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Chapter 8

Managing Versus Meddling: Andy North Learned Not to Be too Perfect

Rick, you're too controlling. Sit down. Relax.

Boston Celtic fan to Celtic coach Rick Pitino

Most of what we call management consists of making it difficult for people to get their work done.

Peter Drucker, management expert

The evening of April 3, 1983 did not unfold as expected for the University of Houston basketball team. In the Regional Finals and National Semifinals of the 1983 NCAA tournament, the Cougars had dispensed of highly regarded Villanova and Louisville with spectacular dunking and shot blocking performances. Most observers and likely the team itself expected a relatively easy victory over North Carolina State University in the National Final along with more tape for the highlight reels of the self-proclaimed brothers of "Phi Slamma Jamma." Surprisingly, North Carolina State had led for much of the game and limited Phi Slamma Jamma to a single dunk by Hakeem Olajewan. In spite of the disappointment, Houston pulled ahead by a margin of five points with about seven minutes remaining in the game.

Then, Houston head coach Guy Lewis made a monumental decision. He instructed his

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team to hold the ball and run time off the clock before attempting any shots. The Cougars quickly lost the momentum they had fought so hard to gain. Moving away from their typical relaxed, up-tempo style, their offense sputtered, they missed some key free throws. NCSU forward Lorenzo Charles put in an errant last second shot to make champions out of NCSU and a celebrity of coach Jim Valvano. Valvano received praise for his coaching down the stretch, but in fact, his strategy of fouling to get the ball back was both obvious and necessary. Instead, the outcome more likely turned on Guy Lewis' controversial management decision to slow the game down.

Why did a coach who had gained a reputation as one who "let his players play" decide to deviate from this strategy? Reporters put this question to Lewis, who defended it in terms of the foul trouble on his team, but the move received considerable debate among commentators. Beyond the specifics of basketball coaching, Guy Lewis likely succumbed to one of the greatest plagues of management – being drawn into thinking that doing something is preferable to doing nothing.

WHEN TO MANAGE

Golf and basketball are not very similar as sports, but in trying to make decisions to lead to the best possible outcomes, golfers and coaches like Guy Lewis face similar situations. For example, prior to the 2001 U.S. Open, an ESPN anchor asked golf analyst and former U.S. Open winner Andy North what, if anything, he had learned from his recent years of observing other

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golfers play as an analyst much more than playing himself. North responded by saying he "learned not to try to be too perfect." During the course of the tournament, a reporter asked Mark Brooks, who would ultimately lose to Retief Goosen in a playoff, what he had learned from winning his first "major" at the 1996 PGA Championship. He answered "everybody is going to hit some bad shots out there," which simply phrases Andy North's response a little differently.

At first glance the responses by North and Brooks might seem odd. After all, perfection is the goal. The kernel of their answers, however, teaches one of the most important lessons for any player, coach, or business manager – making adjustments may not improve performance, and may, in fact, diminish it. Put a little differently, a manager (or self-manager in a golfer's case) of any kind must learn where a manager's input adds value and where it subtracts value. This seems simple, but the desire to improve performance coupled with the opportunity and ability to make adjustments available to managers frequently makes tinkering nearly irresistible. Even successful managers can become overly infatuated with their management expertise, thinking that additional manipulation equals improvement. In fact, successful managers may be even more prone to developing this attitude because of their past success.

Among the various ideas credited to management advisor and innovator Edward Deming, this basic principle probably tops the list as most critical for managers to grasp. No matter where one looks, production and performances of all kinds exhibit variation. Athletics provides prime examples. In golf, shots stray to the right, left, short, and long of the target. In basketball, nearly identical "alley-oop" passes may lead to widely different results – a momentum building

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dunk in one situation or a costly turnover on a different occasion. The same running play in football that gains twenty yards one time fails to advance pass the line of scrimmage another time.

Coaches or players may rant and rage over the less desirable outcomes. To manage effectively over the long haul, though, a manager must firmly grasp the parts of the variation in outcomes that are indeed "manageable," and the parts that are endemic to the structure of the system or game. Whether in NCAA Championship basketball games, U.S. Open golf tournaments, or operating a manufacturing plant, knowing the difference between what can be "fixed" with a tweak or two verses the things that cannot is an indispensable tool for a manager. It defines the difference between effective managing and merely meddling. At best, meddling does nothing. At worst, it spells disaster.

Many coaches, players, and managers of all kinds could learn a valuable lesson from the thermostat in their home or apartment. This simple-to-use device teaches the basic difference between managing and meddling. Most thermostats are designed to activate and deactivate the heating and cooling system in a house within a range. If the thermostat is set at 73 degrees with the AC switched on automatic, then the system may switch on the cooling unit and fan when the temperature reaches 74.2 degrees and switch off when the temperature reaches 71.8 degrees. Using the logic of many coaches and managers, if the observed temperature is at 74 degrees, then something needs to be done, so the thermostat is turned down, say to 72 degrees. However, if the thermostat is operating normally, this will eventually lead not only to a lower than desired temperature, but one that is lower than the range of temperatures from just setting the thermostat

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at 73 degrees and leaving it there. This meddling scenario of thermostat adjustment contrasts to a situation where the thermostat is genuinely out of kilter. If the homeowner notices a repeated pattern when the temperature runs hot or cold, for instance at night, then an adjustment makes sense and can improve performance. Or the homeowner may accept the desired temperature range as the norm for the thermostat, but think that try a different thermostat engineered to tighter specifications would be helpful. Both of these cases represent effective management as opposed to the meddling case above.

The problem is that managers and players have trouble in separating these two. Major league baseball hitters and analysts become concerned about the player with a career .300 average "mired in a 6 for 32 slump." No doubt the 6 for 32 stretch (a 0.187 clip) is far below the .300 average, but by the same reasoning, a 10 for 25 stretch (a .400 average) is "too hot" although this terminology is seldom used. In 500 at bats during a major league season, hitters that, on average, get 3 hits in 10 at bats are very likely to experience subsets where the average is well below and well above .300. Extra batting practice, although commonly employed to cure such slumps, likely makes little difference. The outcomes are normal given variations in reaction time, swing path, pitchers and pitches, sizes of ballparks, sizes of foul territory, and so on. It would be much more astounding to see a career 300 hitter go through a season getting about 3 hits in every set of 10 at-bats than not. In his book, Joe Torre relates a story relevant to this point concerning third baseman Scott Brossius. The Yankees traded for Brossius in spite of a substantial decline in his hitting statistics the prior year with the Oakland Athletics. As Torre put it, "He [Brossius] tries too hard to fix things...You always hear how it is important to make

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adjustments in baseball. But a player can make so many adjustments that he loses sight of what he was doing right from the start."[1]

Golf, by the very nature of the game, tends to develop golfers into obsessive "tinkerers." There are dozens of small changes directly at the control of a golfer that can influence the flight or roll of a golf ball from how firmly the club is gripped, to they type of grip, to how much the left hand is rotated on top or under the club, to where the ball is placed in relation to the right or left foot, to the plane on which the club is taken back from the ball, to how straight the left arm is kept during the swing, to how far back the club is taken during the backswing. The list of things available for manipulation goes on and on. The multitude of adjustments possible coupled with the desire to play better, however, can cause golfers, even at the professional level, to fall victim to the same disease that gripped Guy Lewis toward the end of the 1983 NCAA basketball championship game – "meddleitis" – manipulating processes and events simply because the urge "to do something" is so strong.

Putting tests on the percentage of putts made by a gravity-based machine conducted by an engineer-turned-author illustrate the point.[2] The machine could be adjusted for distance and rolled the ball with considerably less variation than a human would who was using a putter. He conducted tests on a pool table, on greens before foot traffic disturbed them for the day and after foot traffic altered the green, and on putts of different lengths including straight and breaking putts. After calibrating and optimizing the machine, the engineer could experiment with putts of different lengths to determine the percentages made under ideal green conditions as well as conditions that are less than ideal as the condition of the green deteriorates through use during a

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day. These percentages represent the absolute maximum overtime that anyone might expect to make. For instance, if only 10 percent of 30-foot points drop using the specialized putting device, it is unrealistic for a golfer to try to make adjustments to his game after failing to sink any 30-footers during a round.

Rather than tinkering around the edges with variation that is built-in, a golfer who is determined to improve his game must commit to the time, effort, and frustration necessary to alter major components of his swing. An example of this is the game's best player – Tiger Woods. Woods entered the professional ranks with unequaled amateur credentials including three U.S. Amateur victories. He shocked the golfing world with a runaway victory at the Master's. Still, he sensed that he would not be able to achieve his goal of surpassing Jack Nicklaus' major victories simply be tweaking the edges of his game. His distance control on his iron play lacked consistency as did his direction of his tee shots. With coach Butch Harmon, the player who was arguably as good as anybody in the game set out to bring major adjustments to his game. The payoff was not instantaneous. When it came, Woods vaulted to a position head and shoulders above the rest of the field, racking up majors and even winning four in a row – a sequential Grand Slam.

Woods' efforts were analogous to designing and building a new thermostat capable of more accurate temperature control. These efforts though may take weeks, months, or even years to fully work through. However, over the course of a single tournament or several tournaments, much less a single round, making "fine-tuning" adjustments may only increase the number of errant shots or the size of the errors. Rather than tinkering and adjusting endlessly, most players

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would do well by making decisions that clearly improve outcomes -- leaving a certain club in the bag, trying to hit more conservative shots, and the like than attempting countless small adjustments. In addition, a stray shot here or there should not be cause to change course or make adjustments unless such shots indicate an obvious pattern that the player knows how to correct -- not experimenting in correcting.

Jack Nicklaus noted that when playing U.S. Open courses where straight driving was a key, he would look in his bag on the tee box, start with the longest hitting club, and proceed down until he found a club he felt very confident he could hit in the fairway. Rather than adjusting this and that, he took his game, at least in the short term, as it was and made appropriate decisions. Golfers of lesser stature than Nicklaus could likely learn a lesson from him. One wonders how many players would be better off on the PGA tour if they fired their "swing coaches" except for offseason periods where they have decided to reengineer their swings or during periods of exceptionally bad play.

John Wooden, whose teams won 10 NCAA championships in 12 years, might have grasped this distinction between the manageable and unmanageable as well as any coach. Former UCLA standout and TV sports commentator Bill Walton noted that a great thing about Wooden was that "he allowed us great freedom on the court." Without any more information, many managers, especially in sports, would take a statement like Walton's to imply that Wooden exerted little influence on his players. Yet, in contrast, Wooden was noted as a coach firmly in charge by his former players and assistant coaches. Even by 1960s standards, he was known as strict and demanding. The things that he viewed as within his ability to control, he did. He was

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dedicated to developing player and team skills in the setting where he had the most opportunity to "engineer" his teams -- in practice. In fact, while he viewed himself as a very good practice coach, he thought he was only an average coach during the game, but that this did not matter too much.[3] One of his favorite maxims was "failing to prepare is preparing to fail."

Wooden's approach to management differed greatly from many, especially in basketball. He never stalked along the sideline as a maniacal figure attempting to dictate the moves of his players down to their every step, every pass, every shot or debate with the referees about every call. He did not scream at his players on the sidelines of games or during practice. Wooden understood that implementing and controlling key elements of his team's performance did not imply micro-managing every action they took. To Wooden, the freedom he gave his players on the court did not diminish his input and control as a manager or compromise the team's performance. Instead, he enhanced their performance by not limiting their creative abilities on the court too much. This kind of approach to management has often been a rare commodity in business just as in sports. However, it has had its outspoken advocates. Jack Welch, CEO of General Electric put it plainly, "I dislike the tenets that have come to be associated with "managing" – controlling, stifling people, keeping them in the dark, wasting their time on trivia and reports. Breathing down their neck."[4]

In spite of the success of people like Torre, Wooden, or Jack Welch, the idea of "manager" as active controller is deeply embedded in the psyche of many. Managers in business as well as sports see "managing" as all about controlling something and tweaking something. It takes a person of great self-control to imitate the managerial self-discipline of a John Wooden.

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A person must control the urge to over-manage, to try to make adjustments beyond his or her control. Moreover, in all kinds of sports settings, much like in politics or management in general, coaches prefer the appearance of "doing something" to the perception of doing little or nothing.

Coaches such as Houston's Guy Lewis, Nolan Richardson (formerly of the University of Arkansas), and Jerry Tarkanian of Fresno State, for three examples, have often been derisively viewed as coaches who enrolled quality athletes and then "just rolled the ball out there." These kinds of criticisms likely originate from their lack of meddling as much as from anything. These three coaches shared fourteen trips to the NCAA tournament's "Final Eight" and eleven trips to the NCAA Final Four – accomplishments not equaled by very many groups of three coaches regardless of players skill. In fact, Guy Lewis hardly ever receives mention or listing among the great college coaches even though his 26 tournament wins place him among the elite of college coaching. Whether Lewis, Richardson, or Tarkanian excelled in every aspect as coaches or not, the kinds of attributes evidenced by their teams -- excellent passing and ball movement, well-coordinated defensive efforts, exceptional conditioning and effort -- resulted from coaching and preparation and not just because the players showed up on the court. Even Bob Knight, who won three national championships at Indiana University, for all of his bluster did not engage in exaggerated attempts to manipulate every decision of his players during games. Instead, he worked in practice on teaching his players to develop thinking and observational skills of their own. To be honest, some coaches who have a bent for meddling and hyper-management have been successful. Yet, their success has come about in spite of these traits rather than because of

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them. Their success owes itself to other critical aspects of management practiced by the John Woodens – attention to player and team development, attention to opponents strengths and weaknesses -- and not to the over-the-top attempts to directly control everything going on during a game or in the player's personal lives.

MLB hitters, PGA golfers, college basketball players, employees and machines and equipment evelop real problems that require fixing. The lesson here does not teach abstinence from actively trying to fix or avoid these problems. Rather, the critical managerial skill emphasized here is in distinguishing normal variation from abnormal variation. This management (or self-management) skill is in short supply. In the era of slow-motion video and swing coaches, most hitters and golfers are inclined to read in problems where none exist just as are many business managers whose MBA training or desire to please higher-ups drive them to want to "do something."

WHAT TO MANAGE?

During the lull between the 1988 and 1989 football season, Arkansas oilman and former University of Arkansas football player Jerry Jones purchased the most popular franchise in the NFL, the Dallas Cowboys. Jones immediately stamped his imprint on "America's Team" by replacing legendary head coach, Tom Landry, with his former college teammate and coach of the University of Miami, Jimmy Johnson. He also axed renowned general manager Tex Schramm, highly regarded player personnel director Gil Brandt, and most of the other "front office"

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personnel. Whether based on fact or hype, the Cowboys had gained a reputation as a model sports organization.

Even though the Cowboys suffered through a dismal season in during the last year of the Landry-Schramm regime, the none-too-delicate sacking of Schramm and especially Landry shocked the Cowboys' fans and media. When the team's performance sank even lower during Jones' first year in the 1989 season, 15 losses and 1 win, he became a whipping boy for frustrated fans and writers. Who did this *nouveau riche* hillbilly think he was firing a legendary coach, bringing his college buddy who knew nothing of the NFL, and essentially taking over the role of general manager as well as owner? Didn't he know that owners are not GMs in the NFL? Not only did Jones' methods differ from the Cowboy traditions, but the apparent proof of their failure lay in the pudding.

Two Super Bowl victories for the Cowboys in the early 1990s quelled the outrage. Then Jones feuded with Jimmy Johnson, who departed in a startling sequence of events during the 1994 offseason. As the team moved through a series of coaches hand-picked by Jones -- first another college acquaintance and coach Barry Switzer, then respected NFL offensive coach Chan Gailey, and finally Cowboy defensive coach Dave Campo -- it became obvious that Jones' influence in the organization was ever expanding. To his duties of overseeing the business side of operations as well as acquiring and compensating players, he now directly influenced which players would play and even what style of offense would be run. Although the team picked up another Super Bowl trophy under Switzer in 1997, the performances deteriorated. By 1999, the team lost as many as games as it won. During the 2000-2002 seasons, the Cowboys were able

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to maintain a status only slightly above the worst teams in the league. Toward the end of the 2002 season, the reality of losing humbled Jones to the point where he approached and landed Bill Parcells as coach. While all the details of their personal conversations are not know, it is certain that a strong-willed and successful coach like Parcells did not accept the job without clearing the air regarding his decision making role with team.

The Jerry Jones saga and the unfortunate (for Houston Cougar fans) decisions of Guy Lewis share subtle similarities. They both deal with the breadth and detail of managerial control. In Guy Lewis' case the issue centered on when to intervene actively to attempt to manipulate outcomes. In the Jerry Jones case, the issue centered on a how broadly a manger should try to manage within an organization. Had the media and fans been right all along? Did Jerry Jones overstep his bounds way back in 1989 and just luck out, or had he done a reasonable job as owner/GM until the broohaha with Johnson? Can an owner be a GM? How much influence should a GM have over on-the-field decisions? Beyond the specifics of Jerry Jones and the Cowboys or even sports teams, the question of just how much power should reside in one person's hands is important for all kinds of organizations. What is the reasonable scope of decision making authority?

Even where all might agree that greater specialization of management functions is beneficial, the size of the business and marketplace can serve as a limiting factor. In the developmental years of many sports leagues, it would be common for a coach to serve as the de facto general manager, at least for all player related decisions, simply because there was not enough revenue being generated to support separate functions. Vince Lombardi served as GM

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during his entire tenure as head coach with the Packers. This combination of functions did not come about as a result of long discussions or planning about organizational roles. Instead, when Lombardi joined the Packers in 1958, the team could hardly afford separate functions. After a decade of success, Lombardi stepped down as coach but maintained the GM role.

In the words of the famous 18th century economist and philosopher Adam Smith, the degree of specialization is limited by the size of a market.[5] An owner-entrepreneur of a small retail grocery store, of necessity, may well have to provide the financial capital as well as function as the operations manager, purchasing agent, clerk, and a custodian. As a business grows in size and scope, the financial necessity of wearing so many hats diminishes as the necessity of delegating decision making responsibilities increases.

As markets grow and provide greater revenues to producers for those markets, the question of how to slice up managerial roles becomes pertinent. Studies of managers have identified many different roles. An extensive and widely cited study by John Kotter indicated that effective managers tend to be agenda setters, advocates for these agendas (as opposed to detached goal setters), and builders of extensive interpersonal networks for acquiring information and implementing policies.[6] However, in many enterprises, a top level manager may play many roles -- entrepreneur-strategist, operations supervisor, human resource manager, conflict resolver, organizer, dealmaker, and so on. Just how deeply an owner or general manager chooses to become involved in various functions at a business is not set in stone. Clearly, time places constraints on how widely one person can distribute his time as does knowledge. Beyond time, the issue hinges on the relative abilities of a manager and how those abilities add value to a

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firm when roles are combined versus separated and the speed with which decisions need to be made. For example, Bill Gates and other top managers at Microsoft initially funneled nearly all decisions through themselves. As the pace of change in the computer industry became faster, this top-heavy allocation of decisions created a bottleneck that Microsoft eventually scrapped.

While the Jerry Jones saga may, at first glance, appear as a textbook example of a manager casting his net far too widely, his tenure with the Cowboys illustrates both that over specialization of management functions sometimes becomes entrenched by mere convention and that too much consolidation of decision making authority is not a good thing. One important axiom among economists applies here -- there is an optimal amount of just about everything including empowerment and consolidation. The basic principle guiding the distribution or consolidation of decisions within an organization, even sports organizations, is that decisions should be distributed to the people or units who hold the best combination of information and incentives for getting decisions right. Sometimes this means empowering additional decision makers -- sometimes this means kicking decisions up the line and consolidating them.

No doubt, Jerry Jones displayed a lack of public relations savvy and people skills in the way he handled the takeover of the Cowboys and the ouster of Landry. In spite of this, Jones did expose a bloated front office situation in Dallas. The former GM, Tex Schramm, had pulled off some promotional coups in his time, taking the team from expansion oblivion to becoming "America's Team" that so many either loved or loved to hate. He had also succeeded in setting up an excellent scouting system. On the other hand, he had also been given a blank check by the Cowboys' principal owner Clint Murchison. Although wildly successful and popular, the

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Cowboys success and popularity had not translated into dollars for Murchison. Schramm had run the organization much like a not-for-profit entity, pouring nearly every cent back into some expense or another. Jones, determined to win but also determined to make money from winning, cleaned up this mess and reinstituted the idea that the team existed to help the owner make money by reducing what he viewed as unnecessary expenses in the front office. This meant combining many of the roles of the "business side" of the operations with the "football side."

The most controversial move in this regard that Jones made was to consolidate the role of GM, or at least some aspects of the job, into his own office. Jones would make player acquisition decisions with input from head coach Jimmy Johnson and negotiate player contracts. The idea of an owner making "football" decisions drew scoffs and howls from many fans and media. While non-traditional, the idea was not as outlandish as many made it out to be. In viewing it through the perspective of putting the decisions in the hands of someone with the information and incentive to get the decisions right, Jones' reasoning makes sense. If the proof is in his performance, he performed the job admirably, at least for several years.

The owner-as-GM problem troubled many people who argued that Jones was a mere commoner. In the terms used here, he lacked the specific knowledge needed to make sound football decisions. However, Jones had played the game at the college level. Further, in evaluating players, most GM's in any sport accomplish their task from years of observations in exactly the same spot as Jones – the seat of their pants. As with many guilds and professions, those in the jobs sometimes oversell the degree of specialized knowledge necessary to do the job. Where the Jones-Cowboys story began to go fall apart was not when Jones took over as GM, but

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when the rift developed between himself and Jimmy Johnson. Potentially, the biggest problem with Jones or any owner consolidating parts of the GM function in their own office is the temptation to reach farther and consolidate more of the power within the organization. Moreover, the owner possesses the inherent ability to define his own functions, eliminating constraints on his role. It is this temptation that overwhelmed Jones and continues to do so.

Jimmy Johnson's ego and will matched Jones'. Although Jones owned the team and could, in principle, do what he wanted, the presence of Johnson placed effective limits on Jones. As long as Johnson stayed as coach, Jones' input into on-the-field coaching decisions was very limited. At the same time, Johnson exerted considerable influence over the players acquired so that Jones and Johnson more or less split GM duties between them. Once Johnson exited, Jones brought in coaches that held much weaker power bases within the organization. No longer faced with effective constraints on his power, Jones expanded his scope of decision making, dominating player acquisition decisions as well as imposing himself into on-the-field coaching decisions. Some writers and analysts have suggested that this destroys a team because many players begin to look past the coach as the primary decision maker for on-the-field issues. While this may be true, Jones actions likely had negative effects in other ways. For one, while he was as good as many GMs around the league in assessing players' skills and negotiating with them, Jones did not hold the kind of specialized knowledge necessary to make coaching decisions. Instructing the coach on which players to use or which offensive style to employ not only undercut the coach's authority but intruded into areas where Jones held little expertise.

Second, and maybe as important, Jones' power grab within the organization made the

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head-coaching job much less attractive to many job candidates. To some extent, by the time Jones hired Chan Gailey and certainly by the time he fired him and hired Dave Campo two years later, Jones had spoiled the pool of job applicant by his own actions. What "brand name" coach wanted to work for an owner who knew no limits to his intrusions? The answer was none. Gailey's departure created an opening in one of the most highly visible coaching positions in all of sports, and yet, none of the "big names" in coaching seemed interested. Ten years earlier, Jones could have likely picked from among several of the most prominent coaches in professional or college football. After courting and talking to a few highly touted names, Jones settled for promoting his own defensive coordinator. Only after enduring several losing seasons did Jones bite the bullet and acquire Bill Parcells, a coach who walked in with the kind of power base (and then some) with which Jimmy Johnson held when he took over as coach.[7] After the years of struggle, Parcells lifted the team from a 5-11 record to a 10-6 playoff team in his first season.

The adventures of Jerry Jones and the Cowboys, though, are just one in a series of cases within sports organizations where the issue of consolidation or distribution of decisions has cropped up in recent years. This issue of "full control" of the sports-side of team operations has become a common bargaining chip for coaches in high demand. Bill Parcells acquired it with the New York Jets. Mike Holmgren, after two trips to the Super Bowl and one championship ring with the Green Bay Packers, chose to leave and become head coach of the struggling Seattle Seahawks. Reportedly, one of the enticing aspects of the Seattle job for Holmgren is that he would be the GM as well as head coach. Other coaches who gained this level of authority

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included Dan Reeves with the Atlanta Falcons, Pat Riley with the Miami Heat, Don Nelson with the Dallas Mavericks, Bill Belechek with the New England Patriots, and Tom Coughlin with the Jacksonville Jaguars, and a few others.

Interestingly, many of the same writers who so strongly question the expansion of an owner's decision making authority were slow to question the expansion of a head coach's decision authority with a much less critical eye. After all, as the thinking goes, should not a coach have complete control over the players he must use? One metaphor used is "if a coach is going to have to cook the meal, shouldn't he get to pick the ingredients?" Yet, just as with an owner expanding his sphere of influence, consolidating more power in the hands of a head coach raises serious issues. The data related to whether consolidating decisions works to benefit teams is mixed. During the Dallas Cowboys' long run of success from the mid 1960s to the early 1980s, the splitting of coaching and GM functions became the "model" for sports teams. Coaches such as Bill Parcells experienced success while playing both roles, others have met mixed success or floundered. The case of Rick Pitino provides interesting details.

In April of 1997 Rick Pitino made the decision to leave his post as head coach at the University of Kentucky to take what he described as the one job that could entice him to leave -- the head coaching slot for the Boston Celtics of the NBA. Pitino had become the unofficial king of the Bluegrass State after rebuilding the Wildcats into a national powerhouse. In addition to the Kentucky job, he had proven his coaching prowess by taking the Providence Friars to the NCAA tournament in 1987 and by improving the New York Knicks during a brief stay there. Although he coveted the Celtic coaching job, the issue of breadth of his managerial control was a

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key part of his decision. Pitino negotiated a deal that gave him the title of President of Basketball Operations, granting him effective control over roster decisions along with his coaching duties. The reasoning behind the consolidation of basketball operations in Pitino's hands followed the typical lines. He would not be burdened by the players cast on him by a GM. Players would know that they answered to Pitino alone, thereby helping him avoid any undermining of his authority by a GM. He would have a free hand to hire support personnel, assistants and scouts, to his liking without interference.

The reality of Pitino's subsequent tenure raised serious questions about the consolidation of roles not unlike the expansion of Jerry Jones' power with the Cowboys during the mid to late 1990s. Pitino first moved to nearly clear his roster of veteran players either by trading them or by making little or no effort to resign free agents. This would supposedly "free" him to sign younger players that would be easily molded into his system. In his first draft with the Celtics, he selected former University of Kentucky star Antoine Walker early in the first round. The next year he drafted Ron Mercer out of Kentucky. In total, he had as many as 4 former Kentucky players on his roster. In a surprising move, Pitino shelled out significant dollars to obtain 7-foot Travis Knight, a player with one year of college experience thought to have potential but not highly regarded as a pro prospect. Then, as Walker's rookie contract neared its expiration, Pitino made the signing of Walker to a long term deal his number one priority. In the salary cap era, this was tantamount to tabbing Walker as his "franchise player" on which future championships would rise or fall. Yet, Walker's performances on the court, while at times strong, were inconsistent. Moreover, he did not have the personal characteristics and maturity to be a team

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leader. His off-season conditioning was questioned, and he and Pitino bickered.

During Pitino's first season, the team won 36 (of 82) games as opposed to only 15 in the prior season. After this initial improvement, the engine began to sputter and break down during the second season. The team fell back to only 19 wins as the internal issues on the team grew. The third season ended with 35 wins but a terrible run over the last two months left the Celtics out of the playoffs again. Pitino's fourth season began poorly and by January of 2001, he had resigned. By the end of the 2002-2003 season, Pitino's successor, Jim O'Brien, not only had guided the team to 49 wins but with essentially the same set of players advanced to the Eastern Conference Finals.

Pitino's downfall could be laid at different sources. Some analysts questioned his coaching strategy others his general managing skills. Clearly, he had troubles with player-coach relations at times. On the other hand, the running joke circulating in Boston was that Rick Pitino's worst enemy as coach was Rick Pitino the GM. Whatever the relative weaknesses in one or the other job, the Boston episode illustrates the difficulty of attempts to play both roles. In many ways, Pitino tried to operate as coach-GM much as he did in his college coaching position. However, because of differences in the "regulatory environment" between college and professional basketball, the difficulty of combining these tasks differs greatly. A college coach may possess complete control over player "acquisition" and removal. However, NCAA rules permit a maximum of four years of playing eligibility. While players are still critical to success, they turn over with great frequency, making a mistake less costly over the long run. Restriction on rewards to players means that salary considerations and limits imposed by salary caps do not

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enter the picture. Plus, college coaches can be more autocratic. College players can only transfer to another team after sitting out for a year. The players are younger and poorer, making them less inclined to challenge an autocratic coach's authority.

Pat Riley has lived out a reality not completely unlike Pitino's. Riley took over the helm of the Los Angeles Lakers near the beginning of the 1981 season. The team had won 7 of 11 games that season, 66 percent of its games in the 1980-81 season, and league championship during the 1979-80 season under coach Paul Westhead. Rumors circulated that star player Magic Johnson was unhappy with some of Westhead's use of players so Westhead was fired and Riley promoted from Assistant Coach. Riley guided a star-studded team including greats such as Johnson and Kareem Abdul Jabbar to seven appearances in the NBA finals from 1982-1990 and five titles. He left the Lakers after the 1990 season and joined the New York Knicks starting the 1991-92 season. He took over a team that had won 39 games the prior year (but 45 and 52 the two prior to that) and won between 51 and 60 and made the finals once before he left after the 1995 season. In New York as in Los Angeles, he stepped into a team that already possessed very gifted players.

Riley then took over both the GM and head coaching jobs for the Miami Heat starting with the 1995-96 season. As with the Knicks, he bumped a near 50 percent winning team up to 60 percent from 1996 through 2000, making the Eastern Conference finals in 1997. However, in 1998, 1999, and 2001 the team lost in the first round of the playoffs and in the second round in 2000. In 2001 the Charlotte Hornets swept the three games in humiliating fashion. By the 2001-2002 season a combination of injuries and poor personnel decisions led to a losing season – one

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that had been abysmal for the first half. The 2002-2003 season started just as poorly, leading to speculation about Riley's future as both GM and head coach. In part, Riley's interaction with players had grown negative to the point of likely causing many free agents to avoid the team.

In fact, the tide has apparently turned against the idea of coach-GM combination Just prior to the 2003-2004 season, Riley stepped out of the head coaching part of his job. Mike Holmgren, after failing to reach the playoffs during his tenure with the Seahawks gave up his position as general manager with the team. Before his dismissal as head coach late in the 2003 season, Dan Reeves had already relinquished his position as general manager. Interestingly, after letting Reeves go, the Falcons owner made the comment that in his search for a new head coach, he was interested in hiring "a coach and not a king" – a direct slap in the face of the coach as sole decision maker model that had been on the upswing during the 1990s.[8]

At the professional level, splitting the GM and coaching duties introduces important checks on each function. By the nature of the job, a coach is going to have run-ins with players from time to time. A coach who doubles as GM may be tempted to make personnel changes too swiftly in light of such troubles. Where these duties are split, the coach may be forced to try to work out the situation. On the other side, the coach may benefit from isolation from the salary negotiations that arise between a player or his agent and the General Manager. In addition, while coaches clearly should have significant input into the selection of players, coaching is a full-time job during the season, permitting little time for evaluation of other players. Rolled together, all of these points reemphasize the gains that can be achieved through specialization, at least up to a point. They do not indicate that no one could ever be successful in combining functions. There

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are examples of coaches who have done both jobs relatively well. Yet, these may best be viewed as the exceptions rather than the rule.

The lesson here for business managers in general is that the decision over what to manage is vital. A small operation requires the owner-manager to wear many hats. On occasion, in a desire to avoid some of the unpleasant operational and personnel duties, owner-managers are too quick to dump these responsibilities on others, incurring costs that are too high for the business or leaving them in the hands of individuals who lack the owner-manager's motivation or expertise. In a twist of the same problem, some owner-managers in these settings may even avoid learning as much as they should about day-to-day operations under a mistaken belief that getting involved in operational details will steer them away from the more important financial and marketing matters. In such settings, a good manager must be involved in the oversight of all functions of a business – production, marketing, financial. Naturally, areas where the supporting workforce is stronger in expertise and motivation may require less attention, but the owner-manager who sees himself as only the entrepreneur, only the chief financial officer, or only the production manager is setting the stage for failure. While problems do crop up for managers of small businesses in terms of where to circumscribe their responsibilities, the biggest issue is frequently time. Everything needs to be done and the owner-manager has simply to devote the time to do it. It's not surprising that successful owners of small business often have little time for other interest, especially during the formative years of the business and that owners who do have time often find themselves without a business in relatively short order.

More complex issues arise as to what to manage as a business grows to a level that will

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financially support subordinate managers.[9] As with sports managers, a person may have multiple skills that permit forays into different functional areas of the business. A few people, like a Bill Parcells, are able to bite off a large piece and make it work. As sports managers illustrate, though, it is frequently the case that people who would be good at doing multiple jobs are not very successful at trying to juggle them at the same time. They may keep all the balls in the air for a while, but the complexity of the tasks lead them down a path where one ball drops after another, and they find themselves in trouble. The Rick Pitino story illustrates the problems that can arise. Rather than doing a smaller set of functions very well and working with another competent person doing a complimentary job, a manager tries to handle too many functions and fails.

Ego may play a part. Successful managers sometimes gain a feeling of invulnerability. Due to the same motive, working with someone within an organization who is a peer or even a boss may strike someone as threatening or undesirable. Many managers in and out of sports often grow into “controlaholics”whether by their underlying personality or the conditioning on the job. Even the manager without a big ego may fall into the trap of taking on too many responsibilities. In part, a desire to make sure that two or three jobs are done right may encourage a manager to tackle too much. A coach who has experienced the consequences of poor general management or who has had a bad working relationship with a GM may be led into thinking that broadening his own responsibilities is clearly a better way.

In business as in sports settings, the complexity of this issue arises because it is not, or should not, be cast in all-or-nothing terms. A coach should be involved in personnel decisions

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and practices just as any manager would want to be involved in the hiring process. Frequently, roles and responsibilities get attached to people based on simplistic titles. For instance, an "offensive coordinator" may have primary responsibility for designing and calling plays as well as making on-the-field personnel decisions. Does having an offensive coordinator mean that a head coach should not be involved in the designing of offensive strategy or situational tactics during games? Seemingly, any head coach would want to be involved in such matters even if leaving much of the responsibility to the assistant. The same would be true of defensive coaching. It is a bit odd to see head coaches who become involved solely with the offensive or defensive side of the ball. Likewise, it would make sense to have offensive and defensive coaches interact to some extent to explore weaknesses and strengths in their own clubs as well as in the opponents. Surprisingly, many head coaches become involved solely on one side of the ball and many teams do not encourage and facilitate interaction between their offensive and defensive coaches.

The same situation sometimes arises in business, where a CEO may concentrate almost entirely on financial matters or almost solely on marketing strategy. Likewise, many companies develop cultures where business units become more like rivals than partners. The Vice President for marketing and the Vice President for operations may spend hardly any time interacting and if they do, the interactions resemble competitive rather than cooperative behavior. Finding the right balance between involvement in and delegating decisions is an ongoing balancing act. David D'Alessandro, CEO of John Hancock Financial Services, noted that he had seen a boss who "spent half his day fielding reports from employees about whom they had spoken to ... he

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perpetuated the myth that only he could do things right." In contrast, he had also observed managers who "delegate responsibilities to so many different subordinates that no one is in charge."[10] No single algorithm exists for determining the degree of involvement and delegation. It differs across industries and companies as well as over time. The overriding principles boil down to two things: i) who within the firm is best positioned to collect, possess, or process the information necessary for sound decisions, and ii) does this person have the motivation, either internally or externally, for using the information correctly.

DO MANAGERS WEAR OUT?

Anyone who has ever followed sports casually knows that the performance of professional athletes follows a cycle. Among those with extensive careers, performance typically improves for the first few years, and then a plateau is reached that may be sustained for a long time with some ups and downs. Finally their productivity diminishes unless they retire relatively early. The length of each stage depends on the particular sport and athlete. Certainly, some players may even have a late-career renaissance or upswing such as Barry Bonds in hitting home runs. Still, the improvement-plateau-decline cycle can be seen over and over.[11]

Beyond the questions posed above as to how far managers should extend their reach within an organization or how much they should actively try to manage outcomes, a key question about managerial duties is whether their performance tends to follow a cycle much like that of players. While seldom discussed, the same kind of cycle may also appear in the careers of many

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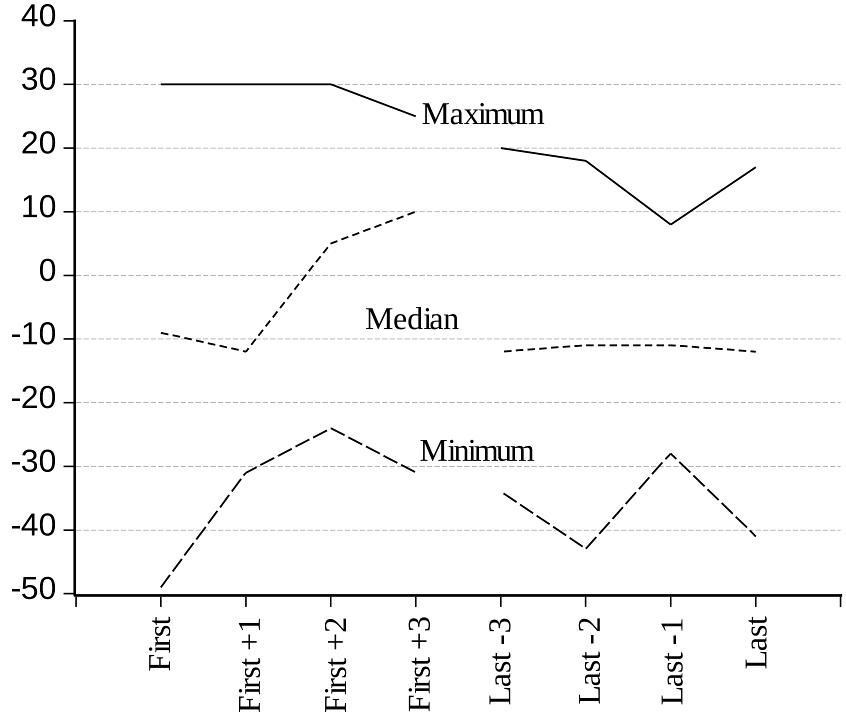
sports managers. Like players, some managers make an immediate splash, but in many cases where sports managers played out long careers, there is improvement, a plateau, and if they hang on long enough, an eventual decline. These swings can be seen in the careers of baseball managers such as Earl Weaver, Sparky Anderson, and Dick Williams or football coaches such as Tom Landry, Chuck Noll, and Joe Paterno.

In trying to go beyond anecdote, difficulties arise in measuring systematic tendencies for such life-cycles among managers. For example, college basketball and football have had their share of long-running, successful coaches. However, most college coaches work their way up from lesser known schools to “big-time” programs. For example, Bob Knight and Mike Krzyzewski both started at Army before moving on to coach Indiana and Duke. Such career jumps make record comparisons a bit like comparing apples and oranges. Another is that the relative contribution of managers and general managers to team performance differs across sports, generally inversely correlated to the degree of team interaction. Also, coaches land head-coaching positions at different ages and bring with them more or less assistant coaching experience. Like players such as Sandy Koufax, some managers retire relatively early while “still on top.” All of these issues make the estimation of the variations in managerial performance problematic.

Figure 8.1: Early and Late Career Performance for Longtime NFL Coaches (Performance as Percent of Career Average)



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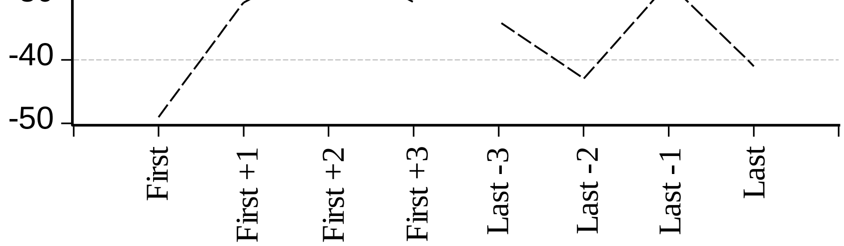
While no perfect data exists, Figure 8.1 presents an exploratory view into the career performance cycles for thirteen NFL coaches. All of the coaches included in the sample coached for over 15 years, received considerable acclaim as coaches, and have retired. The data presented in the figure reflect comparisons computed first for each coach based on his career winning percentage and then summarized over the 13 coaches in the sample for the first three years and the last three years of their careers. The median winning percentage relative to career average is shown along with the maximum and minimums. For example, based on first year performance, the median performance for the 13 coaches was 9 percent below career winning percentage, while the maximum individual was 30 percent above career average (Chuck Knox) and the minimum individual was 49% below career average (Chuck Noll). Tom Landry's first year performance (-60%) was not used in the graph because he coached a first year expansion club. Overall, the results in Figure 8.1 lend some credence to the idea that long-running coaches have a cycle to



their careers. While some did stepped right in and performed well immediately, at the median, performance improved over the first three years and jumped above long-term career averages. The last three years show the opposite effect. At the median, the coaches fell more than 10 percent below the overall career averages.

In business enterprises these problems manifest themselves in different ways. In some jobs requiring demanding physical labor, workers may indeed mimic athletes in that their skills and abilities just diminish with age. In other situations, workers skills or knowledge may depreciate not so much due to age itself but just due to changes in technologies, markets, and so on. Companies may sometimes develop policies to deal with these issues such as retraining workers. Or, in other cases, people may be reassigned or transferred.

REPLAY

1. All production settings, from filling soda bottles to golfing, experience normal ups in downs in performance. These are "built-in" to the system. No amount of tinkering, yelling, or hand-wringing will reduce these swings are will likely make things worse.

2. Where swings in performance are normal, the only means to improve is to carefully rethink the whole mix people, machines, and systems and how they fit together. Such

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change involve significant time and cost. Tiger Woods' jump from golfer with great potential to great golfer reflects just this kind of commitment.

3. Decisions within an organization or team should be parsed out based on combinations of abilities, information, limitations, and incentives. Sometimes this means centralizing decisions more – sometimes it means decentralizing them more as the swings in combining GM and coaching functions help illustrate.

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Notes

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1. Joe Torre (with Henry Dreher), *Ground Rules for Winners* (New York: Hyperion, 1999), p. 129.

2. See Dave Pelz, *Putt Like the Pros: Dave Pelz's Scientific Way to Improve Your Stroke* (New York: HarperCollins, 1989).

3. John Wooden (with Jack Tobin), *They Call Me Coach* (Chicago: Contemporary Books, 1988).

4. Robert Slater, *Jack Welch and the GE Way* (New York: McGraw-Hill, 1999), p. 27-28.

5. Adam Smith, *Wealth of Nations* (New York: Bantam Books, 2003), p. 4.

6. John Kotter, *The General Managers* (New York: Free Press, 1982), pp. 60-72.

7. David Besanko, David Dranove, and Mark Shanley, *The Economics of Strategy* (New York: Wiley, 1996), Chapter 18, provide a discussion of many of these varied roles of managers, and in particular, the manager as power holder. Also see Jean-Jaques Taylor, "A Working Relationship for Jones, Parcells, at www.dallasmorningnews.com, July 25, 2003, for more discussion of the power-sharing of Jones and Parcells versus that of Jones and the previous head coaches.

8. See *Atlanta Journal Constitution*, December 18, 2003.

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9. See James Brickley, Clifford Smith, and Jerold Zimmerman, *Managerial Economics and Organizational Architecture* (Chicago: Irwin, 1997), Chapter 10 for an extensive discussion of the economic influences behind the complexity of job allocation and bundling.

10. From Carol Hymowitz, “The Confident Boss Doesn’t Micromanage or Delegate Too Much,” *Wall Street Journal*, March 11, 2003.

11. Gerald Scully, *The Business of Baseball* (Chicago: University of Chicago Press, 1988) provides statistical evidence regarding such tendencies.