

Book Review

Thomas E. Standing

High Output Management by Andrew S. Grove. New York: Random House, 1983.

Many of the aphorisms we grew up with have an essential wisdom which can be missed by those who confuse the simple with the simplistic. One such saying is "Experience is the best teacher." Reading Andy Grove's eminently readable book is a convincing demonstration of that. Mr. Grove surely has experience. As President of Intel, a billion dollar, fifteen-year-old enterprise that created the silicon chip—and therefore the computer revolution all of us are battling—Grove has had to learn the meaning of management the old-fashioned way. He did it!

As a Ph.D. engineer, Grove has adopted a very rational approach in his analysis of the managerial function. More specifically, his model is that of production management. Despite the mechanistic image that the production discipline has in the human resources field, Grove imbues its principles and perspectives with organic overtones so that all but the most humanitarian reader is likely to feel unoffended by his advice.

His key premise: that all managerial work should be looked at as bringing about output—usually through the efforts of other people—but output nonetheless. When looked at from this perspective, the key to productive management is wrapped up in choices about management behaviors which lead to greater or lesser amounts of output. To achieve the greater, Grove introduces a pivotal concept, that of *managerial leverage*—the influence on people by a judicious selection of actions that have high-payoff consequences or large ripple effects.

By introducing managerial leverage, Grove avoids one of the past sins of the production management school of supervision, i.e., an overemphasis on efficiency, often to the point of ignoring effectiveness. Grove realizes that doing things faster or simply doing more things in a given amount of time can give an illusion of productivity. The real key to productivity, especially at the managerial level, is to understand the process you are managing and then to concentrate on those areas having the most impact, the greatest multiplier effect—the largest managerial leverage. The underlying message of his book is that the setting of cultural values is an activity with extraordinarily high managerial leverage. It is not some esoteric, philosophical mental exercise. Rather, for the manager who truly understands high output, defining culture is the manager's job.

It is Grove's practitioner orientation that sets this book off from the spate of "management style" writings in recent years. Much that has been written takes a philosophical stance, from the comparisons with

Japanese management (*Theory Z, Art of Japanese Management*) to the broad, evolutionary look at American industry (*Megatrends, The Change Masters*). Grove talks in behavioral, hands-on terms about real, everyday management concerns. For instance, Grove underscores the "management by walking around" premise by pointing out the information efficiency of brief forays into your subordinates "turf." While two minutes of information may come out of a half-hour formal meeting ". . . if a manager walks through an area and sees a person with whom he has a two-minute concern, he can simply stop, cover it, and be on his way." Grove also understands that such visits are an element of executive leadership and transmit the organization's values.

In fairness, there are managerial tasks not well covered in *High Output Management*. These tasks tend to be those which don't lend themselves as much to the manager's personal contact skills, such as analyzing staffing needs, managing in a union environment, or devising succession planning systems. And, although his discussion of performance appraisal technique isn't as elegant as some, there are again the recommendations that have the tight logic of Grove's production management model.

Throughout his discussion Grove maintains the manager's role as a responsible leader and problem solver. His frame of reference comes through on a range of points, from self-appraisal to target setting to the presence of subjective judgement in the process. Grove summarizes his point of view regarding appraisal review discussions in his "three L's": level, listen, and leave yourself out.

Grove's essential point is that the appraisal review "is the single most important form of task-relevant feedback we as supervisors can provide." And in Grove's concept of human effort, feedback (knowledge of results) is critical. Partly this emphasis is a result of the production manager's dependence upon "performance indicators." The measurable, objective indicators which disclose how the system is functioning are critical tools to the manager who is attempting to both assess and improve the output of the system. Grove emphasizes that the high-output manager will work very hard to track direct output indicators or internal measures, i.e., the process indicators which give clues to how the "black box" is functioning.

Since my company is actively restating its appraisal philosophy and methods, which also stress result-oriented, measurable targets and performance requirements, I am encouraged by Grove's stress on this management tool. But Grove is not insistent upon indicators solely because they provide a basis for performance judgement and communication. In addition, he sees indicators as critical to the motivational model in which he operates.

This model Grove refers to as the "sports analogy." Although the use of sports examples can at times be overdone and therefore counter-productive, (e.g., Vince Lombardi as the consummate motivator), Grove avoids excess and gets mileage out of his metaphor. He uses Maslow's hierarchy of needs—highly controversial, but nonetheless applicable—to link sports performance back into the workplace. For those already

familiar with self-actualization theory, Grove's approach will be less than satisfying since he doesn't discuss some of the more sophisticated elements, e.g., the developmental process or fixation at one stage. What he does do, however, is to illustrate how this theory gets synthesized into a working manager's viewpoint about human motivation. As those who teach courses in work motivation to supervisors probably realize, the more elaborate the theory the less impact it is likely to have. Despite Grove's technical roots, I doubt that he finds expectancy theory very useful in his management work. Its basis, I believe, is an adaptation of Maslow's hierarchy of needs. In Grove's view the drive toward self-actualization can be harnessed by the organization and managers who emphasize output and provide task-relevant feedback. In this kind of situation, the individual resembles an athlete who strives to reach a "personal best," i.e., achieve ever-greater success and accomplishment.

Grove's view of human motivation is the least satisfying aspect of his book. Grove is quick to jump to the kind of employee we all wish we could deal with exclusively, to the employee brimming over with enthusiasm and learning ability, whose motivational motor is running at top speed. A lot of research, from job enrichment to productivity improvement projects, suggests that it's not always that simple.

Grove bridges his motivational model into a discussion of the choices a manager faces in terms of management style. Without dealing explicitly with consideration and initiating structure, he describes a contingency management approach based upon the task-relevant maturity of the individual or the work group. In other words, the highly motivated, well-trained and skilled group can be managed with a great deal of delegation and by setting broad objectives. On the other hand, the less mature group will require specific work direction and close monitoring. Unfortunately, Grove is no more helpful than the contingency management theorists themselves in suggesting how one manager achieves such a wide repertoire of supervisory approaches and then calls them forth in appropriate circumstances.

One final lesson to be taken from reading *High Output Management* concerns something Grove didn't cover. A look through the book's quite-serviceable index reveals no citations labeled "personnel function" or "human resources staff." In a book that should be a companion piece to a textbook on "human resources management," there is no discussion of the role of the human resources professional. Despite the fact that Grove discusses critical issues of organization climate and culture, delves into employee motivation and performance measurement, and explores the subtleties of group process and decision-making, he never refers to the expertise of a human resource specialist. Why?

I assume it is because Grove considers these activities to be the province of management, not sacrosanct systems subject only to "expert" programs and interventions. Grove understands that managing people *is* management.

As we struggle to add value in our own organizations as human re-

source professionals, it is well to reflect on Grove's point of view. Are we—by the jargon, sophistication, and complexity of our materials—separating ourselves from the managers we are meant to be supporting? We must find ways to present our ideas as tools of the manager's trade, not creatures of the staff "guru." Some managers—like Andy Grove—will assume that the responsibility for these topics is the manager's and will require the HR staff to translate grand constructs into practical operational definitions. Other managers will need to be led in this direction, through early training, ongoing practices, and well-written policies that reinforce this essential value: Operating managers are accountable for appraising, training, developing, and rewarding their employees.

Thomas E. Standing is director of Employee Relations at The Standard Oil Company (Ohio) in Cleveland, Ohio.