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Rest In Peace - Traditional Management

Indiana plays a vital role in the strongest national economic system in the world. We are thankful for the traditional management practices that created this strength. Even with its past success, traditional management characterized by command, control, bureaucracy, and often intimidation can no longer be utilized.

Three factors require the death of this successful past practice:

- The pending labor and talent shortage.
- The increased reliance on generation X and Y'ers.
- The increased speed of market changes.

We got a taste of the labor and talent shortage with the dot.com boom, and we did not enjoy the flavor. The current economic slowdown has provided temporary relief, but the number of retirements remains greater than the number of new entrants into the labor and talent market. This temporary relief has many organizations breathing easier for now, but it is just a matter of time until we will again be scrambling to find adequate human resources to staff our organizations.

Generation X and Y'ers are not receptive to the cultural techniques utilized by traditional managers. These groups seek increased enjoyment on the job, an increased balance of work and other activities; and are more willing to walk away from stressful environments than their predecessors, the veterans and boomers. Generation X'ers and Y'ers cannot be managed as veterans and boomers have been taught. As the labor and talent pools shrink and generation X and Y account for a larger portion of the pool, it will be increasingly difficult to recruit and retain for organizations that employ the traditional philosophy.

Likewise, as market change continues to escalate and speed becomes the most critical competitive weapon, there is less time to pass decisions up and then back down the decision hierarchy. An organization hierarchy will still exist; there will still be bosses and subordinates. Instead of bosses being at the center of all decisions, they must develop decision skills, and place accountability and responsibility lower into their organization. Leaders of the future will require a different skill set than mastered by the traditional manager.

Change from traditional management is no longer an option. The question you must answer: when will you make the change? Are you preparing now, or will you wait until you face a crisis? Organizations making the change now will be better prepared to compete in the future. The sooner all Indiana businesses address this change, the quicker we can create a competitive advantage in attracting and retaining jobs, and keep our economy strong and vibrant.