

Changing the Role of Top Management: Beyond Systems to People

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In the post war years, planning and control systems enabled companies to grow and helped managers deal with sprawling enterprises. But this strategy-structure-systems doctrine is increasingly losing relevance.

Systems can control employees but they also inhibit creativity and initiative. Today the challenge for top-level managers is to engage the knowledge and skills of each person in the organization in order to create what the authors call an individualized corporation.

Senior executives must spend much of their time coaching their management teams. The direct personal contact that top-level managers maintain with others not only keeps those at the top apprised of the real issues and challenges their businesses face but also gives them the opportunity to shape frontline managers' responses to those issues.

Top-level managers must not direct and correct middle and frontline managers. Instead they must create an environment in which individuals monitor themselves. The assumption is that given the same information, incentives, and authority to act, frontline managers will reach the same decisions that top-level managers would have reached.

Systems, no matter how sophisticated, can never replace the richness of close personal communication and contact between top-level and frontline managers.