

A SPECIAL
“TRAVEL REPORT”
BY TOM BROWN



Modern
Management
Hits “Oz” —
Hard!

Viewing to “whip Oz into shape,” The Wizard returned in his hot air balloon some three years ago. He said then that “old, outdated management ways must pass,” while “modern management practices” must become the new norm. He proclaimed himself the “tough leader” these hard times required, a man to make positive change happen, decisively.

Erudite and emphatic as ever, The Wizard has been widely quoted on his view that “the times clearly require a major change in corporate imperatives.” He also warned that “although our collective income has been steady, it has also been flatter than a Kansas cornfield.”

“Oz must become consistently more profitable or we simply won’t be around. We have no choice but to become dramatically better at everything we do — or people will hop right back on the yellow brick road and take their business elsewhere.”

I recently returned to Oz to assess the net results of The Wizard’s bold moves. To be sure, most of the key numbers for Oz Unlimited *are* more impressive today. Not counting revenues from numerous mergers and acquisitions, the revenue base for Oz itself has not increased dramatically; but its net income is up 162% over last year — mainly reflecting vast costs excised from operations. In addition, funds for Research & Development were seriously chopped, resulting in no horses-of-a-different-color being introduced since The Wizard’s return. And funds for philanthropic contributions, employee training, and internal communications were slashed.

By contrast, official productivity numbers are soaring; and announced quality targets have all been met or beaten. OUX stock prices have

never been better, in spite of the markets both surging and sagging with up and down cycles. The strong, upbeat numbers seem to reflect basic organizational health. Or do they?

My recent visits to Oz were troubling, given the numerical bloom on the rose at its annual meeting. “What we’re seeing throughout all Oz,” The Wizard boomed at the big meeting, “is a dream realized: that Oz could become a global player! We tolerate no inefficiencies, coddle no slackers, and fear no competitors. Oz is the 21st-Century place to live in, work in, and invest in.

Just as The Scarecrow, The Tin Man, and The Lion did years ago — we have been proven worthy!”



The big meeting was held inside the famous Palace at the end of the yellow brick road. Everything was as you may recall: the cathedral-like

ceiling of the entry still reflects the jadeite glow that makes the towering walls intimidating though impressive. Via slit windows, you can easily spy the dozens of cylindrical buildings (almost every tower green, of course) which made the Emerald City famous.

Since Dorothy’s visit, Oz has grown tenfold. To traverse Oz, Dorothy had to hike a long way, often in extremely rough terrain; now everyone is connected by high-speed rail. Most Munchkins are at work in less than an hour. From 2,000 feet, as you’re flying in, Oz looks prosperous. The topography is mainly industrial, increasingly intermixed with high tech, way toward the horizon. Many now speak of “an Emerald Valley economy.”

But the golden roses bordering the green high-rises weren't symbolic of the mood of those clamoring outside the Palace during the annual meeting. In the same yellow brick plaza from which The Wizard originally hoisted his hot air balloon into storybook fame, hundreds of unemployed Munchkins milled, churned, and frowned. Thousands have been laid off during 12 consecutive quarterly reengineering/downsizing initiatives.

Robert Munch-Smith typified their mood: "Hey, no one can argue with The Wizard's numbers. I worked in accounting for the company that made all those Ruby Slippers. A lot of folks here consider me 'a numbers guy.'

"Look: I understand ROI; I'm even up on EVA. And there's no question that excessive labor costs hurt Oz. I know this firsthand: my brother was a Double Sweep. He'd spend his days re-sweeping floors that other Munchkins had just attended.



"But who hired all those Munchkins to begin with? You know, costs and revenues were never concepts emphasized at our level! Why didn't The Wizard's chiefs ask *us* to improve

the bottom line before they decided we were the main impediment to higher profits?

"Really, does my being unemployed make for a better Oz? The Wizard can't see through his money-green spectacles. But I'm not sure we can subtract our way into prosperity! What great transformation is The Wiz talking about? Those darn consultants sold us down the river. And I thought the Wicked Witch of the West was bad news!"

The "consultants" mentioned undoubtedly came from More/Quicker/Cheaper; M/Q/C drubbed the local firm of Scarecrow International for the contract to instill modern management throughout Oz.

A battery of M/Q/C guru authors, partners, analysts, facilitators, and aides have been omnipresent ever since. Some allege that The Wizard utilizes M/Q/C as surrogate executives, implementing changes over the heads of long-time Oz managers.

Said Samuel Munch-Morton, "I'm VP for Parade-Works; that's still my title, technically. And I still can get a big group singing and marching in festive costumes faster than anyone. But The Wizard doesn't seem to trust senior execs anymore. And he's so seldom around. He's constantly off to some M/Q/C *lah-de-dah* speaking on 'The Amazing Oz Turnaround.' Who are we working for these days: The Wizard or some flashy consultant?"

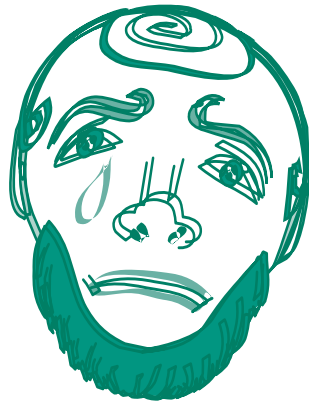
Regardless of employer, Munchkins are working harder and enjoying it less. Some rather daunting numbers were recently released by OzStats:

- * 68% would seek employment elsewhere, if available
- * 55% claim they work with "hostile" people, organizations, or customers
- * 73% say they no longer understand the vision for Oz, other than profits
- * 47% assert their health has eroded under adverse working conditions
- * 80% insist they are working more overtime, officially or unofficially

Most astounding (and for the first time ever): only 11% said they wanted their grown children to work for Oz Unlimited! When that question was asked 10 years ago, 91% said they looked forward with great excitement to grooming their kids for Oz careers.

Roberta Munch-Swanson, chief of OzStats, seemed to accept the current survey numbers with a shrug: “Morale traditionally goes down slightly during times of major change.”

“Hey, all I know,” remarked chemical engineer John Munch-Handley, “is that there are now about five Munchkins to cover what 18 did before. Can’t be done. Can’t. It absolutely *cannot*



be done! My employer, Green-All-Over, manufactures 38 green dyes, suitable for everything from glass to plastic to steel. Want to guess how much green dye the Emerald City consumes annually?”

Asked if he and his co-workers had benefited by modern management systems, such as newly-installed voice, e-mail, and computer technology, Munch-Handley quickly formed a fist, pointed a finger, and yelled that he still lacked training on much of it.

“Technology, ha! These new systems are more of a burden than a benefit. My electronic mailboxes are always overflowing. If I took time to answer each and every message, *nobody’s* dye would ship. So why are people upset when I *do* call back?”

Charles Munch-Logan is foreman at Tin Man Metals, which buys 15 different dyes in bulk,

all from Green-All-Over. He conceded that Green makes great products. “But, geeesh — it took six hours to actually talk to a real Munchkin, then five days before my order shipped, due to backlogs. Then they delivered even later than originally promised — some last-minute ‘emergency.’

“You know, Tin Man Metals was founded by a guy who believed in putting his heart into his work. I’m not sure Munch-Handley’s Green team truly cares about customers anymore.”

Beyond snazzy profits, are there other bright spots in Oz? Not according to one business school professor. “I’m having a very hard time teaching the current business case,” reported Oz U. Professor Sheila Munch-Samuels. “Those not employed or those ‘between jobs’ are, well, bereft. Even those employed seem angry, suspicious, and fearful. Ultimately, it’s got to show in their performance. A down mood, top to bottom, is palpable. I’m not sure anyone leading Oz is thinking much beyond getting good numbers *right now*.”

“What if Oz soon experiences widespread Munchkin meltdowns?” she said, eyebrows lifted.

Random visits to groceries, automotive plants, utilities, government offices, insurance agencies, hospitals, and other workplaces corroborate the professor’s concern. Munchkins everywhere are apprehensive. Many seem testy, even rancorous.

This contrasts strikingly with ubiquitous posters promoting “Teamwork” or “Quality” or “Total Customer Service.”

“Does anyone believe these signs?” I asked Henry Munch-Porter, a programmer with

Lionsoft. “It’s not that we don’t believe them, exactly,” he said. “When I think about all the motivational speakers they’ve been bringing in, I can’t argue with their upbeat messages about becoming highly effective.

“But am I part of The Wizard’s team?”

“Come on! We’re just tools, ways to get whiz-bang numbers. Sometimes I don’t even feel like I’m truly part of Munchkind. My best friends were axed — the rest of us come in bone-tired, and usually leave feeling worse. I survived the latest job cuts; will I be so lucky next time?”

Munch-Porter was at his keyboard when we talked. Looking at hundreds of other Lionsoft cubicles, he twitched. “Me? I’ve no family life now, given work demands. I sure don’t spend my free time with my co-workers; I see those cranks too much already.

“Hobbies? Social groups? Personal enrichment? No time. Everything’s more high-tech, but by the weekend, it feels like the sweatshops my grandparents fretted about. I even resigned from The Lollipop Guild: who’s got time? Something in Oz is out of balance: sure, it’s got acceptable work quality, yeah; but our quality of work life and the overall quality of management... ummm... er... *stinks*.”

I went one-to-one with The Wizard only once; worker concerns seemed far from this CEO’s mind. I interviewed him in the Throne Room Dorothy knew; as then, flames and smoke surged in synch with The Wizard’s speech.

I trembled when I asked if his emphasis on modern management was really making Oz better. At first, he, too, stammered. Then, with a snarl, his confidence resurfaced, “Look, I’m paid (and paid well!) to get good numbers for Oz

in toto. Are there some who take exception? Sure. But either they don’t know what’s going on all across the land — or they don’t know how to get good numbers to begin with. Frankly, most Munchkins are business illiterates.

“Before modern management, Oz gushed red ink. I put a tourniquet on that. My leadership has been super-effective: I’ve got the Board’s full confidence. And Oz *is* better! It’s simply going to take some years before everyone appreciates all the progress.”

Thomas (“Tex”) Munch-Hughes is president of Local 45, which represents the Munchkins who stand by for parade duty. As perplexed as anyone, Tex cringed when I asked why the union movement has been so dormant, with workplace conditions seemingly so bleak.

“Don’t you understand? We’re preserving jobs! Just keeping ’em safe! There are so many out of work — who could sing “Ding, Dong, The Witch Is Dead” without a union beat — that we ask nothing more than job security. Steady jobs and regular pay: that’s enough. That’s all we hope for these days.”

As I was leaving Oz, one broadside caught my eye. On paper the shade of wilted celery, it announced Sally Munch-Quinn’s retirement — after 60 years with OzLodge, the enterprise which manages Palace guest rooms along with all other Oz accommodations.

Retirement parties are held in the venerable Palace Grand Ballroom, replete with fresh-cut flowers, a huge cake, and crystal bowls of Munch Punch on silk-covered tables. Only 11 associates came to see Sally receive her emerald-adorned watch. The meager showing made my attendance welcome, if inexplicable.

“Those who worked with Sally have been blessed,” blared Allan Munch-Dexter, Director of Munchkin Relations and traditional company emcee. He spoke informally, albeit loudly. “Sally loved her job. She faced all tasks with courage, working heartily, and using her brain! But she took work as but one part of life. She loved her job, yes, but she



took time to appreciate all of life’s treasures. Sally’s a true model, an eternal friend, one who made Oz a much, much better place.”

The watch awarded, associates sipped and lingered. I begged of

Sally one question: “Could you describe all the changes you’ve seen in Oz?”

Sally quavered; perhaps just realizing that this was her career’s end. Initially, she rambled, “Young man, I’ve seen witches good and bad, saw a house fall from the sky, and met Dorothy. I remember The Wizard’s first balloon

landing — when Oz was only something people dreamed about. Now, Oz is part of a much larger world. So much change...,” she said, almost lamentably.

“But nobody today feels satisfied. Nobody. Not the folks up top. And surely not the ones at the bottom — or wasting away at home. Is The Wizard even happy? Munchkins with jobs get paid, but no one feels rewarded. Happiness is always somewhere over the rainbow. How can Oz be so successful — and yet — so *lost*?

“I want to feel that business is as good as they say. I pray that my kids and grandkids will prosper along with Oz Unlimited. I guess I wish that all this new management gibberish added up to more good news, more happy times, for those doing the work: designing things, building things...” Her words trailed off into silence.

Caressing the green jewels on her retirement watch over and over, Sally stared at all the empty chairs in the Grand Ballroom.

