

PHILIP B.
CROSBY

— THE —
*LEADER OF AMERICA'S
QUALITY REVOLUTION*

LEADING

*THE ART
OF BECOMING AN
EXECUTIVE*

LEADING

The Art of Becoming an Executive

Philip B. Crosby

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***Dedicated to
Victoria Antoinette Crosby,
age five going on twenty-one***

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Preface

I deliberately set out on the road from manager to executive in order to improve my life and contribution. This book is meant to contain some of the useful things I have learned on that path. It is not biographical at all since most of what I learned came from watching others try to climb mountains in evening dress. But there are some basics, and once a person understands the concepts of being an executive and develops the proper attitude, there is no difficulty in finding that kind of work. The world is overflowing with managers. There is a critical shortage of executives.

One of the most important things an executive needs to learn is that a good manager can run about anything, but a good executive is limited to things that can be understood. The navigator needs to know all about steering, but the captain must understand the mission, the direction, the political ramifications, and the effect that turning the ship will have on the banquet being served below. Very few conglomerates have been successful for this reason. The captain must really understand the world of shipping. The managers can handle most of what comes up.

For instance, I know as much about running things as anyone can expect to accumulate in 40 years of effort. Financial systems, human resources, people motivation, inventory control, quality, all of those things and more are within my experience. My career started at the bottom and touched every rung on the way up. I sat at Harold Geneen's table for 14 years and participated in about every event known to the world of management. I founded a company and served as its CEO for 9 years during which it grew into a solid and debt-free worldwide concern. I've been through about everything that can happen from being way up to scrambling desperately for survival.

However, if you ask me, "What color are women going to want next year?" or "How should we design the rooms in our new hotel?" or "What price should we put on this or that new product?" or a hundred other questions about a specific item, I will probably not know the answer. Nobody knows everything about everything.

I knew the quality business and I knew consulting. Therefore I could deal with specific questions in starting PCA. However, if we had followed some of the advice offered, we could have purchased a hotel or restaurant. Had we done so, it would have been a mistake for me to start setting menus or laying out rooms. I can cause it to happen and determine if I like the result, but I just do not know enough about the nuts and bolts of those businesses to make them successful.

That is where many who would have been conglomerates went up on the shoals. Instead of finding people who really understood each business, giving them clear requirements, and then letting them run their operations (like Harold Geneen did), most tried to do it all. In an era where athletic teams have specialists for everything, it should be apparent that the powerful "know everything" executive is obsolete, if indeed such a person ever really did exist.

The overall running of the organization and the selection of work for managers to do is what executives are all about. They have to create an environment that will encourage great

work; they have to establish a broad vision of the organization and its purpose that everyone can understand; they have to keep up with the present and yet know what is around the bend; they have to continually make certain that people know what they are doing.

This last part is harder than it seems. I have met very few people who really knew what they were doing and even fewer who recognized that. We are a lot better off when we know our limits and proceed to operate by obtaining counsel where it is required. Then we can do what our judgment tells us, but on an informed basis. Those who just plow ahead on instinct will not be right enough times.

Since there is no absolute right or wrong in the executive world, this book has been structured in a “conversational learning format.” In trying to put together something that would be more interesting than just another management tome, I thought about the “Young Dr. Kildare” series of films, which was very big during my formative years. Lew Ayres was the young man and Lionel Barrymore played Dr. Gillespie, the irascible old diagnostician with a heart of gold who taught young physicians about life and the business of healing. Everyone seemed to enjoy themselves while learning from his experiences. That format seemed to provide a way of bringing out pertinent issues.

I cannot write in “irascible” style, but I did try to make the conversations realistic while making the points clear. There is no reason people should have to have their heads blown off before realizing that the gun is loaded.

I am trying to become a full-time writer and speaker instead of being an executive. Peggy and I built a new home in Winter Park and included a library for that purpose. A lot of this book was written while all that was going on. At the same time, PCA is continuing its expansion and we are required to travel around to talk with clients and other folks. Thus a great deal has been written on a portable computer/word processor in various hotel rooms and on various airplanes.

This reinforces for me that we live in a world economy and

a world business environment. Except for cultural and social graces, I find little difference in the opportunities and problems presented to executives everywhere. If governments could ever come together as well as business leaders do, most of the hassle would go out of the world.

I would like to thank my wife Peggy for her support in all this. She insists that I work hard at keeping well in order to be able to do everything else. That is really good advice from a really good executive.

PHIL CROSBY
Winter Park, Florida

LEADING

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an Executive**

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Running Things: The Art of Making Things Happen (1986)

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Introduction

The Executive Profile

Executives determine what is going to be run; managers do the running.

Learning to become a manager is a worthwhile effort that provides a great deal of personal satisfaction. Without managers there could be no world worth living in. Without managers very little would happen.

But without executives the managers would have nothing to manage. The executive thinks up the venture; the executive determines what has to be done; the executive delegates the jobs necessary to achieve the desired result. The executive establishes the requirements. The executive also makes most of the money and leads the league in opportunity to accumulate wealth.

But having a sign on the office door or carrying a well-embossed business card does not make one an executive. One *is* if one *does*. One *is not* if one *does not*. Yet it is possible to learn how to become an executive. Most of it is conceptual; a lot is energy; the majority is direction.

Executives must always keep their eyes on the real objective, while being up-to-date on what is really going on “out

there.” It is like taking a boat up the Amazon, working on a convincing welcoming speech to the headhunters, and at the same time assuring that someone is making certain that the river-depth machine is performing.

The producer of a motion picture is an executive. He or she has the responsibilities of finding the script, digging up the money, determining the talent, laying out the promotion and distribution plan, keeping the director within budget, soothing the stars’ feelings, causing theaters to be clean, and keeping peace on the sets—all while appearing confident that everything is going to work out.

The executive sees the need for each of these components of the project, and assigns them to someone to manage—under direction. Every task is original even though many are a traditional part of the business. Managers learn how to set up budgets, obtain proper approvals, and measure the progress of work. The way the executive sets up and directs the managers of the project predetermines the degree of success. All components have to work, both individually and in concert, for the whole scheme to be accomplished.

A wonderful script can be ruined by inappropriate actors. Adequate financing can be drowned by cost overruns. A negative advertising campaign can produce empty seats. Poor relationships can poison the entire project. The opportunities for problems are limitless, yet there are few new ways to fail.

Someone has to keep all of this in hand. Someone has to be aware of sounds and silences. Someone has to know when it is time to do something that no one else is aware of. That person is the executive. Well-informed, confident, possessed of interpersonal skills, not a superperson, usually not even exceptionally gifted—the executive hears all, sees all, and feels all.

Leadership Can Be Learned

One can learn to be an executive: in fact, that is the way executives are made. I was a manager for several years and as-

sumed that I was an executive. I had a budget, a staff, a work force, meetings, problems, and a full schedule. What else was necessary? There were several hundred persons in my department, and people were yelling at us all the time, so I must have been an executive.

One day as we sat around waiting for the boss's staff meeting to begin, someone said, "What is the difference between a program manager and a program director?" Before anyone could answer, the personnel director said, "About \$15,000 a year."

We all laughed and the world went on, but the comparison stuck in my mind. My total compensation at that time was about \$20,000 a year as a program manager. I worked for a project director, and he worked for the general manager. The general manager worked for corporate headquarters, and they had lots of people up there who never got yelled at. It was beginning to occur to me that my view of the business world was somewhat limited. I needed to know more, and I needed to get to an organizational level where there was a lot more latitude of movement and a lot more opportunity to be properly rewarded for my efforts.

I already knew that those who did the hardest work did not necessarily make the most money. (Watching my lawyer earn five hundred dollars for a couple of hours work taught me that.) I also knew that demonstrating the ability to get the impossible done in a manager's job just meant that even more impossible tasks would soon be coming my way. Those in the higher organizational levels usually did not recognize a great accomplishment when they saw it. Most of their measurements were ineffectual, which meant that the effective and the sloppy looked much the same to them. They went on personality more than anything else when it came to evaluating people.

A Most Useful Vow

My first vow as an "executive-to-be" was that I would not forget what it was like to be on the lower levels. ("I used to be an

enlisted man myself, son.") That turned out to be a useful vow. People relate to someone they recognize as having an understanding of life in the working lane, and who they feel has empathy for the pressures and frustrations that exist there. They help make those executives successful, just as they help make those who do not relate to them unsuccessful. Most executives would not recognize that their subordinates might be deliberately working against them. Senior executives are sometimes baffled by the successful pattern of some leaders and the failure rate of others. It never dawns on them that the pieces on the chessboard are fixing the game in favor of those who appreciate them. I saw a lot of this during my military career in two wars. All my time was spent in the enlisted ranks. We had our own rules, and we responded to those officers who responded to us. We made some of them very successful, and we let others fall to their natural level. Some of our leaders pretended to relate and some actually did. We could always tell the difference. It is not possible to fool the people for very long. Once in a while they are wrong in judging those who are given authority over them, but they catch on very quickly.

PART 1

The Three Principles of Leading

