What am I processing?

Class handout

[*As class starts, Radu passes out a handout with the following case and asks the students to read it out loud as a group, each taking turns to read. Radu gives students some time to ponder and discuss among themselves in smaller groups.*]

Case: Chandu's Career Progression

Chandu began his career as a software engineer at a large technology company, then moved into a role as a business analyst within the same organization. By every available measure, he was an excellent individual contributor. He worked long hours. He worked ahead of schedule. He worked weekends when a deadline was close, and sometimes when it wasn't. He always knew what he could pick up next, and when he ran out of assigned work, he went looking for more.

"Sometimes I would have to track my managers down to get more work," he recalled. "They would be playing ping pong, or out for a long lunch. I didn't really think about the fact that I was working while they were playing. I was just eager to prove myself."

He did prove himself. His managers gave him more responsibility, then more again, and he executed reliably each time. Within four years he was promoted to product manager, overseeing a team of software engineers and analysts.

Chandu was good at this role too. Having been an individual contributor himself in more than one function, he understood his team's work from the inside. He knew which engineer was strong at debugging and which one was better suited to greenfield design. He matched people to tasks carefully. He also understood, in a way some of his peers did not, that a team run at full intensity indefinitely would eventually break down. So he tried not to overload anyone, and when a sprint was at risk of slipping, he would quietly take on the extra work himself rather than push it onto his team. He stayed just as busy as he had been as an individual contributor, by some measures busier, but he found the work satisfying.

Once again, his managers took notice. Eighteen months later, Chandu was promoted into a new group called Global Strategic Operations. Two months into this new role, he still cannot describe with any precision what he is supposed to do with his time. He has asked his boss for clarification, only to receive variations on the same handful of buzzwords: "preparedness for agility", "nimbleness", "resilience". He nods along in these conversations. He had yet to find a way to ask a follow-up question that did not sound too naive.

In Chandu's latest role, a great deal of his time was unstructured. He had started appearing at the kind of long lunches he once interrupted to ask for more work, while younger staff hurried past him in the hallway. Periodically, something went seriously wrong somewhere in the organization—a partnership falling apart, a regional rollout failing, a major client threatening to leave—and Chandu was pulled in to fix it. Thus far, he had no visible failures.

He started to notice a pattern he could quite explain. Whenever there was a crisis that the Global Strategic Operations team handled that did not go well, more often than not, someone from his team disappeared without any public explanation—a colleague was simply no longer on the team, or possibly no longer at the company. No one discussed why. No one on Chandu's team discussed much of anything; he had only a hazy sense of what most of them do day to day, and he suspected they had an equally hazy sense of what he did.

Chandu found himself thinking, with surprising frequency, about his earlier roles, even his first one as a junior engineer. He remembered being busy constantly, but always knowing exactly what he should be doing next. Though he was busy far less often in his new role, his anxiety was higher than it had ever been. He struggled to point to evidence of his own productivity. He wondered if this current role is for him.

Question for consideration:

If you were Chandu, would you ask for a demotion back to your old job?

Class discussion

RADU: So, let's dive in. If you were Chandu, would you ask for a demotion?

[*An awkward pause*]

CAMILA: This is a very strange question to me. I feel the premise of the case is too naïve. Chandu is winning the "game" here. He got himself a vague job that seems to have a lot of power and requires him to do relatively little work. Isn't that what everyone is after? Why ask for a demotion from this?

RADU: Makes sense, makes sense. Binesi, is that what you are after in your career?

BINESI: Hardly. Chandu's job at this fancy Global Strategic Operations group seems crazy to me.

RADU: So you would ask for a demotion?

BINESI: I didn't say that. My guess is that he makes pretty good money in this new role. That is always something to consider. Many people need to do things they don't like for money. I could probably do it if I were Chandu.

RADU: Is it a monetary thing for others too? Is that the major consideration here?

HAOYU: Money isn't everything.

RADU: Indeed, indeed. So, you would seek the demotion?

HAOYU: Yes, he was clearly happier in his previous roles. Why stay somewhere that makes you miserable?

RADU: Are you speaking from experience here?

HAOYU: Well, not mine directly. At my restaurant, one of my best line cooks was a woman named Lucia. She was fast, clean, and never burned a thing. So I made her manager of the front of the house. Three months later, she came back to me and asked to go back to the line.

RADU: And?

HAOYU: I let her. She was happier, and I was happier. Turns out she wasn't too good at managing the front of the house.

BINESI: I guess you cut her pay?

HAOYU: Well, line cooks are paid less than managers.

BINESI: That makes my point right there; maybe it is worth being miserable to make more money.

RADU: Ming, you haven't weighed in here. What are you thinking?

MING: I would not ask for the demotion. Not because the job is good. I am not sure it is. But asking for a demotion itself feels dangerous.

RADU: Dangerous how?

MING: At the hospital where I worked, a department head asked to step down and go back to clinical work. Everyone said they respected her for it. But that is just what they said. Nobody ever offered her anything again after that. Not a committee, not a project, nothing.

HAOYU: That seems a little harsh. Lucia was fine. I eventually let her train all incoming line chefs, and gave her a little bump in salary that way.

MING: Something tells me Chandu's company is not as forgiving as Haoyu's restaurant.

RADU: Farah, where are you on this?

FARAH: I would not ask for a demotion either. Instead, I would ask for a clearer job description. The obvious first step is to sit down with his boss and ask what success looks like.

RADU: You don't think this step happened already?

MING: [*Answering before Farah.*] He did ask, as we just read in the case. He got buzzwords like "nimbleness" and "resilience". Not super clear.

FARAH: Then he must have asked in the wrong way. Maybe he asked something general and got something general back. If he asks something specific, like how many crises he should expect in a quarter, the boss has to give a specific answer.

RADU: Is it easy to be specific here? Think about it from the boss's side.

FARAH: It must be clear in someone's mind, no?

RADU: Is it?

CAMILA: If Chandu asks now, it makes it look like he does not understand his own job. I think the whole point of this job is that he defines it. I don't think they hired him to execute a really clear job description, do you? [*Looks towards Farah.*]

FARAH: Whatever the case may be, I don't see why asking a clear question makes you look bad.

CAMILA: Farah, think about it. You really think his boss is going to say, "solve three crises this quarter and we call it a day"?

[*A brief silence. Farah nods in partial agreement and does not follow up.*]

RADU: So where are we? [*Turns to the board and writes as he speaks.*] Haoyu, would ask for a demotion, Camila, no, because is a good job. Binesi?

BINESI: A maybe-yes.

RADU: A maybe-yes?

BINESI: I guess it depends on how much money I would be giving up.

RADU: Right, of course. Ming, no, asking is dangerous. Farah, no, ask for a clearer job description instead. Is that fair to everyone?

Student	Ask for a demotion?	Why
Haoyu	Yes	He was happy before
Camila	No	It is a good job; learn the rules
Binesi	Maybe-yes	Depends on cost to Chandu
Ming	No	Asking is itself dangerous
Farah	No	Ask for a job description first

[*Students nod.*]

RADU: Can I tell you something about this case? It is based on a former student of mine. I changed details, but the job is basically my best understanding of his role at this really large company where he worked. I say "best understanding" because I honestly struggled to figure out how it worked.

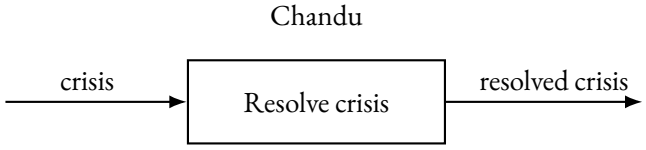
HAOYU: Did he ask for the demotion?

RADU: Maybe I will tell you at the end, that is kind of beside the point now. [*Pauses.*] Can we make all of this a bit more concrete? We have spent ten classes drawing processes. Can we look at Chandu the way we looked at Paula and George? As an engineer, Chandu was a resource in a process. As a product manager, he was a resource in a process. At Global Strategic Operations, he is clearly a resource of some kind. But how to describe the process he is involved in? The case draws a stark contrast between his old roles and his new one. But are they really so different?

FARAH: I don't think they are. Can I draw it?

RADU: Please. [*Hands Farah the chalk.*]

[*Farah draws on the board.*]



FARAH: The input is a crisis. The resource is Chandu. The activity is resolving crises. The output is a resolved crisis. Chandu turns a crisis into a resolved crisis by resolving it.

MING: He resolves it by "resolving" it? This is like saying someone eats a dinner by eating it. Feels weird and circular.

FARAH: [*Looks at the board.*] Okay, the activity box is a little vague, but this is because the case is a little vague. The information should be given more clearly.

RADU: Is the case vague or is the real situation vague?

FARAH: Maybe both?

RADU: Farah, you said the input and output are clear. Can we try to be sure about that? What is an input? What makes something a crisis?

FARAH: Something is going seriously wrong.

RADU: And who decides it is serious enough to be "crisis"?

BINESI: Someone above Chandu, I guess. The case says he gets "pulled in." He does not choose.

RADU: So a crisis is a subjective label not defined by Chandu. What about the output? What is a "resolved crisis"?

FARAH: This is also clear, a client stays, a partnership is saved. Crisis averted.

MING: I think it is not so straightforward Farah, as much as it would make the picture look clean and simple. Lots of things can contribute to a crisis being resolved. How does anyone know Chandu was the one who saved it?

FARAH: He was the one working on it.

BINESI: But maybe the client was going to stay anyway. Maybe they threatened to leave just to get a discount.

MING: Or maybe Chandu made it worse, and it got better in spite of him. Nobody can tell.

FARAH: Be that as it may, Chandu is the one who is appointed by his boss to be in charge of resolving the crisis. I guess whatever the outcome is, he needs to be responsible for it.

RADU: It is important to think about what these process flow diagrams are getting across. They have a kind of "causality" built into them. A resource does an activity which results in an output. It seems we are skeptical about the causality here. Why didn't we have these doubts at Paula's pizza shop?

FARAH: Well, you can just count the dough and pizzas coming in and out.

RADU: How do you know it was Paula who made the dough and George who topped the pizzas?

FARAH: You just watch them.

RADU: So, can we see Chandu doing the work here?

[*A brief silence*]

MING: A crisis is a much more complicated object than a pizza. Many people and different interests are involved. So it's not easy to see if Chandu is really the main force that contributes to the crisis being resolved or not.

RADU: Given how many qualifications we have about are the inputs and outputs, are we still comfortable calling what Chandu is involved in here a "process"?

FARAH: Yes, why wouldn't it be? A process does not stop being a process because it is hard to define what are the inputs or the outputs.

HAOYU: I don't agree. If you cannot say what you do, and you cannot say what results from your effort, can we really call such a mess a "process"?

FARAH: Let's just look at the facts. Chandu gets pulled in, and something gets fixed. Something comes in, he works on it, something leaves. What else do you want?

HAOYU: Maybe some greater certainty that he actually plays a role and isn't just a bystander?

RADU: It would certainly be helpful to understand more clearly what Chandu does. Even Chandu would like this clarity. But let's take Farah's simple point: something comes in, he works on it in some way (even if we don't know what that exactly is), and something leaves. Ming, would you agree to that much?

MING: Most of the time nothing comes in.

RADU: Go on.

MING: The dog washer washed a dog every few minutes. Paula had an order for pizza every few minutes. Chandu has a crisis every ... I don't know. Every few months? The rest of the time, what exactly is he doing?

FARAH: George had nothing in his box for two minutes out of every five. But we still include these two minutes into our process and call it idle time.

RADU: Since you mention idle time, Farah, what is idle time for Chandu?

FARAH: [*Pauses to think.*] You are referring to the long lunches?

RADU: Right, is that idle time?

FARAH: [*Pauses*] Well ...in the way I have drawn it, yes. The only activity is "resolving", so I guess the long lunches are ...[*Starts to get up to walk to the board.*]

BINESI: You are not going to write "Eat long lunches" as an activity, are you?

FARAH: Well ...

CAMILA: The long lunches are an activity! That is where you make connections and scheme in ways that help you with the next crisis!

BINESI: By that logic everything is "preparation" for the next "activity", no? Is it even possible for Chandu to be idle in your view Camila? Is "taking a nap" preparation for the next crisis?

[*Both Camila and Farah both look poised to speak but keep catching themselves at the last moment with thought.*]

RADU: Let's say for the sake of argument that the long lunches are an activity. What is being processed during those lunches?

[*A long pause*]

CAMILA: Stress?

MING: Wouldn't it be great if I got paid to process "stress" and call that progress.

RADU: What strikes me, listening to all of you, is that nobody questioned the existence of this job at Global Strategic Operations too much. Everyone is largely talking as if a group called Global Strategic Operations is a normal thing for a company to have. I have always found it strange. Why does this job exist?

MING: Companies have groups like this. Every large hospital I know has some office with a name like that. No one really knows what goes on in there.

RADU: I believe you. But why? What does the company get from people in this group?

MING: Your guess is as good as mine.

CAMILA: It makes perfect sense to me. People in roles like Chandu have option value.

RADU: Option value?

CAMILA: Like in finance. An option is the right to do something later, but not the obligation. You pay for it now, even if you never use it. The company pays Chandu so that when a big client threatens to leave, there is a senior person who can drop everything that afternoon.

RADU: And between crises?

CAMILA: Between crises, the company still owns the option in case they need it. The long lunches are part of the price of the option.

HAOYU: Seems a steep price to pay.

CAMILA: Options on things that matter are expensive.

FARAH: I think I see it. It is like a fire station. Most of the time, firefighters are not fighting fires. They are washing the trucks, cooking, napping. Nobody says the fire department is wasteful because the trucks sit in the garage.

RADU: Should firefighters be busy all the time?

FARAH: No. If they were out on calls all day, there would be nobody left when the big fire came. And they would be exhausted when it did.

MING: At the hospital where I worked, we paid a trauma surgeon to be on call every night. Some nights the on-call surgeon would sleep in the call room until morning. Some nights she never sat down. Nobody asked her what she had done on the quiet nights.

RADU: Why not?

MING: Because everyone knew what she was waiting for. A car crash, a gunshot. Everyone could picture it. It's more like "pizzas" than "crisis" in that sense.

[*A pause as students absorb the discussion.*]

HAOYU: I am still not convinced anyone should be paid just to wait around for some vague things to happen. In my kitchen, nobody was paid to wait for a fire. If something went wrong, someone on the team fixed it. Why have a special role?

BINESI: I agree. Why can't the people doing the work put out the fires?

RADU: I like this point. If Global Strategic Operations did not exist, who would fix a failing regional rollout?

BINESI: The regional team. The people involved in the crisis that is unfolding.

CAMILA: The regional team may be the reason it is failing. You might want someone from the outside. Getting the regional team to fix their own problem puts faith in the wrong place. It's very likely that there's conflict of interest.

HAOYU: You prefer someone from the outside who has no clue what is happening on the ground?

CAMILA: Well, Chandu should have some clue, no?

HAOYU: He doesn't sound too confident now, does he?

[*A brief lull in the conversation. Radu continues to pace, looking confused.*]

MING: I think there is another reason Global Strategic Operations exists. I don't like it, but let me just say it. The case says that when a crisis goes badly, someone on the team disappears. Maybe that is part of what the group is for. When something big goes wrong, the company needs someone expendable to put in charge of fixing it. Then if it does not get fixed, there is someone to blame.

HAOYU: So like firefighters whose real job is to be blamed for out-of-control fires?

MING: Right.

HAOYU: That can't be right, can it?

RADU: Ming, you think this Global Strategic Operations group exists simply to absorb blame?

MING: Maybe not the only reason, but could be a main reason. I think it might serve that function whether or not anyone designed that way intentionally.

BINESI: I don't think we can know that from the case. People leave jobs for various reasons.

MING: Then why does nobody talk about why people leave? Why don't the members on the Global Strategic Operations talk to each other?

BINESI: [*Pauses.*] Yeah ...I don't know.

RADU: I like this direction you are pointing to here. Can we redirect the discussion back to Chandu? When someone is struggling in a role like this, there are two ways to look at it. Is the problem that Chandu is not suited to this role? Or is something wrong with the role itself?

MING: I think he is the wrong person for the job. Look at what we know about him. He goes looking for more work when he runs out. He wants to know what to do next. He takes his team's extra work himself. That is someone who is happiest crossing things off a list.

RADU: Then how did Chandu end up with a job he dislikes?

MING: We had a name for it at the hospital. The Peter Principle. You get promoted because you were good at your last job. You keep getting promoted until you land in a job you are not good at. Then you stop, because now you are failing. So eventually everyone ends up in a job they are bad at.

RADU: Everyone?

MING: Well, that part is a joke. I mean mostly.

RADU: The Peter Principle is a well-documented thing that does not just show up in your hospital. The fact that people who are not qualified for a job get promoted to it is kinda universal.

CAMILA: But what else could the company have done here? They saw Chandu was a good engineer. They saw he was a good product manager. They cannot see whether he is good at a job he has never done, but they can extrapolate on past promotions.

RADU: You would have promoted him too, Camila?

CAMILA: Probably. And there is another reason. If someone is excellent and the only way to pay them more is to promote them, you promote them. Otherwise, they leave for a company that will.

HAOYU: That is what happened with my line cook Lucia. I wanted to pay her more so she wouldn't get poached by another kitchen. The only way I could think of was a new title.

RADU: Binesi, you are a maybe-yes on the demotion. Is it the person or the job?

BINESI: I think it is the job. I don't blame Chandu here. How can anyone prepare for a job to just sit around and deal with crisis?

FARAH: I also think it is the job, but for a different reason. The job is not specified. Nobody wrote down what comes in and what goes out. Give Chandu a clear mandate and I think he would be great. He has been great at everything else.

CAMILA: I think it is neither. The job is fine, and so is Chandu. He has been there for just two months. That is not very long to learn anything.

RADU: Well, Chandu seemed like a quick learner before. He went from engineer to analyst to product manager. He figured those out. Why is he so anxious about figuring out this one out?

HAOYU: [*Pauses.*] In those jobs, he could watch someone and learn from others. Maybe he learned some of the skills in school.

RADU: Can't Chandu just watch and observe now?

BINESI: The case says he has only a hazy sense of what his teammates do. So no.

RADU: Why doesn't he just ask them? Is it the same reason he didn't ask his boss for a clearer job description?

[*A short silence.*]

MING: In this case I think it's about the disappearances of others on his team. If people on your team vanish after a bad crisis, you do not walk over to that colleague and say "What did you do wrong to get laid off?"

FARAH: Chandu doesn't need to ask the ones who failed, why not ask the successful ones?

MING: You really think they are going to tell him?

HAOYU: And probably they have only succeeded out of luck until now, so not much to tell, assuming they have any clue at all.

RADU: So you think they are going to admit they don't know what they are doing to one other?

CAMILA: Of course now, everyone needs to keep a confident face.

BINESI: And because everyone else looks confident, each person thinks they are the only one who is lost.

[*A brief silence.*]

RADU: This is all very interesting, no? But I have to confess something. This is supposed to be an operations class, and last time we built an idea we were rather proud of. The bottleneck. What does any of today have to do with that? Can we ground this back in capacity and bottlenecks? Was Chandu ever a bottleneck?

FARAH: As an engineer, probably. He was always busy. Working weekends, looking for more work.

MING: But busy is not the same as bottleneck. The bottleneck is the resource with the smallest capacity along the flow. I don't think Chandu is the one.

FARAH: Oh, you are right. He went looking for more work. If he were the bottleneck, work would pile up on his desk. You do not go looking for work when it is piling up.

MING: So he was starved. Like George.

RADU: Starved by whom?

[*A pause*]

HAOYU: By the managers at the long lunches? He could not do more until they handed it out, and they were playing ping-pong.

[*Everyone laughs.*]

RADU: So the managers at lunch were the bottleneck?

HAOYU: For the work Chandu could do. Yes.

RADU: And as a product manager?

BINESI: I think he made himself the bottleneck on purpose. When a sprint was slipping, he took the extra work himself instead of pushing it onto his team. So the pile went to his desk.

RADU: And now, at Global Strategic Operations? Is he a bottleneck?

BINESI: Well, this gets us back to that same question. Are the long lunches idle time or processing time?

MING: We are talking about this again? Let me just say it. I think the lunches are laziness. Period. No one can tell me that GSO is a bottleneck of anything. They got promoted and they are fat and happy pretending to be important.

CAMILA: How can you be so sure? You have been in one of those roles?

MING: You think if I had a cushy job like that I would be here in this MBA program? No offense Radu.

RADU: None taken.

[*Everyone laughs.*]

But you are quite sure Chandu is not a bottleneck now?

MING: [*Pauses.*] He is not busy all of the time. He even complains about that. How could he be the bottleneck?

RADU: Is that the surefire way to find the bottleneck? By who looks busiest?

FARAH: No. We wrote down each resource's capacity along the flow and took the smallest. But we just spent half this class unable to say what the flow exactly is and what exactly is Chandu processing.

MING: [*Mimes the upside-down bottle from last class, then looks at her empty hand.*] Can I just be honest here? I feel those concepts are so ambiguous in today's case. Maybe it's because of this made-up job but it feels our discussion did not clarify anything. Actually I am not sure if there is a bottle, let alone a bottleneck.

[*A few students laugh uncomfortably.*]

RADU: Good point, Ming. You are getting exactly the intended feeling I want you to take away from this case. Every tool we built during the last few weeks seems to fail in capturing Chandu's situation. I hope you get some sense of the limits of the tools we have been learning. It is a truism to call everything a "process", but it is not always clear that this characterization is helpful. [*Pauses for a beat.*] Seems as good a place as any to end today's class.

HAOYU: You never told us what your student did. You said this was a real case right, did your student ask for a demotion?

RADU: In fact he did, and he is much happier today.

Email

Dear students,

I want to start with the last thing I said in class. My former student did ask to for a demotion, and he is happier today. It reminds me how little any of us can see, from the outside, of what a job like his does to the person in it. When my student first described the job to me, I could not work out what he was supposed to do all day, nor could he. We shared that confusion then, and now I have brought the confusion to you. Let me try to add a few more thoughts in the hopes of taking a few concrete things out of our collective confusion.

Why would a company pay someone to wait? Ming said she knew jobs like Chandu's were real but did not know why they were real. That is where I have been for years. Camila's *option value* is the best answer I know of. In finance, an option is the right, but not the obligation, to act later. It can be worth paying for even if you never use it, because having the right to act is worth something on its own.

What I keep running into is that an option has to be an option *on* something. A hospital knows what its on-call surgeon is waiting for. If nobody can say what Chandu is being held in reserve for, how would the company know whether it is paying too much? And how would Chandu know his waiting is worth

anything? I do not have a good answer. I suspect many companies do not either, and keep groups like this partly because getting rid of one feels like a riskier mistake.

There is an idea from organization theory that helps me with the question of why an outside group might be useful at all. The theorist Karl Weick suggested that many organizations are *loosely coupled* [3]. Their parts are connected, but not tightly. In a tightly coupled organization, every part is fitted closely to every other part. That works well when nothing unusual happens, but a shock in one place travels everywhere. In a loosely coupled organization, the connections have some give in them, so a failure in one part is less likely to spread. The cost is some wasted effort, and parts whose purpose is hard to state exactly.

If Global Strategic Operations was built with something like this in mind, some of its vagueness might be on purpose. A group with no fixed task can bend toward whatever goes wrong next, and a group outside the regional teams is not tied up in their failures. But this is a story about why the group might exist, not evidence that it was designed that way. And notice where the cost of loose coupling seems to land. A part that is hard to describe from the outside may also be hard to describe from the inside. I wonder whether that is some of what Chandu is feeling. None of this touches the darker possibility about blame, which I do not think the case lets us settle.

What is a long lunch? I did not expect us to spend so much of the class on lunch. I now think it was the hardest question of the day.

Every case so far has let us watch the work. George's idle minutes showed up as gaps on the Gantt chart because we could see the dough he was waiting for. Utilization, which we wrote as time working divided by time available, depends on being able to do that. If we cannot say which of Chandu's hours are working hours, the formula has nothing to put on top of the fraction.

I have no clean way to settle it, and I notice the same problem in my own work. Some of my best ideas for this class come to me on long walks. Was the walk work? I would like to say yes. I am aware that this is exactly what someone at a long lunch would like to say too.

In class I said that a process flow diagram has a kind of causality built into it: a resource does an activity, and an output results. I think Chandu's job presses on that picture from both ends. The lunches make it hard to say which of his hours are the activity. The crises make it hard to say whether the output came from him at all. Whether what is left still deserves to be called a process, I will leave where the class left it. I lean toward yes, though I notice I may lean that way partly because I teach process diagrams for a living.

Was Chandu the wrong person? The Peter Principle comes from a 1969 book by Laurence Peter and Raymond Hull, written partly as a joke [2]. They proposed that people keep getting promoted for doing their current job well, until they reach a job they do not do well, and there they stop.

In 2019, the economists Alan Benson, Danielle Li, and Kelly Shue looked for it in real data [1]. They studied sales workers at 131 firms, nearly 40,000 people, some of whom were promoted to manage other salespeople. Firms tended to promote their best salespeople, and those top salespeople tended to become worse managers than others who might have been promoted instead.

What interests me most is that the authors do not conclude the firms were simply making a mistake. A promotion is also a reward, and the hope of one keeps everyone else working hard. Promoting the best seller tells every other seller that great selling gets noticed, even if it costs the firm a good manager. They also found that firms lean less on sales numbers when the management job carries more responsibility, as

if they partly see the problem coming. Seen this way, the Peter Principle looks less like an error and more like a price a firm chooses to pay. I find that harder to be angry about. I also find it a little sadder.

Still, the more we asked why Chandu could not learn this job when he had learned every job before it, the more the answers were about the place rather than the man. There was no one he could watch, and no one he could safely ask. I am less confident than I was that the person and the role can be pulled apart.

Where is the bottle? Something about the bottleneck discussion only struck me after class. When we worked out that young Chandu was starved, the managers holding him up were at a long lunch. The bottleneck of his early career was sitting at the very table where he now sits. And yet certainly the young Chandu could have been said to be *busier* than his bosses. This makes me realize that a careful definition of bottleneck is important. A bottleneck is a resource that is the slowest at processing a job in a sequence of steps transforming that job into an output. But I think that still does not make it clear to me whether Chandu is a bottleneck in his later role at Global Strategic Operations.

We could reason about his earlier jobs because the work was still visible: tickets, features, sprints. At Global Strategic Operations we could not find a bottleneck in any of the flows we, because we could not really say what was flowing or how fast. I do not think the bottleneck idea has failed us. But it has shown me something we took for granted at the pizza shop. Before you can ask where the bottleneck is, you have to be able to say what is flowing. Maybe at very senior work at the upper echelons of a large business, nobody can say exactly what is flowing with much confidence. I do not yet know how to find a bottleneck in a flow I cannot see. I suspect some of you will run into this in your own jobs before I work it out. Maybe we can talk about it then.

Warmest, Radu.

References

[1] Alan Benson, Danielle Li, and Kelly Shue. Promotions and the Peter principle. *Quarterly Journal of Economics*, 134(4):2085–2134, 2019.

[2] Laurence J. Peter and Raymond Hull. *The Peter Principle: Why Things Always Go Wrong*. William Morrow, New York, 1969.

[3] Karl E. Weick. Educational organizations as loosely coupled systems. *Administrative Science Quarterly*, 21(1):1–19, 1976.

Extensions

[*Posted as homework on the course's website for this class session.*]

1. Suppose Chandu works 50 hours in a typical week. On average, about 6 of those hours go directly to a crisis. About 15 go to long lunches with colleagues across the company. The remaining 29 hours he spends at his desk, where even he is not sure what he accomplishes.

(a) Using utilization as time working divided by time available, compute Chandu's utilization if only crisis hours count as working. Compute it again if the long lunches also count.

(b) What would you need to observe about the lunches, and the desk hours, before you trusted either number?

(c) Is "average utilization" the right measure of Chandu's busyness?

2. Farah drew Chandu's process as a crisis coming in, Chandu resolving it, and a resolved crisis going out. Draw the best process flow diagram you can for Chandu's role. Mark every place where you had to guess, and say what you would need to see to remove each guess.

3. Suppose corporate decrees that Global Strategic Operations must report quarterly metrics, and Chandu must propose them.

   (a) Propose three metrics that would make his output look measurable.

   (b) For each, describe how Chandu, or a less careful colleague, could hit the metric while leaving the company worse off.

4. Binesi asked why the people doing the work can't put out their own fires. Give one example, from any industry you know, where an outside team handled a crisis better than the people inside could have, and one where it did worse. What was different between the two?

5. Ming suspects that whatever Global Strategic Operations was meant to do, one thing it ends up doing is supplying someone to blame. Without endorsing her claim, model it as an operations question. If "producing a credible person to blame" were an output, what would be the flow unit, the input, the activity, and the inventory? Where is Chandu in this process?

6. You are the executive who created Global Strategic Operations. Write the one-page charter you wish had been handed to Chandu on his first day: how a crisis enters the group, who declares it closed, how a member's work is judged, and what members should do when there is no crisis. Then find the line you were most tempted to leave vague. Why?

7. For each of the following, name the flow unit (if you can) and say whether you could identify the bottleneck by watching for one hour: (a) Paula and George's pizza shop at dinner time; (b) a hospital trauma team on a quiet night; (c) a company's legal department reviewing contracts; (d) a diplomat posted abroad; (e) a parent of a toddler on a weekday afternoon. What do the cases you could not answer have in common?

8. Step outside the group and look at the company that contains it. What does the existence of a Global Strategic Operations team suggest about how the rest of the company is run? If regional teams know a senior group will be pulled in whenever things go badly enough, how might their own behavior change, for better or worse?

Reflections

[*Posted as a reflection exercise on the course's website for students to write about in a journal due at the end of semester.*]

1. At the end of an ordinary week, what evidence do you use to decide whether you did something useful?

2. Pick an hour from your last week that you would have trouble calling work, rest, or preparation. What would someone need to see to classify it? Would they classify it the same way that you do?

3. When you are unsure what is expected of you, how long do you usually wait before asking? What do you believe would happen if you asked sooner, and what is that belief based on?

4. Describe something you have accepted, or would accept, being unhappy for: money, security, someone else's needs. (If nothing comes to mind, think of a trade you have watched someone close to you make.) How would you know when the trade had stopped being worth it?

5. Pick a group you belong to. Who is waiting on whom? Describe what you would look at to check your answer, and how you would find out if you were the one others were waiting on.

6. If you have some empty time in your week, do you experience it as readiness or as waste? (If you have none, think of a period when you did.) What would it take to change your mind?

7. Name one thing that the next role you want will require that nothing you have done so far has tested. How could you find out whether you have it before you are in the role?

8. Recall something that went badly in a group you were part of. How was the cause decided, and by whom? Did you believe the explanation at the time? Do you now?

9. Have you ever kept quiet about a risk because pointing it out would have made you responsible for it?

10. When you see someone at work who seems idle, what do you assume? What would you need to observe to know whether your assumption is right?

11. When a decision works out well for someone, how much does that tell you about whether it was the right decision? Think of a decision of your own that turned out well. How would you tell good judgment from good luck?

12. When everyone around you seems confident, how do you judge whether they understand more than you do? What evidence have you relied on before, and how reliable did it turn out to be?

13. Think of a role you have judged to be unnecessary. What would have to happen for you to discover you were wrong?