Editor's Comment

CEOs and Their PCs

The corporate chief executive officer (CEO) sits at his personal computer (PC) analyzing strategic options for his firm's future. Elsewhere in the firm, middle managers and staff are increasingly becoming redundant because the boss is now able to obtain data and to perform analyses for which they used to be responsible. The new information age is upon us and it is about to change the roles of business managers and the way that CEOs operate their businesses. Moreover, those firms that are not changing in this way will probably not remain competitive and may become obsolete.

Well, it isn't necessarily so! This image of the CEO and his trusty PC managing the firm from the top is still more a fantasy of laymen and zealous IS professionals than it is a reality. And it is not at all clear that this vision will, or should, become a reality for more than a modest proportion of the CEOs of top business firms.

A recent survey of *Fortune* 500 companies concluded that 59 of the 500 CEOs did indeed spend significant time working at a PC [1]. However, most CEOs still operate today pretty much as they always have — working face-to-face with staff and lower-level managers who are more likely to be the ones who work directly with PCs. Some of the reasons for this are as obvious as the fact that current CEOs are generally not of the computer generation and that most have a strong personal preference for face-to-face interaction rather than interaction with inanimate objects.

Of those CEOs who do use the PC, most use it primarily for its productivity-enhancing features — such as scheduling, word processing and communications — rather than for its decision analysis potential. Some of those who have mastered the PC view the time spent doing so as "recreation," as does Owen Butler, CEO of Proctor and Gamble, or as "necessary to keep up with the kids." However, these PC-oriented CEOs are generally the same people who always wrote their own speeches or phoned subordinates at odd hours, and they have merely adjusted to a new technology for doing so. They have not really changed the way that they manage.

Some IS specialists argue that as soon as this generation passes from the scene, new computer-literate CEOs will begin to manage the business online. Undoubtedly there is some validity to this prediction as the staff analysts and managers who today serve as intermediaries between the computer and the CEO, begin to move up. Some of them will carry this familiar modus operandi with them.

However, this simple prognostication ignores some fundamental differences between the role of the CEO and the roles of lower-level managers and staff. The most important role of the CEO is to create a vision of the future for the company and to lead the company toward it. Leadership ability is undoubtedly in shorter supply than is analytic ability, and the future success of most corporations is much more dependent on the CEO's ability as a visionary and a leader than it is on his or her ability to analyze the details of each decision. Needless to say, the computer amplifies analytic abilities, but does little to support the vision and leadership that is so critical to corporate success.

Even in the decision analysis arena, computer models are most helpful when they are being used to perform quantitative analyses. These models are less helpful when one considers intangibles such as the public's reaction to a contemplated corporate action — things that may be much more important in determining corporate success than the economic aspects that can readily be assessed by a computer model.

Even in the analytical decision making part of the job, the CEO's primary task is to *integrate* the complex elements involved in making a choice — both the numbers that can be analyzed on a computer and the intangibles that require more in the way of judgement. The final decision may be supported by some computer analysis and some computer-based communications, but it is unlikely to be based primarily on computer analysis.

And therein lies the rub for the CEO who spends hours with his PC. There is a mesmerizing quality about the PC and its spreadsheets and other analytic programs. It is very easy to become engrossed in the ability to manipulate numbers and to instantly see the ramifications of change through a complex set of financial displays.

In fact, it is so easy to do that it is also easy to lose sight of reality — to begin to believe that the computer model's numerical forecasts are real and that they describe future outcomes that will, in fact, come to pass. The numerical projections done on a PC are always forecasts of a future that we are only dimly able to see. And the computer model's forecasts are based solely on those predictions about the future that we are able to quantify. Those things that are not readily quantifiable are usually omitted, and in being omitted there is a danger that they may be ignored.

Many CEOs with whom I am familiar have operated successfully in their decision-making role by acting in the mode of someone who needs to be convinced of the desirability of the firm making some contemplated strategic move. Such CEOs ask probing questions and raise issues that may not have been considered by those who have run the numbers through the computers. In doing so, they are recognizing that the real world of business is more complex than can ever be captured in a computer model, and they are testing the computer model's results to see how much of the real world is really "captured" by it.

Because of the mesmerizing quality of PCs, it is very difficult for the person who performs the computer analysis to take the role of one who needs to be convinced. Thus, it seems likely that many of these CEOs will continue to let their staff and subordinate managers do most of the computer analyses so that they can ask the probing questions to ensure that as many factors as possible have been taken into account in analyzing a decision situation.

Increasing numbers of CEOs will indeed find it convenient to keep their schedules, to communicate with others, and to maintain modest personal files using a PC. Some will do this because it is very valuable to them, and others will do so because they wish to set an example of PC use for others in the firm to emulate.

But most CEOs, even those who have used PCs extensively in their previous jobs, will find that the critical roles of providing leadership and vision are still best handled using time-honored management approaches that cannot be easily computerized.

As IS professionals we should be aware of this so that we do not fall into the role of salespeople for IS technologies that may not, in fact, have much relevance or value to CEOs and to the effective performance of their most critical functions. If we are perceived to be sellers of "technology for its own sake," our credibility will inevitably suffer and the fullest meaningful impact of computers on organizations will not be realized.

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References

[1] Feasko-Weiss, H. "Personal Computing at the Top," *Personal Computing,* Volume 9, March 1985, pp. 68-79.