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Successful vs. Effective Real Managers

Fred Luthans
University of Nebraska, Lincoln

What do *successful* managers — those who have been promoted relatively quickly — have in common with *effective* managers — those who have satisfied, committed subordinates and high performing units? Surprisingly, the answer seems to be that they have little in common. Successful managers in what we define as “real organizations” — large and small mainstream organizations, mostly in the mushrooming service industry in middle America — are not engaged in the same day-to-day activities as effective managers in these organizations. This is probably the most important, and certainly the most intriguing, finding of a comprehensive four-year observational study of managerial work that is reported in a recent book by myself and two colleagues, titled *Real Managers*.¹

The startling finding that there is a difference between successful and effective managers may merely confirm for many cynics and “passed over” managers something they have suspected for years. They believe that although managers who are successful (that is, rapidly promoted) may be astute politicians, they are not necessarily effective. Indeed, the so-called successful managers may be the ones who do not in fact take care of people and get high performance from their units.

Could this finding explain some of the performance problems facing American organizations today? Could it be that the successful managers, the politically savvy ones who are being rapidly promoted into responsible positions, may not be the effective managers, the ones with satisfied, committed subordinates turning out quantity and quality performance in their units?

This article explores the heretofore assumed equivalence of “successful managers” and “effective managers.” Instead of looking for sophisticated technical or governmental approaches to the performance problems facing today’s organizations, the solution may be as simple as promoting effective managers and learning how they carry out their jobs. Maybe it is time to turn to the real managers themselves for some answers.

And who are these managers? They are found at all levels and in all types of organizations with titles such as department head, general manager, store manager, marketing manager, office manager, agency chief, or district manager. In other words, maybe the answers to the performance problems facing organizations today can be found in their own backyards, in the managers themselves in their day-to-day activities.

The Current View of Managerial Work

Through the years management has been defined as the famous French administrator and writer Henri Fayol said, by the functions of planning, organizing, commanding, coordinating, and controlling. Only recently has this classical view of managers been challenged.² Starting with the landmark work of Henry Mintzberg, observational studies of managerial work have found that the normative functions do not hold up. Mintzberg charged that Fayol and others’ classical view of what managers do was merely “folklore.”³

On the basis of his observations of five CEOs and their mail, Mintzberg concluded that the manager’s job consisted of many brief and disjointed episodes with people inside and outside the organization. He discounted notions such as reflective planning. Instead of the five Fayolian functions of management, Mintzberg portrayed managers in terms of a typology of roles. He formulated three interpersonal roles (figurehead, leader, and liaison); three informational roles (monitor or nerve center, disseminator, and spokesman), and four decision-making roles (entrepreneur, disturbance handler, resource allocator, and negotiator). Although Mintzberg based this view of managers on only the five managers he observed and his search of the literature, he did ask, and at least gave the beginning of an answer to, the question of what managers really do.

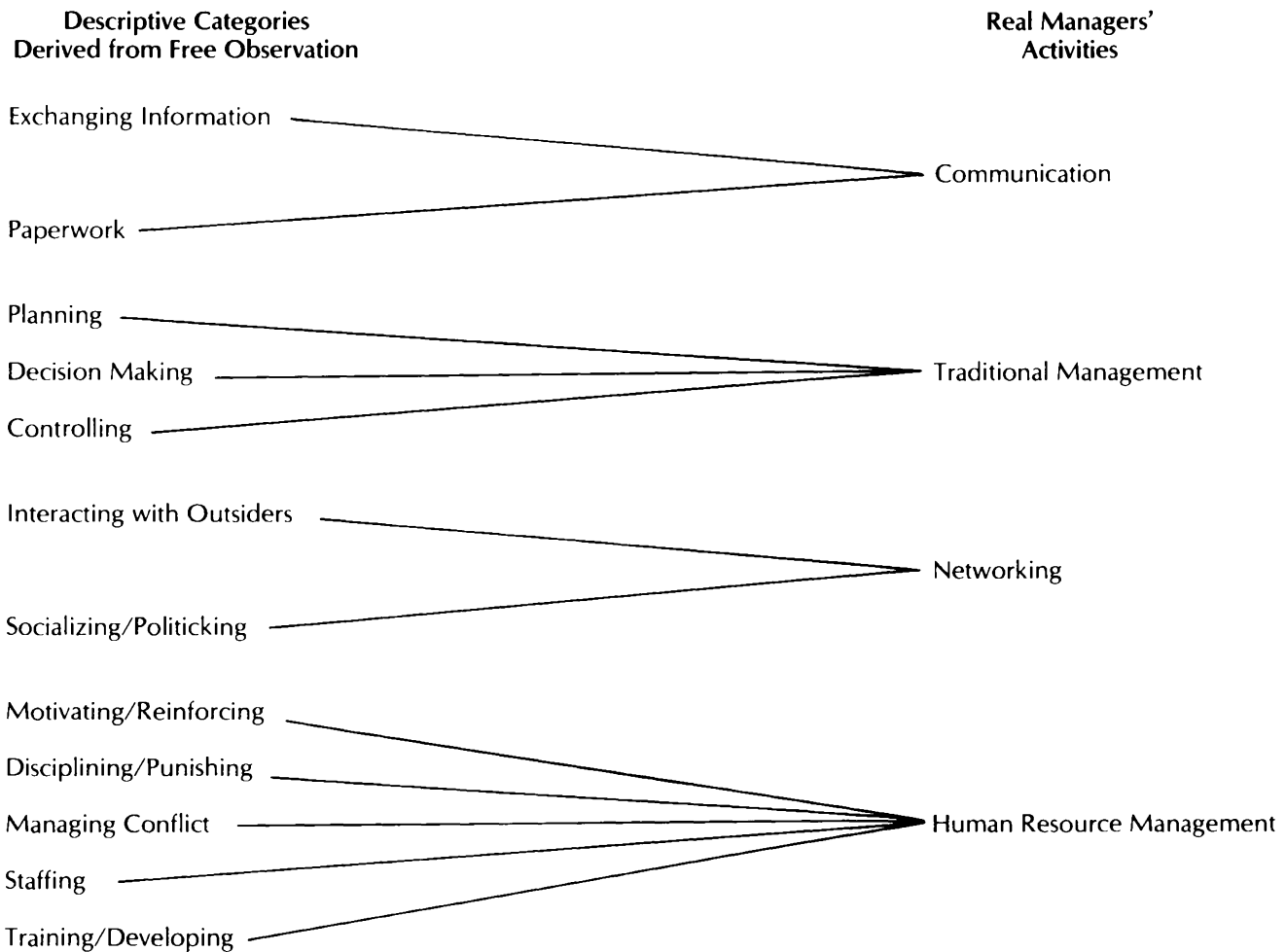
The best known other modern view of managerial work is provided by John Kotter. His description of managers is based on his study of 15 successful general managers. Like Mintzberg, Kotter challenged the traditional view by concluding that managers do not so simply perform the Fayolian functions, but rather spend most of their time interacting with others. In particular, he found his general managers spent considerable time in meetings getting and giving information. Kotter refers to these get-togethers as “network building.” Networking accomplishes what Kotter calls a manager’s “agenda” — the loosely connected goals and plans addressing the manager’s responsibilities. By obtaining relevant and needed information from his or her networks, the effective general manager is able to implement his or her agenda. Like Mintzberg, Kotter’s conclusions are based on managerial work from a small sample of elite managers. Nevertheless, his work represents a progressive step in answering the question of what managers do.

Determining What Real Managers Do

The next step in discovering the true nature of managerial work called for a larger sample that would allow more meaningful generalizations. With a grant from the Office of Naval Research, we embarked on such an effort.⁴ We used trained observers to freely observe and record in detail the behaviors and activities of 44 “real” managers.⁵ Unlike Mintzberg’s and Kotter’s managers, these managers came from all levels and many types of organizations (mostly in the service sector — such as retail stores, hospitals, corporate headquarters, a railroad, government agencies, insurance companies, a newspaper office, financial institutions, and a few manufacturing companies).

We reduced the voluminous data gathered from the free observation logs into managerial activity categories using the Delphi technique. Delphi was developed and used during the heyday of Rand Corporation’s “Think Tank.” A panel offers independent input and then the panel members are given composite feedback. After several iterations of this process, the data were reduced into the 12 descriptive behavioral categories shown in Exhibit 1. These empirically derived behavioral descriptors were then conceptually collapsed into the four managerial activities of real managers:

Exhibit 1
The Activities of Real Managers



1. *Communication.* This activity consists of exchanging routine information and processing paperwork. Its observed behaviors include answering procedural questions, receiving and disseminating requested information, conveying the results of meetings, giving or receiving routine information over the phone, processing mail, reading reports, writing reports/memos/letters, routine financial reporting and bookkeeping, and general desk work.

2. *Traditional Management.* This activity consists of planning, decision making, and controlling. Its observed behaviors include setting goals and objectives, defining tasks needed to accomplish goals, scheduling employees, assigning tasks, providing routine instructions, defining problems, handling day-to-day operational crises, deciding what to do, developing new procedures, inspecting work, walking around inspecting the work, monitoring performance data, and doing preventive maintenance.

3. *Human Resource Management.* This activity contains the most behavioral categories: motivating/reinforcing, disciplining/punishing, managing conflict, staffing, and training/developing. The disciplining/punishing category was subsequently dropped from the analysis because it was not generally permitted to be observed. The observed behaviors for this activity include allocating formal rewards, asking for input, conveying appreciation, giving credit where due, listening to suggestions, giving positive feedback, group support, resolving conflict between subordinates, appealing to higher authorities or third parties to resolve a dispute, developing job descriptions, reviewing applications, interviewing applicants, filling in where needed, orienting employees, arranging for training, clarifying roles, coaching, mentoring, and walking subordinates through a task.

4. *Networking.* This activity consists of socializing/politicking and interacting with outsiders. The observed behaviors associated with this activity include non-work-related "chit chat"; informal joking around; discussing rumors, hearsay and the grapevine; complaining, griping, and putting others down; politicking and gamesmanship; dealing with customers, suppliers, and vendors; attending external meetings; and doing/attending community service events.

These four activities are what real managers do. They include some of the classic notions of Fayol (the traditional management activities) as well as the more recent views of Mintzberg (the communication activities) and Kotter (the networking activities). As a whole, however, especially with the inclusion of human resource management activities, this view of real managers' activities is more comprehensive than previous sets of managerial work.

After the nature of managerial activity was determined through the free observation of the 44 managers, the next phase of the study was to document the relative frequency of these activities. Data on another set of 248 real managers (not the 44 used in the initial portion of this study) were gathered. Trained participation observers filled out a checklist based on the managerial activities at a random time once every hour over a two-week period. We found that the real managers spend not quite a third of their time and effort in communication activities, about a third in traditional management activities, a fifth in human resource management activities, and about a fifth in networking activities. This relative frequency analysis based on observational data of a large sample provides a more definitive answer to the question of what real managers do than the normative classical functions and the limited sample of elite managers used by Mintzberg and Kotter.

How the Difference Between Successful and Effective Real Managers Was Determined

Discovering the true nature of managerial work by exploding some of the myths of the past and extending the work of Mintzberg and Kotter undoubtedly contributes to our knowledge of management. However, of more critical importance in trying to understand and find solutions to our current performance problems is singling out successful and effective managers to see what they really do in their day-to-day activities. The successful-versus-effective phase of our real managers study consisted of analyzing the existing data based on the frequencies of the observed activities of the real managers. We did not start off with any preconceived notions or hypotheses concerning the relationships between successful and effective managers. In fact, making such a distinction seemed like "splitting hairs" because the two words are so often used interchangeably. Nevertheless, we decided to define success operationally in terms of the speed of promotion within an organization. We determined a success index on a sample of the real managers in our study. It was calculated by dividing a manager's level in his or her organization by his or her tenure (length of service) there.⁶ Thus, a manager at the fourth level of management, who has been with his or her organization for five years, would be rated more successful than a manager at the third level who has been there for 25 years. Obviously, there are some potential problems with such a measure of success, but for our large sample of managers this was an objective measure that could be obtained.

The definition and measurement of effectiveness is even more elusive. The vast literature on managerial effectiveness offered little agreement on criteria or measures. To overcome as many of the obstacles and disagreements as possible, we used a combined effectiveness index for a sample of the real managers in our study that represented the two major — and generally agreed upon — criteria of both management theory/research and practice: (1) getting the job done through high quantity and quality standards of performance, and (2) getting the job done through *people*, which requires their satisfaction and commitment.⁷

We obviously would have liked to use "hard measures" of effectiveness such as profits and quantity/quality of output or service, but again, because we were working with large samples of real managers from widely diverse jobs and organizations, this was not possible.

What Do Successful Real Managers Do?

To answer the question of what successful real managers do, we conducted several types of analyses — statistical (using multiple regression techniques), simple descriptive comparisons (for example, top third of managers as measured by the success index vs. bottom third), and relative strength of correlational relationships.⁸ In all of these analyses, the importance that networking played in real manager success was very apparent. Of the four real manager activities, only networking had a statistically significant relationship with success. In the comparative analysis we found that the most successful (top third) real managers were doing considerably more networking and slightly more routine communication than their least successful (bottom third) counterparts. From the relative strength of relationship analysis we found that networking makes the biggest relative contribution to manager success and, importantly, human resource management activities makes the least relative contribution.

What does this mean? It means that in this study of real managers, using speed of promotion as the measure of success, it was found that successful real managers spent relatively more time and effort socializing, politicking, and interacting with outsiders than did their less successful counterparts. Perhaps equally important, the successful real managers did not give much time or attention to the traditional management activities of planning, decision making, and controlling or to the human resource management activities of motivating/reinforcing, staffing, training/developing, and managing conflict. A representative example of this profile would be the following manager's prescription for success:

"I find that the way to get ahead around here is to be friendly with the right people, both inside and outside the firm. They get tired of always talking shop, so I find a common interest — with some it's sports, with others it's our kids — and interact with them on that level. The other formal stuff around the office is important but I really work at this informal side and have found it pays off when promotion time rolls around."

In other words, for this manager and for a significant number of those real managers we studied, networking seems to be the key to success.

What Do Effective Real Managers Do?

Once we answered the question of what successful managers do, we turned to the even more important question of what effective managers do. It should be emphasized once again that, in gathering our observational data for the study, we made no assumptions that the successful real managers were (or were not) the effective managers. Our participant observers were blind to the research questions and we had no hypothesis concerning the relationship between successful and effective managers.

We used the relative strength of correlational relationship between the real managers' effectiveness index and their directly observed day-to-day activities and found that communication and human resource management activities made by far the largest relative contribution to real managers' effectiveness and that traditional management and — especially — networking made by far the least relative contribution.⁹

These results mean that if effectiveness is defined as the perceived quantity and quality of the performance of a manager's unit and his or her subordinates' satisfaction and commitment, then the biggest relative contribution to real manager effectiveness comes from the human oriented activities — communication and human resource management. A representative example of this effectiveness profile is found in the following manager's comments:

"Both how much and how well things get done around here, as well as keeping my people loyal and happy, has to do with keeping them informed and involved. If I make a change in procedure or the guys upstairs give us a new process or piece of equipment to work with, I get my people's input and give them the full story before I lay it on them. Then I make sure they have the proper training and give them feedback on how they are doing. When they screw up, I let them know it, but when they do a good job, I let them know about that too."

This manager, like our study of real managers in general, found that the biggest contribution to effectiveness came from communicating and human resource management activities.

Equally important, however, was the finding that the least relative contribution to real managers' effectiveness came from the networking activity. This, of course, is in stark contrast to our results of the successful real manager analysis. Networking activity had by far the strongest relative relationship to success, but the weakest with effectiveness. On the other hand, human resource management activity had a strong relationship to effectiveness (second only to communication activity), but had the weakest relative relationship to success. In other words, the successful real managers do not do the same activities as the effective real managers (in fact, they do almost the opposite). These contrasting profiles may have significant implications for understanding the current performance problems facing American organizations. However, before we look at these implications and suggest some solutions, let's take a look at those real managers who are both successful *and* effective.

What Do Managers Who Are Both Successful and Effective Do?

The most obvious concluding question is what those who were found to be both successful and effective really do. This "combination" real manager, of course, is the ideal — and has been *assumed* to exist in American management over the years.

Since there was such a difference between successful and effective managers in our study, we naturally found relatively few (less than 10% of our sample) that were both among the top third of successful managers and the top third of effective managers. Not surprisingly, upon examining this special group, we found that their activities were very similar to real managers as a whole. They were not like either the successful or effective real managers. Rather, it seems that real managers who are both successful and effective use a fairly balanced approach in terms of their activities. In other words, real managers who can strike the delicate balance between all four managerial activities may be able to get ahead as well as get the job done.

Important is the fact that we found so few real managers that were both successful and effective. This supports our findings on the difference between successful and effective real managers, but limits any generalizations that can be made about successful and effective managers. It seems that more important in explaining our organizations' present performance problems, and what to do about them, are the implications of the wide disparity between successful and effective real managers.

Implications of the Successful versus Effective Real Managers Findings

If, as our study indicates, there is indeed a difference between successful and effective real managers, what does it mean and what should we do about it? First of all, we need to pay more attention to formal reward systems to ensure that effective managers are promoted. Second, we must learn how effective managers do their day-to-day jobs.

The traditional assumption holds that promotions are based on performance. This is what the formal personnel policies say, this is what new management trainees are told and this is what every management textbook states *should* happen. On the other hand, more "hardened" (or perhaps more realistic) members and observers of *real* organizations (not textbook organizations or those featured in the latest best sellers or videotapes) have long suspected that social and political skills are the real key to getting ahead, to being *successful*. Our study lends support to the latter view.

The solution is obvious, but may be virtually impossible to implement, at least in the short run. Tying formal rewards — and especially promotions — to performance is a must if organizations are going to move ahead and become more productive. At a minimum, and most pragmatically in the short run, organizations must move to a performance-based appraisal system. Managers that are *effective* should be *promoted*. In the long run organizations must develop cultural values that support and reward effective performance, not just successful socializing and politicking. This goes hand-in-hand with the current attention given to corporate culture and how to change it. An appropriate goal for cultural change in today's organizations might simply be to make effective managers successful.

Besides the implications for performance-based appraisals and organizational culture that came out of the findings of our study is a lesson that we can learn from the effective real managers themselves. This lesson is the importance they give and effort they devote to the human-oriented activities of communicating and human resource management. How human resources are managed — keeping them informed, communicating with them, paying attention to them, reinforcing them, resolving their conflicts, training/developing them — all contribute directly to managerial effectiveness.

The disparity our study found between successful and effective real managers has important implications for the performance problems facing today's organizations. While we must move ahead on all fronts in our search for solutions to these problems, we believe the activities basic to the effective real managers in our study — communication and human resource management — deserve special attention. ■

Endnotes

1. The full reference for the book is Fred Luthans, Richard M. Hodgetts, and Stuart Rosenkrantz, *Real Managers*, Cambridge, MA: Ballinger, 1988. Some of the preliminary material from the real managers study was also included in the presidential speech given by Fred Luthans at the 1986 Academy of Management meeting. Appreciation is extended to the co-authors of the book, Stu Rosenkrantz and Dick Hodgetts, to Diane Lee Lockwood on the first phase of the study, and to Avis Johnson, Hank Hennessey and Lew Taylor on later phases. These individuals, especially Stu Rosenkrantz, contributed ideas and work on the backup for this article.

2. The two most widely recognized challenges to the traditional view of management have come from Henry Mintzberg, *The Nature of Managerial Work*, New York: Harper & Row, 1973; and John Kotter, *The General Managers*, New York: Free Press, 1982. In addition, two recent comprehensive reviews of the nature of managerial work can be found in the following references: Colin P. Hales, "What Do Managers Do? A Critical Review of the Evidence," *Journal of Management Studies*, 1986, 23, pp. 88-115; and Stephen J. Carroll and Dennis J. Gillen, "Are the Classical Management Functions Useful in Describing Managerial Work?" *Academy of Management Review*, 1987, 12, pp. 38-51.

3. See Henry Mintzberg's article, "The Manager's Job: Folklore and Fact," *Harvard Business Review*, July-August 1975, 53, pp. 49-61.

4. For those interested in the specific details of the background study, see Luthans, Hodgetts and Rosenkrantz (Endnote 1 above).

5. The source that details the derivation, training of observers, procedures, and reliability and validity analysis of the observation system used in the real managers study is Fred Luthans and Diane L. Lockwood's "Toward an Observation System for Measuring Leader Behavior in Natural Settings," in J. Hunt, D. Hosking, C. Schriesheim, and R. Stewart (Eds.) *Leaders and Managers: International Perspectives of Managerial Behavior and Leadership*, New York: Pergamon Press, 1984, pp. 117-141.

6. For more background on the success portion of the study and the formula used to calculate the success index see Fred Luthans, Stuart Rosenkrantz, and Harry Hennessey, "What Do Successful Managers Really Do? An Observational Study of Managerial Activities," *Journal of Applied Behavioral Science*, 1985, 21, pp. 255-270.

7. The questionnaire used to measure the real managers' unit quantity and quality of performance was drawn from Paul E. Mott's *The Characteristics of Effective Organizations*, New York: Harper & Row, 1972. Subordinate satisfaction was measured by the Job Diagnostic Index found in P. C. Smith, L. M. Kendall, and C. L. Hulin's *The Measurement of Satisfaction in Work and Retirement*, Chicago: Rand-McNally, 1969. Subordinate commitment is measured by the questionnaire in Richard T. Mowday, L. W. Porter, and Richard M. Steers' *Employee-Organizational Linkages: The Psychology of Commitment, Absenteeism, and Turnover*, New York: Academic Press, 1982. These three standardized questionnaires are widely used research instruments with considerable psychometric back-up and high reliability in the sample used in our study.

8. For the details of the multiple regression analysis and simple descriptive comparisons of successful versus unsuccessful managers, see Endnote 6 above. To determine the relative contribution the activities identified in Exhibit I made to success, we calculated the mean of the squared correlations (to approximate variance explained) between the observed activities of the real managers and the success index calculated for each target manager. These correlation squared means were then rank ordered to obtain the relative strengths of the managerial activities' contribution to success.

9. The calculation for the relative contribution the activities made to effectiveness was done as described for success in Endnote 8. The statistical and top third-bottom third comparison that was done in the success analysis was not done in the effectiveness analysis. For comparison of successful managers and effective managers, the relative strength of relationship was used; see *Real Managers* (Endnote 1 above) for details.

Fred Luthans is the George Holmes University Distinguished Professor of Management at the University of Nebraska. His major books include *Organizational Behavior* (McGraw-Hill), now going into its 5th edition; *Organization Behavior Modification and Beyond* (Scott Foresman), which won the annual ASPA award for outstanding contribution to human resource management, and *Social Issues in Business* (Macmillan), currently in its 5th edition. His most recent book, coauthored with Dick Hodgetts and Stu Rosenkrantz, is *Real Managers* (Ballinger), upon which this article is drawn. A consulting coeditor for the McGraw-Hill Management Series, Professor Luthans is also on the editorial boards for a number of journals and is currently an associate editor of *Decision Sciences Journal*. He is a past president of the Academy of Management and a fellow of both the Academy of Management and the Decision Sciences Institute. He has been an active consultant over the years to business and government both in the United States and abroad. His major consulting work at present is with Wal-Mart Corporation.