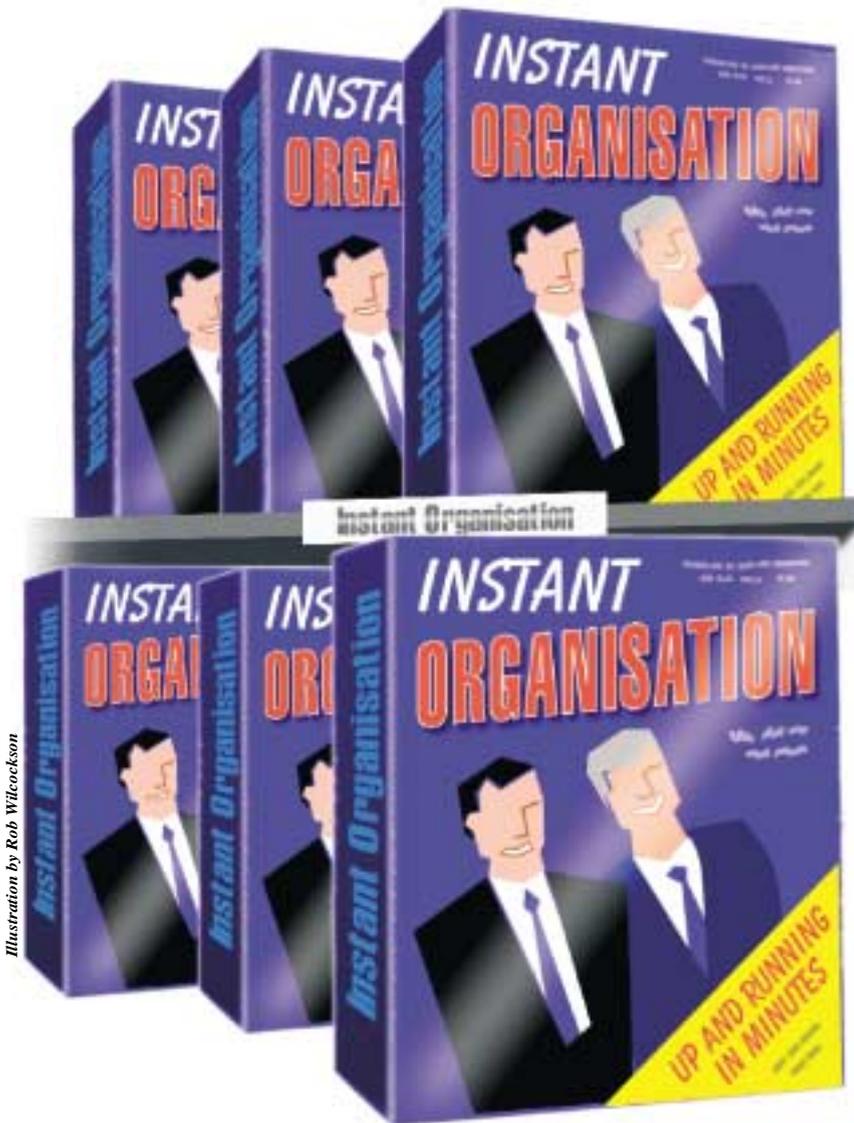
Many managers, however, are happy with the default position for both the organisation and themselves. Indeed, default management is widespread. These managers hold an MFI qualification (Master in Floating). It's very handy for the good, clear, predictable and uneventful days in business life. Pity such days are disappearing fast.

Managing the inevitable

Default management exhibits two types of behaviour or characteristics. The first could be called 'managing the inevitable', that is, managing what otherwise will happen. Legions of managers spend their time managing plans and events that are going to happen anyway. Meeting after meeting, committee after committee, review after review and tons of slides later something happens and managers are happy to associate that event with the activity of the meetings, the reviews and the presentations.

In a few cases this is true. In most, the causality is no different from that suggesting that since most of the inmates in a prison smoked before they were

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jailed, criminality is caused by smoking. Many would laugh at such post-hoc fallacy, yet 90% of management is post-hoc fallacy management in a default environment.

In my previous career, as a clinical psychiatrist, I had a patient, Carlos, who was a very bright paranoid. Paranoia is a rare condition, different from its cousin paranoid schizophrenia. Paranoics have a single monothematic delusion (false interpretation of a reality) that is impossible to change or modify by rational argument. This strong set of beliefs is the only anomaly. Patients do not hallucinate or have other symptoms, so they may otherwise lead a normal life – as long as the delusion does not interfere with others. For example, a paranoid may believe he has invented the telegraph and explain this in detail. If the conversation does not come up or he does not try to claim the royalties, his paranoia may never be noticed. My patient Carlos was convinced he had special powers. He used to travel by bus and was certain that he had the power to stop the bus at every red traffic light.

Obviously, every time the bus stopped accordingly, this reinforced his belief.

I know many managers who suffer from Carlos Syndrome. They are convinced that what happens in their organisation is the result of their endless meetings and reports, their fiddling with the organisation chart and the taskforces they have set up. In many instances things happen because their CEO had decided a strategy long ago, or simply because there was no other option. However, these managers believe it was a result of their intervention and, like Carlos, events reinforce this view. Because organisations don't take the time to do good post-event analysis, entire generations of default managers are happy to live in their own delusional world, often taking their entire teams with them.

Admiring the problem

The second behaviour that default management induces is what can be called 'admiring the problem'. Default managers may be good at diagnosis but not at doing something about the problem. Entire teams keep repeating, for example, "we have a communication problem here" but daily repetition does not generate any action to fix it. Admiration of the problem thrives in such environments and, not surprisingly, the self-fulfilling prophecy of the communication problem becomes reality.

Managers become paralysed by the label: the label becomes the reality. Whatever was happening in truth is irrelevant once people have articulated the label – "communication problem". It is the old nominalistic fallacy: name it (label it) and it exists. In psychiatry, we had lots of these label admirations and nominalistic fallacies. A mother presents with a child who can't stand still, is constantly restless, cries for no reason, misbehaves, is unpredictable and, quite frankly, unmanageable. The diagnosis: "Madam, your son has emotional instability." (What else could it be?)

Given a label, the mother exclaims, "Aha! Now I understand." The label has decreased the anxiety of the uncertainty and as such is therapeutic – for the mother! But the concept refers simply to the same complex reality, now safely controlled with a two-word straight jacket. Default managers admire problems but, even more, they admire their labels. And, God knows, there are plenty around.

The fundamentals of default management, managing the inevitable plus admiring the problems and their labels, have been widely challenged by literature that stresses the chaotic and unpredictable environment. But the problem with all those books on chaos is that they mix eschatological business with no clear ideas of how exactly one has to change.

Challenging the default position

John Searle, professor of philosophy at Berkeley, California, defines philosophy as the challenge of the default positions such as "the existence of an

external reality, the reality of personal consciousness, and the reasonable fit of language to the perceived world". If unchallenged, these defaults remain untouched.

I believe that leadership in organisations has to do with challenging the default organisation. This is the company that does things 'the way they have always been done' and is organised in 'the way everybody is'. The current business environment has no time for defaults yet many organisations are based on them.

No wonder these companies are prone to sinking like the galleons of the Spanish Armada or being frozen to death like the German soldiers on the Russian Front during the Second World War. These companies have a common theme, they are caught up in a battle against the wrong enemy.

With the Armada and Stalingrad it was the weather. In business it is easy to blame the competition, market volatility or political uncertainty. Taking a look at your own ships and your own clothing before going into battle would help.

Default management does not invent, default managers do not build and default thinking will not lead to the next level of success for the organisation and for its employees. Like the shareholders, they may still enjoy earnings

per share according to expectations. Default organisations, after all, meet stakeholders' expectations like the bus drivers in Barcelona met Carlos's every day. 

Further reading

John R Searle. *Mind, Language, and Society : Philosophy in the Real World*, Basic Books, 2000.

Marcus Buckingham. *First, Break All the Rules: What the World's Greatest Managers Do Differently*, Simon and Schuster, 1999.

Tom Peters. *Thriving on Chaos: Handbook for management revolution*, Harper, 1988.

Gary Hamel, *Leading the Revolution*, Harvard Business School Press, 2001.

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