# The Problem with Managers: A Change from Hierarchy to Heterarchy

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## Abstract

Management started in the Industrial Revolution out of necessity, and over 100 years later it is undoubtedly the basic resource of organizations. Despite a change from the Industrial Revolution to a Service Revolution of knowledge workers, managers cling to the hierarchical organizational structure that guarantees their titles, positions, and prestige in the chain of authority. The compounded problem is that apart from clinging to the hierarchical structure that hinders the fast flow of communication, managers are overly involved in communication, perhaps reducing the role of management to mere messengers. Managers spend about 80% of their time communicating. As excessive as this may be, the communication is not centered on making big decisions but rather insignificant ones that may be handled by non-managerial employees. Communication is important, however, managerial functions are “big” decision-making and relationship-building to ensure productivity. In this article, the writer discusses the transformation of management from the Industrial Revolution of unskilled workers, to the 21st -century of Service Revolution characterized by skilled workers and smart technologies, and reminds us of the importance of managers. The writer suggests a change from hierarchy to a heterarchy, rather than a lattice structure, may be consistent with the reality of the parity in skills within organizations.

**Keywords: Hierarchy, heterarchy, lattice, communication, managers.**

## Introduction

The hierarchical organizational structure may be a sabotage to the fast flow of communication in organizations. Managers are enmeshed in communication such that the functions of management may be described as messengers or perhaps courier service providers. An observation of managers by scholars including Kotter (1999) and Mintzberg (2013) revealed that managers spent about 80% of their time involved in both verbal and written communication. In essence, managers function as the repository and transmitters of information as communication entails.

Communication is important however, it doesn’t define management. Managerial functions are decision-making and relationship-building to ensure productivity. Communication may be analogous to the function of the arteries; to carry blood back and forth to the heart. Herein instead of being the heart, managers function as the arteries without a heart attached. As Kotter observed, managers do not even make any big decisions. They are rather involved in small and insignificant decisions that may be handled among employees, as opposed to meticulous and methodical decision-making. According to Mintzberg (2013), “Unlike the other workers, the manager does not leave the telephone or the meeting to get back to work. Rather these contacts are his work.”

Elon Musk, perhaps the most influential entrepreneur today, rebuked the hierarchical structure and the related overly involvement of Tesla managers in the communication process, establishing that such a hierarchy slows down the flow of information (Blakeman, 2017). The hierarchy structure of business organizations was necessary in the Industrial Revolution of the 1900s. 100 years later in the year 2023, there’s the need for a change, consistent with the changing times of this service revolution era wherein 80% of the workforce are employed in the service sector. We are in the age of the knowledge worker buoyed by smart technologies and artificial intelligence. Organizations of today rely more on the use of functional departmentalization, consisting of experts capable of discharging their duties effectively with minimum supervision or monitoring to provide support in the form of resources.

In the quest to solve the problems with management, a manager-less framework first introduced by Bill Gore in 1958, called the lattice structure of organization, is taking form. Organizations including Deloitte, Spotify, and IBM have introduced the lattice structure in their respective organizations. A manager-less organization though may not be ideal considering that, as Drucker (2008) observed, managers are the basic resource of the organization. Drucker explained that even in a fully automated organization—–AI takeover—–managers are a requirement, as opposed to non-managerial employees. Drucker, himself a critic of the hierarchical structure may agree that a heterarchy structure suffices.

## The Problems With Managers

Management guru, Peter Drucker (2008) observed that, "So much of what we call management consists in making it difficult for people to work." Elon Musk says managers are in the way of the fast flow of information needed to solve organizational problems. He lamented the hierarchical nature of Tesla as impeding the efficiency of the production process. He is right. We have moved on from the Industrial Revolution yet the hierarchical organizational structure is still dominant in most companies. In an era of Artificial Intelligence and service-dominant organizations that hire 80% of the US workforce, a shift from a hierarchical to a heterarchy or flat organizational structure is long overdue.

In a hierarchical structure, there are multiple levels of management. Some could be about 9-layers to 12 layers. A hierarchy is characterized by a centralized decision-making process, and communication flows from top management to lower-level managers and employees. There is an established chain of command such as in the military, wherein a lower-level officer reports to the next in command, in that order.

Perhaps the advantages of the hierarchical structure such as discipline, control, and order, make it attractive and effective today. Certainly, decision-making from multiple sources may be chaotic and detrimental as a non-hierarchy may suggest. Leading companies such as Amazon, Apple, Coca-Cola, Tesla, GE, and Walmart prefer the use of the hierarchical structure. Institutions such as the military, law enforcement, universities, colleges, government agencies, hospitals, small businesses, etc., all have structured their organizations hierarchically.

Management-thought leaders in the Industrial Revolution period such as Frederick Taylor, Max Weber, Frank and Lillian Gilbreth, and Henry Gantt, were instrumental in standardizing policies and practices for effective management by introducing the hierarchical structure. The Scientific

Management approach, the Bureaucratic Management approach, the Motion Studies, and the Hawthorne Studies by Elton Mayo were all characterized by the hierarchical structure and designed to reduce inefficiency in the production process by optimizing employee work rate. During that period, managers had absolute control and power over employees. Every communication and decision-making came from managers. It was a one-way traffic.

The unskilled labor that set apart the Industrial Revolution and the labor-intensive nature of industries warranted the scientific or bureaucratic management style of that era. 100 years later, we have moved on from the manufacturing industries that employed 80% of our workforce, to the service revolution wherein service organizations employ 80% of our workforce. Employees are no longer unskilled and uneducated. The average worker is skilled and technologically savvy, capable of operating a smartphone and a computer. Accordingly, managerial thought leaders like Abraham Maslow, created the hierarchy of needs theory to show managers how to motivate employees to optimize production, rather than treating them as extensions of the machines as the scientific management approach upholds.

**The Heterarchy Organizational Structure**

A heterarchy is the opposite of a hierarchy. “Heterarchy” is derived from the Greek words heteros, meaning “other”, and archien, meaning “to rule.” Thus heterarchy means to allow others to be part of the ruling class. Herein, “others”, means all employees, and “ruling class”, refers to the managers. In a heterarchy structure, proposing of ideas and contributing to the decision-making process is the mutual responsibility of all participants involved. Herein, all employees including management and subordinates. In a heterarchy, there is a free flow of information, ideas, and decisions in any direction with the aim of improving innovation, efficiency, and effectiveness in the production process. Obviously, the ultimate decision still rests in the hands of one person, the CEO.

Management-thought leaders and organizational leaders such as Peter Drucker, a management guru who shaped our understanding of management, were against a bureaucratic management approach and encouraged a ‘creative management’ style wherein managers act as a catalyst of innovation through the adaptation of ideas from multiple sources within and outside of the organization. In effect, an innovative idea, Drucker believed, could come from any employee or stakeholder thus managers should reduce hierarchies and its characteristic one-directional, top-down communication structure, that impedes the efficient flow of such ideas. Drucker in 1988 predicted a reduction in the number of organizational hierarchies by half (Hamel & Zanini 2016).

Jack Welch, the former CEO of GE and one of the most respected business leaders in the 1980s and 1990s said, “Managing less is managing better. Controlling slows you down. You have to strike a balance between autonomy and controlling and make sure the former outweighs the latter.” Welch described GE as a boundary-less company that encouraged the propagation of ideas from all employees and other stakeholders (Tsai, 2023).

Welch reduced the 9-layer hierarchical structure of GE, to a 4-layer flat structure of mutual sharing of innovative ideas and more employee autonomy. Welch said, “We’re now down in some businesses to four layers from the top to the bottom. That’s the ultimate objective. We used to have things like department managers, subsection managers, unit managers, and supervisors. We’re driving those titles out”(Tsai, 2023). By reducing the number of managerial layers, Welch wanted managers to concentrate on more important issues instead of trivia ones, while empowering employees through autonomy and thus the creativity that comes with it.

Bureaucracy is a system frowned upon today as it has become synonymous with delays, red-tape, and hierarchical managers far removed from reality yet making all the decisions without any consultations with the knowledge employees. Bureaucracy, one would agree is unacceptable in this modern world of knowledge employees buoyed by an efficient and effective communication system made possible by multiple innovative technologies. In essence, bureaucracy is consequential to hierarchy thus why allow one but disapprove of the other?

The change from a hierarchy of 9-layers to a heterarchy of 4-layers, or perhaps 3-layers is consistent with the skilled employee in a functional departmentalization scenario of this Service Revolution era. For example, an economist or an accountant does not require any control from a manager. The research and development (R&D) staff are competent professionals who get the job done without relying on a manager’s constant supervision, guidance, and control. These skilled employees require autonomy rather than the control associated with management. A manager in this situation is rather reliant on the ideas and decisions of these skilled professional workers to make the final decision. Managers in this case provide resource support and a clear mission for the skilled workers to do their jobs.

To say managers are no longer needed though is not reasonable. Managerial responsibility is multi-functional and multifaceted. Managers are the most important resource in any organization. As Drucker (2008) pointed out, managers are the basic resource of any organization. Management parallels the basic resources of life such as water, food, and shelter, that humans need to survive. However, listening to Elon Musk and reading about Bill Gore's manager-less lattice organization is rather mind-stimulating and brings to the fore, the functions of a manager in the modern era of parity of skills. We first have to understand what a lattice or manager-less organization is.

**The Lattice Organization**

Bill Gore, founder of W. L. Gore and Associates, Inc., put into practice a manager-less team of employees he termed, a lattice organization. A lattice organization is characterized by the direct flow of information among employees, without passing through a manager. Information sharing is multi-directional; not only hierarchical, but horizontal, and diagonal. Gore wanted employees to collaborate with each other directly without a middleman, a manager. Employees were considered associates who were bosses in their own right and thus allowed to share information among themselves without going through the managerial hierarchy channel (Gronning, 2016).

The purpose of a lattice structure is to speed up communication thus decision-making and innovation (Gronning, 2016). A lattice structure also encourages the progression of employee skills in a lateral direction instead of the traditional upward climb of the corporate ladder. The employees thus become multi-functional as opposed to being one-dimensional and waiting to be promoted to their manager's position in the next twenty years or so. 99% of employees wait in vain for that opportunity as the ladder gets thinner at the top. A lattice removes this expectation and gives the employees the peace of mind to focus on their jobs, devoid of any politicking nepotism, cronyism, favoritism—–associated with the hierarchical structure, which leads to a lack of motivation and high employee turnover.

Another important element of a lattice organization is that it affords employees autonomy and thus flexibility as employees are considered associates contracted to perform a task. The associates view these tasks as projects that have to be completed within a time frame and thus work at their own pace and time to accomplish tasks, instead of the 9 am to 5 pm traditional daily grind of the American worker, coupled with the extra stress of the heavy rush-hour traffic period.

This flexibility, research proves, improves productivity as employees (associates) become less stressed because they get a healthy balance between work and family time.

Companies including Deloitte, IBM, and Spotify, have successfully implemented the lattice structure and reaping the increased employee productivity that comes with it (Ulusoy, 2023). Deloitte allows employees to further their education in different fields and move to different departments in the organization as they so choose (Ulusoy, 2023). Employees become multi-dimensional and avoid the stress of monotonous work, especially in a fast-paced world of innovation and the fear of obsolescence of skills. This leads to employee satisfaction, motivation, engagement, and lower turnovers. A lattice structure may deserve a lot of consideration but in a different form apart from its manager-less attribute as managers are a necessity to organizational survival, the same way food is to life.

Elon Musk, Bill Gore, Deloitte, IBM, Spotify, and others, share the belief that managers impede the free flow of information and slow down the innovation and production process hence favoring a lattice structure. Musk wants to encourage the free flow of information among functional units in his organizations, bypassing the procedural manager's involvement. As cited in Blakeman (2017), Musk said, "To solve a problem quickly, two people in different departments should simply talk and make the right things happen. Instead, people are forced to talk to their managers in other departments who talk to someone on their team. Then the information has to flow back the other way again. This is incredibly dumb." He went on to warn that, "any managers who allow this to happen, let alone encourage it, will soon find themselves working at another company."

The lattice structure may be flawed in that it discounts the value of managers to promote inter-relatedness among employees and shareholders. The general environment comprising the shareholder community requires special attention and communication that is meant to persuade, inform, and promote, for the purpose of business growth and community development. A heterarchy structure, consistent with the reduction in the layers of the hierarchy and thus ensuring communication among employees, with managers stepping in if necessary, for big decisions and enriching the stakeholders, especially customers' experience, may be more plausible.

## A Manager-less Organization?

In a Zippia.com survey of 1000 employees, Kathy Morris (2023), discovered that the average worker spent 4 hours and 12 minutes of the 8-hour workday, doing things that are unrelated to work. A 2014 salary.com survey revealed that 89% of the 750 respondents admitted to wasting time on unrelated work activities. The time wastage ranged from 30 minutes to 5 hours a day. Employees wasted time on unrelated work activities mainly web surfing for personal purposes, social media activities, texting, unnecessary bathroom breaks, and office distractions such as noise and unwarranted gossiping with co-workers. Workers also gave job-related excuses that included, a lack of motivation, an unconducive work environment, and an early task completion as reasons for their disengagement (Morris, 2023).

A 2023 Gallup report revealed that worker disengagement from work-related activities was as high as 77% in the US. According to the report, the combined cost of disengaged and low-engaged employees cost the global economy $8.8 trillion or 9% of global GDP. Sara Korolevich (2022) reported that in a survey conducted for GoodHire, 83% of the 3000 respondents said they could do their jobs without a manager. Another 84% said they would quit their jobs because of bad managers, although 70% enjoy working for their managers. These respondents were American workers from all sectors of the economy. This shows the level of influence that managers have on employees.

Economists view managers as monitors charged with the sole responsibility of preventing slacking by employees. To discourage a situation of slacking by managers themselves, economists propose that managers should be ‘residual claimants’, that is, be paid on a percentage of organizational profit basis. The economist’s definition of managers though succinct, captures the essence of management that needs to be underscored. Without sufficient attention, a manager-less organization may be where we are headed. But not so fast. Let’s learn from history.

### The Ford Lesson

Henry Ford was perhaps the most successful entrepreneur between the period of 1905-1925. He invented the assembly line to speed up the process of car manufacturing. At that period in time, Ford owned about half of the 15 million cars in the world and had no close competitor in the US market. However, Ford was dethroned as the number one car maker in the world. Ford’s market value plummeted. In 1927, the Ford Motor Company was struggling to compete with other car manufacturers such as GM that had moved to the fore. Ford had lost billions of dollars. The company was in shambles and needed a policy change.

The problem was that Henry Ford operated a manager-less company. Despite the growth of the company, Henry Ford still stuck with the policies that had made him successful as a small, self-managed company. He viewed his managers as “helpers”. These “helpers” were not allowed to perform the functions of management such as proposing ideas, strategic planning, making decisions, and taking actions on initiatives. Ford fired any of his “helpers” who dared to make any decisions or take actions without his knowledge. Henry Ford’s grandson took the helm in 1944 and changed policies by hiring a management team that effectively changed the fortunes of Ford Motor Company, making it a leading competitor once again (Drucker, 2008).

### The Google Lesson

In 2002 Google tried to prove that a manager-less company was good. According to Maut (2019), Google characterized managers as a “useless layer of bureaucracy.” In their manager-less, flat-organization experiment termed, Project Oxygen, Google quickly found out after a few months that the employees lacked any direction, organization, coordination, and guidance. Questions that employees had were left unanswered. Google quickly reversed course to research the common behaviors of the best managers, which included coaching, motivating, fostering teamwork, and establishing a sense of belonging among employees to perform at their best (Maut, 2019).

## Why Workers Quit

Employee turnover is high and increasing daily in organizations. In a 2015 Gallup research, employees gave various reasons for quitting their jobs; 22% of respondents cited insufficient pay and benefits as the reason for quitting their jobs. 32% cited a lack of career advancement or promotional opportunities. 20.2% did not think they were a good fit for the tasks the job entailed, while another 17% cited management or the general work environment as reasons to quit. 8% of respondents quit because they were not happy with the lack of flexibility and scheduling. Worries about the future availability of the job was a reason cited by 2% to find job security elsewhere.

Reflecting on the survey responses reveals what James K. Harter, Ph.D., Gallup's chief scientist for work management rightfully identified. Harter noted that 75% of the reasons cited fall under the domain of and may be resolved by management. Managers, using the Maslow Hierarchy of Needs as a guide, and taking into consideration the level of inflation, may increase employee pay levels proportionately. Employees improve productivity when they are given a healthy work and family balance by management. The question herein is, are managers inept?

Failure of managers may be more rampant than thought, judging from the high rate of turnover attributable to management. It's no secret that people quit their jobs because of management. Specifically, bad management or at least what people perceive as bad management. The saying, "Fire your boss" brings a smile to the faces of all and sundry. Bad management could increase the stress level of employees, prompting turnovers. An OSHA 2023 (Occupational Safety and Health Administration) report indicated that 83% of US workers suffer from work-related stress. As the OSHA report identified, stress causes death to 120,000 people in the US every year.

The American Institute of Stress (AIS) reported that about one million Americans miss work each day because of stress. Stress-related absenteeism, characterized by depression, costs US businesses $51 billion a year. The main causes of stress according to the report, are heavy workload, poor interpersonal relationships at work, a lack of assurances of job security, the absence of growth opportunities at work, and the inability to find a balance between work and personal life (AIS, 2023). Good or skilled managers know how to reduce the workload and provide employees time to spend with their families, as well as foster interpersonal relationships among employees while providing them with growth opportunities and job security.

In a 2015 Gallup poll of 7,272 adults in the US, 50% said they quit their jobs because of their managers. According to Gallup CEO Jim Clifton (2013), "the single biggest decision you make in your job—bigger than all the rest—is who you name manager. When you name the right people to manage your company's workplace, everything goes well. People love their jobs, your customers are engaged, and life is great. When you name the wrong person manager, nothing fixes that bad decision. Not compensation, not benefits—nothing."

Ken Blanchard (2020) believes, realizing that your employees are number one is the hallmark of great leaders. An opinion I have shared in my previous article, although the most popular and accepted school of thought is that customers are number one. Empowering, training, and showing care for employees would make them fully engaged to in turn provide the best customer service needed to retain and attract more customers. It takes talent to be able to motivate employees and build a relationship among them, needed to foster a great experience for customers. The incompetence of management may increase the phenomenon of manager-less organizations. It is thus important herein, to re-emphasize the role of managers.

## Who are Managers?

Managers are people charged with the responsibility of utilizing resources efficiently and effectively to optimize productivity (Drucker, 2008). Traditionally, managers are people who get things done through others by bringing the best out of workers, rather than stressing them. Managers optimize productivity through employees whom they motivate, organize, monitor, and provide clear plans, to accomplish goals. They have the skill to select competent people, organize them to perform different tasks according to their level of skills, and foster inter-relatedness among them, to attain the organization's broader objectives.

A Gallup research showed that just one in 10 have the natural, God-given talent to manage a team of people (Gallup, 2015). The remaining nine are, as Drucker (2008) observed, "Making it difficult for people to work." The talent of managers is measured by how well they motivate employees to bring out their best effort, build good interpersonal relationships among employees and with their managers, overcome adversity, perform constructive performance reviews, and make effective decisions to boost productivity. Talented managers are persons that competently perform all these tasks, without a hint of politics involved. They are objective; impartial, unbiased, and even-handed.

### Are Managers Born or Made?

The discourse in academia as to whether managers are born or developed goes on unabated. A survey I conducted of my various MBA students over the period of five years, provided reasonable arguments for both sides. In their responses, many of my students drew analogies with sports figures who have excelled, such as Michael Jordan, Tom Brady, and Lionel Messi. Some provided examples of excellent musicians such as Elvis and Michael Jackson. These sports personalities combined their God-given abilities and the tutelage of their managers such as Phil Jackson and Bill Belichick, to excel. The students concluded that it takes both a God-given talent and education to excel. Thus an average athlete or musician depends on either education or God-given talent. A person with a natural ability to lead, combined with acquiring a high education in management/leadership, excels.

**Do Knowledge Workers In This Service Revolution Era Need Managers?**

We live in the era of the knowledge worker. Have workers become too knowledgeable that managers are not needed? The job of the manager indicates otherwise. Managers cannot be eliminated. At best, the tall hierarchy of managers may be reduced to a heterarchy. As Drucker (2008) stated, "Managers are the basic resources of the organization." As we know, a basic resource such as water, is a necessity for survival. Managers are the main organ of an organization. Analogous to the heart that pumps blood to nourish other organs, managers provide resourcefulness such as planning, organizing, supporting, providing knowledge, motivating, resolving conflicts and misunderstandings, and providing direction to employees to optimize productivity.

Drucker noted that even in a fully automated organization such as this smart technology and AI era, managers are imperative. The use of machines requires management to monitor to ensure their servicing and improving, for optimal efficiency. Technical proficiency sets lower-level managers apart in an organization. In a conversation with business ethics scholar, Archie Carroll, he narrated that while in Walmart, he noticed about four self-checkout areas demarcated with yellow caution tapes to signal a safety issue. Carroll though was not convinced so he queried a manager, who explained that they were short of workers to monitor the self-checkout line. As paradoxical as this may be, workers or only managers in extreme cases, are needed to monitor these machines. The fears of AI taking over employee jobs may be grossly exaggerated.

**The Role of Managers**

Perhaps the greatest contribution to managerial thought—the standardization of managerial procedures—–was Henry Fayol's "administrative approach to management". Fayol laid out a clear definition of managerial responsibilities; the organizing, monitoring, leading, and planning of the factors of production within an organization.

Henry Fayol, one of the gurus of management resuscitated a business that he was hired to close down. He identified that “The success of an enterprise generally depends much more on the administrative ability of its leaders than on their technical abilities.” He emphasized, “I did not rely on my technical superiority, I relied on my ability as an organizer and my skill in handling men, to turn the company around.”

Fayol had the foresight and talent to select the right workers, put them in specific positions, provided them with clear instructions/mission, and supported them to carryout the mission. Fayol also had the cognitive ability to make important decisions such as moving the business to a new location, closer to the market, finding consistent suppliers of raw materials, and developing new products through research.

There are 3 main layers of management. The upper-echelon, the middle, and the lower-level managers. The lower-level managers are defined by their technical expertise. Middle-level managers are favored for their interpersonal skills that are relied upon to motivate, organize, and perhaps direct employees. Upper-level management is the strategic planners, and visionaries within the organization although they may possess qualities parallel to middle-level managers and in some cases have the technical know-how and experience. Although Fayol lacked the technical skills associated with lower-level management, he possessed skills consistent with upper and middle-level managers.

Abraham Maslow and Elton Mayo’s contributions to management are exemplary and remain a guide to the all-important managerial task of motivation. Maslow’s famous Hierarchy of Needs theory and Elton Mayo’s Hawthorne studies both state the importance of motivating employees through the fostering of a sense of belonging and providing rewards and recognition, among others. Motivation lies at the core of middle managers’ tasks however, upper-level managers are also known for their influence and inspiration that leads to motivation.

Of these three levels, middle managers are perhaps the most expendable. Jack Welch expended most of the department heads, subsection managers, and unit heads that constituted middle-level management whose main task was information sharing and motivation. However, in this era of the knowledge worker, managerial impart of technical skills many not be necessary. As Elon Musk pointed out, two employees in different departments should simply talk and make things happen instead of going through the various department managers. In this case, lower-level managers may be the most expendable.

Departments are not silos. Permission should not be required for department employees to communicate with each other. It is the role of management to ensure communication among employees irrespective of departments, as the managerial task of fostering inter-relatedness necessitates. Employee communication may go through managers only if it informs managerial "big" decision-making based on planning, resolving conflict, hiring, organizing, and motivation, etc., needed to create value for all stakeholders of the organization. Understanding communication within organizations is essential herein.

## Managerial Communication

Managers are not couriers. They are not communication channels for the delivery of information. Communication is like the arteries and veins that transmit blood from and to the heart. In this case, important information from management to employees and vice versa, to ensure the achievement of organizational goals. Managerial communication between management and stakeholders focuses mainly on giving and receiving information relevant to decision-making and relations-building needed to accomplish organizational goals. Henry Mintzberg (2013) believes managers should be reflective and systematic planners. Managerial communication borders on, meticulous decision-making—–motivation, conflict resolution, negotiations, problem-solving, coaching, counseling, etc.

I have read many management books and have been part of organizations where managers are described as communicators. Scholars including Mintzberg and Kotter have published their research to this effect, that managers spend 80% of their time communicating with employees, customers, and other stakeholders. It is important to not reduce managerial jobs to courier services. Managers should be making "big" decisions that are carefully thought out. As Welch said, "We are trying to get at the issue of dropping the trivia from management" Potts (1988). Management thought leaders from the Industrial Revolution era defined the role of managers as people who ensured efficiency in production. Today, management is viewed as a relationship-building and decision-making construct to ensure change through innovative ideas from all stakeholders, for business effectiveness. Communication is thus key but should not be trivial.

## The Service Revolution

In this Service Revolution era, the purpose of managerial tasks has become more focused on customer relations than on employees. The relationship-building skill of managers is directed toward the broader stakeholder community. Employees are knowledgeable and as such operate in a functional departmentalization setting.

The service sector employs about 80% of the US workforce. The agricultural sector employs 1.6% and the industrial sector hires 19% (O'Neil, 2023). It's thus safe to conclude that we are in the Service Revolution. The reason for the minimal employment in other sectors is that the production of goods is standardized and thus automated. Fewer workers are needed herein, unlike service that may be standardized but also highly personalized because it involves human interactions. For example, although a McDonald's drive-thru service is highly standardized, the interpersonal interaction in terms of style of delivery, appearance, smile, and disposition which differs from person to person, is of utmost importance.

Managerial and employee tasks in this Service Revolution era are highly interpersonal as managers are charged with the responsibility of creating a mutual admiration atmosphere among employees and between employees and customers. Technical expertise of managers may thus be moved to the background, in favor of relationship building. The use of smart technologies has made employees smart thus requiring minimal technical support from managers.

## The Thin Line Between Managers and Leaders

How is a leader different from a manager? The chief executive officer of an organization is the chief manager. As Drucker, (2008) pointed out, the function of management permeates every organization despite the name disparity. In the military, the manager is the commander. In other cases, managers are referred to as executives or administrators. The president of the US is the executive branch of government or simply the manager of the country, although referred to by one and all as the national leader. Hospital administrators perform the function of managers.

The chief executive officer (CEO) is referred to as the leader of the organization and is categorized as the top or upper-echelon manager. As discussed these different labels do not disguise their functions as managers, despite their definitions as leaders. A leader is defined as an influential person who has the vision to create change through innovation and transform employees to see above their selves for the greater good of the organization. Managers on the other hand are known to motivate employees to implement organizational goals. In reality, leaders and managers are both influential and make visionary decisions. Again, they may bear different labels, titles, and names but their tasks of decision-making, and relationship-building are not different. A manager can be just as influential as a leader. Managers are leaders.

## Conclusion

There are problems with managers and/or the discipline or practice of management. Managers stifle the efficient flow of information as they engage in excessive and unnecessary communication, enabled by the hierarchical structure that was created in the Industrial Revolution and characterized by unskilled labor and the need for efficiency in production. In 2023, a period of Service Revolution wherein skilled workers are further buoyed by smart technologies and Artificial Intelligence to provide an enriching customer experience, managers still cling to the hierarchy thus raising concerns and attracting rebuke from the premier entrepreneur, Elon Musk. A rise in a lattice construct may not be plausible as management is a basic organizational resource and thus indispensable. A heterarchy may be most suitable.

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