The Best of Lucy Kellaway

The *Financial Times'* Lucy Kellaway wrote very perceptive columns about the idiocy of much modern management advice. Here is some of the best of her writing.

The Worst Management Fads

Harder, by far, than picking the best management ideas of all time is picking the worst. I can think of no other area of expertise to which the word "fad" attaches itself so naturally. No one talks much of economics fads, or accounting fads, but there is something about the word "management" that means the word "fad" is never far away.

In the 20 years that I have been writing about these things, I have seen so many come and go that whittling the list down to the 10 most dismal, most damaging or most daft management fads of all time has been exceptionally challenging.

However, here are the ones that, in my view, merit inclusion. The list is in no particular order.

1) Emotional Intelligence. This idea, made popular by Daniel Goleman in 1995 and still very much in vogue almost 20 years later, says that people who can empathise with others do better. It is a heartwarming theory and it would be awfully nice if the world were like this. Alas, the most cursory look around any normal-ish enterprise should be enough to assure us it isn't. The longevity of this fad tells us a great deal about the power of wishful thinking.

2) Management by Walking Around. This was invented at Hewlett-Packard in the 1970s and then much favoured by the great guru, Tom Peters. I suppose I can vaguely see the point of it, if the alternative is having managers who never poke their noses out of their offices. However, to expect constant wandering around to have any important effect on anything – apart from paranoia levels of staff and the shoe leather of managers – strikes me as gloriously wrong-headed.

3) Six Sigma. This one is so complicated and contains so many tricky equations that it can only be understood by the most expensive and highly specialised management consultants. As far as I can understand it, Six Sigma is all about isolating and eliminating the causes of defects. There is nothing wrong with that in itself; it makes perfect sense. What is wrong, however, apart from the over-complication of it all, is the fad's pretentious paraphernalia involving managers becoming "black belts" and "green belts". It was made big in the mid-1980s at Motorola, but other companies that enthusiastically espoused it quickly became bogged down in endless meetings and found they increasingly had trouble distinguishing wood from trees. It didn't help their bottom lines either: there was one study that showed the companies that espoused it most religiously trailed the S&P 500 index most markedly.

4) Core Competency. This was an ugly term for something blindingly obvious: that companies ought to concentrate on doing things that they are good at. It is a great idea in theory. But it has two flaws that can make it very dangerous. First, companies often don't have the first idea what they are good at. And second, there is no point in being good at something if the world doesn't want it any more. Think of Kodak.

5) There is no "I" in Team. The teamwork obsession started about 20 years ago and is still very much alive. In real life, work is not done by teams, it is done by individuals, a word that does, indeed, contain not one, but three, "I"s.

6) Embracing Mistakes. This is also a fad that was introduced about a decade ago, and is currently at peak popularity. The idea is that only by making mistakes do we learn, and that therefore people should be encouraged to make lots of them. This is one of the nuttiest ideas of all. Excessive fear of getting things wrong can be paralysing, but moderate fear is surely healthy and necessary as it helps ensure that most of the time we get things broadly right.

7) Business Process Re-engineering. This was the craze of the early 1990s, touted by various people including engineer and business writer Michael Hammer. It was all about businesses tearing up their old ways of doing things to make them more efficient. Actually what it turned out to be about was giving lots of work to management consultants, and then firing half the workforce. Thus it got a very bad name and mercifully fell out of fashion.

8) Fun by fiat. Actually it wasn't really called that. But my name exposes the ridiculous insistence by managers that workers will be more productive if there is a playground slide in reception. The idea originated from two shaven-headed Swedes, Kjell Nordström and Jonas Ridderstråle, who in 2000 wrote a book called *Funky Business* espousing coolness as competitive advantage. Some internet companies still appear to believe in the doctrine, but it can only be a matter of time.

9) Matrix Management. This became big in the 1980s and was possibly the worst way of organising people that anyone has yet come up with. It meant that people with a speciality were all bundled together and then parcelled out ad hoc to work on different projects. The upshot was that everyone had several different bosses and it made office life one long turf battle.

10) Authentic Leadership. Or the idea that everyone must be true to themselves. This idea is not only unspecific, it is sentimental and unrealistic – the whole point of being a manager is that we get to be someone else. However, I was amused to read a very pertinent line on a coaching website: "Authenticity isn't a fad – it's a solution."

Laziness

This leads naturally to the second white-is-the-new-black theory, which says laziness can be a good thing in a boss. This idea is peddled in Richard Koch's latest book, *The 80/20 Manager*. In it he writes: "Lazy managers achieve exceptional results. Only by being economical with your energy and attention can you make it count when it matters." He goes on to say that sloth is such a gift that those managers not fortunate enough to have been born with it must work to acquire it.

Mr Koch is right to point out that most of our work is wasted effort; but the trouble is that we have to crunch through the wasted bits in order to get to the worthwhile ones. In real life there are few lazy bosses, since if you are an idle slug you tend not to get promoted. The few that I have met were incompetent, much disliked and generally sacked before long.

Annual Appraisals

I recently saw a statistic saying 825m hours a year are spent conducting annual appraisals. Yet despite this outpouring of effort, I have yet to come across a single person who has changed for the better as a result of one of them.

A system in which people only get evaluated once a year, and then in a way that makes it very hard for anyone to say anything honest, is quite remarkably useless. Yet never are they more useless than when a junior person is judging one more senior, as then the scope for honesty is virtually zero. As almost no one tells the truth, the rare person brave or daft enough to do so is deemed so out of kilter with the corporate culture that their views are instantly discounted.

Tendering

New bidders for tech contracts often can't see/understand problems and hence bid lower than established Cos that can – then run into trouble delivering.

Corporate Diplomacy

Second, my experience of big corporations is that flattery is only one of many skills required to do well. Others include diplomacy, hard work, conviviality, deviousness, ambition, ruthlessness and talent.

Large companies are complicated places where people who are emotionally sophisticated can end up doing very well indeed. The traits required for advancement are a mixture of good and bad; and while some companies are more dysfunctional than others, all inevitably require compromises to be made. Egos need to be managed, which inevitably means tiptoeing works better than barging. Yet to dismiss all the skill required in this delicate game as phoney brown-nosing is to miss the point entirely.

It's OK to Make Mistakes

Last week the chief executive of UBS told all the bankers who work for him that henceforth it was OK for them to make mistakes. A culture in which everyone was petrified of taking risks, Sergio Ermotti said, was not in the interests of the bank or its clients.

How mature, came the response. How refreshing to hear a bank chief acknowledge that risks need to be taken and honest mistakes will sometimes be made.

But it wasn't mature. It was mad.

In a limited sort of way what he said made sense. The main point about risks is that they are risky — and risky things have a way of going wrong. Places where people get a bollocking for making the slightest slip tend not to be where the best decisions are made.

Yet the answer is not to tell bankers that it is fine to screw up. Mistakes are never OK. And they are particularly un-OK in banking. If I were a UBS client, I would be exceedingly displeased to learn that the bankers to whom I was handing over a king's ransom were being taught that errors were perfectly acceptable.
This mistake-loving nonsense is an export from Silicon Valley, where "fail fast and fail often" is what passes for wisdom. Errors have been elevated to such a level that to get something wrong is spoken of as more admirable than getting it right.

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