

THE PRESIDENT

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Freedom Is What It's All About

By A. Paul Bradley, Jr.

In over ten years in speaking for PA, I have had the privilege of working on perhaps 100 on-site programs, meetings designed to introduce all managers to the language, methods, and systems presented in the Management Course for Presidents. As speaker, I am a guest of the sponsoring company president, so I always ask if there are particular elements of the MCP that he or she would like emphasized. With rare exception, the Unit President Concept is selected.

The Unit President Concept

The Unit President Concept, developed by former Presidents Association Director Keith Loudon, is the embodiment of "decentralization," a philosophy of management that calls for the delegation of responsibility and authority to the lowest level in an organization where a decision can still be made effectively and with sufficient accountability. In short, when implemented, the concept makes it possible for everyone to be "president" of a piece of the organization. How can this be? The answer lies in truly understanding how free CEOs really are.

How Free are CEOs?

There are always external constraints on a president. Tax laws, OSHA regulations, Affirmative Action guidelines – all must be understood and obeyed or CEOs can get themselves and their companies in trouble. The mores of society are constraints as well. Finally, there are company standards, as laid out in a code of ethics, to live within.

There are also system constraints. If the CEO ignores policies and procedures, everyone will ignore them. Similarly, there are processes to follow: a planning process and a budgeting process, to name but two. If CEOs want company processes to work, they must visibly support them.

The other category of constraints on CEO freedom is that of job definition. Presidents, like all managers, need to be clear on what they should be doing and what is acceptable performance. This is an area where presidents probably have some leeway but to

crash around like a bumper car is to demoralize one's organization.

The Unit President Concept suggests that anyone in the organization can be as free as the formal president. What the unit president needs is clarity about the external environment, systems, processes, and job-definition-related constraints. Once such clarity is gained, primarily through discussion and negotiation, then unit presidents are free to function within the framework of the constraints.

Of course, as part of this process, it is important that control information from unit presidents also flows upward. This confirms that all is well.

Now one might ask: "How do constraints make you free?" Imagine you are in a large meeting room filled with people sitting at tables. Suddenly the lights go out and the room plunges into total darkness. How free do you feel to move about? When it happened to a group I was leading in Denver, people froze. They did not know each other well so the "reach and grope" method seemed risky, but to try to walk confidently invited disaster for shins and knees. Finally, a security guard arrived with a flashlight. We then could see the constraints. So it is with freedom: it comes only when we clearly understand where the constraints are.

Covenantal Relationships

In his various books on leadership, Max DePree, former chairman of the Herman Miller Company, reminds the reader that the best employees are like "volunteers." They can work anywhere and choose one place over another for reasons far more important than money. They seek not "contractual relationships" in which one party acts only with a quid pro quo. Instead, they seek "covenantal relationships" in which all parties enrich one another.

What can a CEO do to foster "covenantal relationships?" I believe that attention to some fundamental tenets of logical, common sense, respectful management will pay big dividends.

1. Start by examining your interactions with those closest to you. What is the most important reason why your personal assistant works? If you cannot answer specifically and with confidence, you need to spend some time with each other. Find out if these people feel needed and involved in the organization. Probe. Don't let them off with an easy "yes."

Ask for reasons. Ask what you can do to make their jobs more meaningful.

2. Invite small groups of employees to meet with you over lunch. I suggest a regular schedule, perhaps once a month. I also suggest that you cross departmental lines in doing this. If you simply ask, Mayor Koch-style, "How am I doing?" you will sometimes receive useful feedback and sometimes useless vapors. Try out a nonthreatening idea on them (not a reorganization strategy!).

3. Establish a "venture team" of six to eight people who seldom work together. Ask the group to take a half day to identify five ideas that will improve the company. Watch as elements of the unit president concept appear. These people will own the ideas and have commitment to them.

4. Lead a discussion at your next senior staff meeting on "what freedom means to me." Tell people ahead of time so they can prepare. When everyone has spoken, ask, "What can we do to create and perpetuate freedom at this company?"

The Bottom Line

Management researcher and observer Warren Bennis has noted, "A cornerstone of a free society is thousands of people in a state of psychological readiness to lead." As CEOs, we owe it to our people and, indeed, to the world at large to create the conditions in which people have the opportunity to become all they are capable of becoming. Performance management is not the activity of using tools and techniques. It is nurturing "covenantal relationships" and embracing the philosophy of the unit president concept so that one day we can look back and say, "I helped grow people; I promoted freedom." ★

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