Management - Fostering Authenticity in Business

If business is the fruit of authenticity, then fostering authenticity in business would seem to make for good business. Looked at another way, the it would be the design of the business to optimize the contributions of people. Note, I did not say productivity. This is because concern for productivity can be shortsighted. It is an objective measure. The most productive thing about people's contributions is that they cannot be projected in terms of productivity gains, because they can be creative and surprising.

On the side of the upper blade we would have the fostering of the emergence of authenticity in two general areas: the self-correcting process of learning and the development of responsibility. In business these two go together. Learning is operational. We learn by doing. Even philosophical thinking is a practice enhanced by training. This is not to say that all learning is practical or that learning has the same structure as being responsible. It is just to point out that learning is an activity that yields a self transformation. Now in business, learning is primarily practical. For example, one learns accounting theory with the intent to apply it. In the application of it, the learning process continues. It continues because the general principles have an indeterminate range that becomes determinate when they are applied in particular instances. The person mediates between the general principle and the concrete instance through a series of insights and judgements. The accumulation of "experience", or wisdom, is a series of such sets of occurences where we try to figure out what to do and how to do it.

In business, learning ideally is tied to successful performance. However, we also make mistakes. Learning is self-correcting because we can learn from our mistakes. Not only do we learn to avoid the same situation in the future, but we learn a more effective way to get things done. However, in business, mistakes are costly. Not only did you use resources in making the mistake, but you often need to utilize more resources to correct it than would have been required to do it right the first time. In some cases you may not be able to recover. In the extreme case, the business can go under. In fact, this is one of the virtues of capitalism. It tends to eliminate the ineffective processes and businesses. So how does one walk this tightrope between learning and sucessful business practices on the one side and unrecoverable errors on the other? From the management perspective, we create contexts for success.

Risks can never be eliminated, but they can be contained. The successful entrepreneur is a risk taker. He or she is innovative and sometimes revolutionary in the creation of a business or a product, but conservative in its development. In what does this conservatism consist? Thorough planning, control of costs, consideration of all contingencies and actions to be taken if they arise. In other words, the risk taker is a risk avoider. They succeed if their product ideas are good and well implemented. A good implementation would be one where the risk was confined to the judegement of the marketplace regarding the desirability of the product. And we even try to minimize that through surveys and focus groups.

So having someone learn within the organization is risky. How do we minimize risk without trivializing ones job? The answer is to create a context for success. The first and perhaps most important precept is to acknowledge that is it ok to fail. If it is not ok to fail then people will be reluctant to take risks and to take responsibility. If they fail, they will be less likely to admit it, delaying the time it takes to recover. For the most part, failure is not a problem as long as you know how to recover from the failure.

Conversely, if it is ok to fail, then people are more likely to take responsibility and they are more likely to raise questions and issues and to admit problems they are having. Early identification of issues is key to avoiding major problems or rework.

Second, people need to be empowered. This term has been a bit overused. Essentially, it means that the person performs more of an executive function. They seek and implement solutions themselves rather than having someone direct them. Thus, instead of merely being accountable for doing a job defined by someone else, they have the authority to determine what needs to be done within their sphere of responsibility. At a conference on Method in Theology at Milltown Park in 1971 Lonergan pointed out that responsibilities in corporations were defined by managers removed from the concrete situations. Thus the specification of the job deviated from what needed to be done based on insights into the concrete situation. Empowerment lets those in the situations make decisions. The elimination of much of middle management through automation has made this not merely more probable, but necessary.

By discussing the concrete situation and what can be done within it, we are discussing the lower blade of fostering authenticity, what can be done to transform the material conditions. Now the primary methods today are business process reengineering, quality management and benchmarking. The three are overlapping methods. Business process reengineering looks at current processes and, usually using automation, makes radical productivity gains. Now these gains are measurable and can be goals. Hence, they can be benchmarked. We can measure what we were doing, project what we can do with the new process, and then determine if we met our goals. Likewise, the concern with quality is a concern with measurements of quality practices, service and products. Benchmarking can lead to a total quality program. Likewise, a total quality program embodies benchmarking and the transformation of processes to meet the desired quality levels.

So the lower blade embodies some process redesign technology. It also includes computer technology. The automation of processes has permitted layers of middle management to be eliminated across all American companies. Today, it also includes the use of interdisciplinary teams to implement new systems, processes, products and so on. There also is a strong recognition that the product is becoming information and knowledge. We have designer products (virtual products, virtual corportations). Everything comes together at the time it is needed. This means you need people who can bring the parts together. The knowledge worker.

But the issue is that we do not know what knowledge is. We do not know what the process is that underlies the redesign of processes.