

Introduction to the texts of C. Northcote Parkinson (1909–1993)

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The following three chapters are, to my mind, the most brilliant, illuminating and pertinent of all texts with which to instruct students – the managers of tomorrow – on the realities of business, in particular in large companies and public administrations. All three are on the reading list of my management classes for students at the École des Mines, officials of the Corps des Mines,¹ and civil engineers.

And yet, these simple and amusing texts, brimming with picaresque anecdotes, are a world away from the solemnity of academic discourse. The comparison that springs to mind is with Rabelais, that truculent caricaturist of tired medieval scholasticism, or with Courteline, who ridiculed the mores of a bureaucracy so proudly erected by Revolution and Empire.

These two precedents throw into relief the function of humour at decisive cultural turning points. When the official knowledge preached from seats of learning is increasingly out of touch with the realities of the age, a murmur of discontent can be faintly heard, yet it does not have a public platform. All that remains is the mask of derision.

Though its pronouncements are particularly austere, the management world is profoundly destabilised, particularly since the economic crisis that hit in 2008. Two broad categories of publication vie for a place on bookstore shelves and higher education reading lists: the older ones draw inspiration from scientific

1. The École des Mines of Paris is one of France's leading engineering *grandes écoles* (higher education institutions); the Corps des Mines is a prestigious technical corps attached to the Ministry of the Economy and Finance.

approaches to economic calculus,² while more recent publications recall the exalted and peremptory discourse of consultants.³ Both adopt the solemn tone that is *de rigueur* whenever talk turns to money and power. They discourse on what *should* happen in businesses, but seldom mention what actually happens.

Taking advantage of my position in an engineering *grande école* sheltered from the double tyranny of academia and business, and drawing on extensive research on the ground, I profess that the cost of a good does not exist, that there is no strict definition of profit, and that all economic actors are logical at a local level but that there is no coherence between these logics within enterprise as a whole. These statements are easy to demonstrate but absent from serious literature on the subject. I have therefore always felt a great affinity with Northcote Parkinson.

Northcote Parkinson himself owed nothing to academia or big business, for he was a specialist of naval history, a subject on which he published a great many works and which furnished him with a mine of universally relevant observations.

Before coming to my selection of Parkinson's texts, it seems useful to mention his French counterpart, Auguste Detœuf, who at around the same time published *Propos de O. L. Barenton, confiseur* (Éditions du Tambourinaire, Paris, 1951), an anthology of maxims about the business world that met with comparable success. Detœuf was an engineer and graduate of the École polytechnique, successively a civil servant and company director, who, in his twilight years, began to playfully muse on his experience of business. Unlike Parkinson, he does not adopt a narrative style to sketch out his contemporaries' quirks but instead assumes the role of the bemused old sage offering friendly advice to his reader. In the following passage, for example, Detœuf directs his irony at consultant engineers:

Take a consultant engineer: listen to him. If he suggests a solution, ask him his reasons. If they seem clear and sensible, do as he says. But if you do not understand, refrain from thinking that technically it is beyond you. And do what you judge reasonable. (p. 126)

2. For example, *Technique économique et gestion industrielle* by Jacques Lesourne, Dunod (1958).

3. For example, *Le Prix de l'excellence* by Tom Peters and Robert Waterman, Dunod (1983).

Tackling the same theme, Parkinson (*In-laws & Out-laws*, Expertize chapter pp. 52 sq.) relates the comical experiences of two companies, *Historic Homes Ltd* and *Horseless Carriage Co. Ltd*, both of which have recourse to the services of consultant engineers. The expository technique is different, but the message is essentially the same. Perhaps one can read into this contrast an expression of the difference between the two national cultures, the French being more inclined to rationalize, the English, to sketch out impressions. But one thing is indisputable: everyone who likes one of the authors also likes the other.

For my part, every other month I publish in the *Journal de l'École de Paris du Management* an "Ideas" page closer in spirit to Detœuf than Parkinson. The first ten years of this column have been grouped together and published under the title *Idées*. This work and Detœuf's book are included in the "Find out more" section.

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Let's now turn to the three texts. To understand why I ask my students to read them, we should bear in mind the theory of economics they have been taught up to this point. According to this theory, the management of an industrial or commercial enterprise consists in combining day-to-day expenses (purchases and salaries) and expenditure on investments to maximize profit. The company recruits suitable staff, indeed the most intelligent available, as managers. This theory appears to be the very essence of good sense, yet it is important to remember that it is a product of nineteenth-century scientism. Several authors have thus written that the equations governing the management of a business are formally the same as those that govern a mechanic system, the maximization of profit playing the same formal role as the minimization of energy. The first-rate students that I have the honor of teaching greet this revelation as good news.

Unfortunately, despite the formal beauty of this analogy, its scope is limited by the fact that decisions relating to staff management, investments, and the use of managers' talents are far stranger, more anecdotal and more irrational than the mathematical rigour of the above model would permit. It is this that Northcote Parkinson explores with infinite wit.

We do teach classical economic calculus to our students, for the excellent reason that they would invent it all by themselves, no doubt incorrectly, and that it is the source of widely used concepts such as profitability and discounting. But, when students first come into contact with companies, what they discover leaves them perplexed and at risk of committing costly errors of judgement. Reading Parkinson is a salutary warning.

I have chosen to present the texts in their original language, because they are written in straightforward yet elegant English.

TEXT NO. 1: PARKINSON'S LAW, OR THE RISING PYRAMID⁴

This text begins with a forceful theorem-like affirmation:

Work expands so as to fill the time available for its completion.

And describes how a lady of leisure can spend a whole day writing a postcard to her niece, an action an overworked businessman would complete in three minutes.

The reader rapidly learns of two other theorems that complement Parkinson's legendary law, which asserts that the number of officials rises inexorably – a phenomenon attributable to nothing more than officials' desire to multiply the number of colleagues with whom they work, with no relation whatsoever to the amount of work they must accomplish collectively:

An official wants to multiply subordinates, not rivals.

Officials make work for each other.

The author then sets out an example demonstrating how an isolated individual can, by virtue of the three aforementioned theorems, find himself endowed with six colleagues without any resultant increase in work accomplished, and without it being possible to accuse any of those involved of shirking.

4. BibNum text, document 1, original numbering: pages 4 to 15.

He then presents two impressive statistical case studies, one borrowed from the British Navy between 1914 and 1928, the other from the Colonial Office between 1935 and 1954. We sense that the figures are authentic. They show that the number of officials employed by the said government departments rose rapidly during the periods under consideration, while the work to be carried out, gauged in terms of the size of the navy and the colonial empire, was falling spectacularly. This phenomenon is so widespread that we routinely talk of Parkinsonian increases in staff numbers.

The chapter concludes with a pastiche of econometrics articles, in which Parkinson enjoys himself modeling a law of rising numbers of officials based on entirely fantastic variables, all of which relate to the ambitions of employees rather than to the work to be accomplished.

I have always regretted that Parkinson limited the scope of his "law" to administrative staff, in particular civil servants, and that he did not extend it to industrial and/or commercial enterprises. The reason is clear enough: a profit-making business cannot recklessly expand its staff base.

Yet, this important caveat notwithstanding, Parkinson's law would help explain two common phenomena: brutal and competition-driven increases in productivity, and the need to increase turnover. The first phenomenon was observed in the motor industry when manufacturers, lagging behind Japan's highly performing Toyota, soon drew level. This suggests that they were carrying a fair bit of dead weight. In addition, the inexorable pressure exercised by the law of staff increases means that, to survive, a business has no other option but to grow.

TEXT NO. 2: HIGH FINANCE, OR THE POINT OF VANISHING INTEREST⁵

This text is a useful addition to the vast corpus of economics textbooks on investment choices. These textbooks posit that all those involved in such choices are *competent*. That the opposite may be true, especially when it comes to

5. BibNum text, document 2, original numbering: pages 63 to 72.

large-scale investments, is shocking. However, this hypothesis comes into conflict with another priority of modern societies: democracy. This precept invites great hordes of peoples to express an opinion on issues that concern them, with no guarantee that they have the technical knowledge to do so.

Applied to public authorities or large incorporated companies, this remark raises the issue of discussions within strategic committees, and it is here that Northcote Parkinson's contribution is decisive. His message on this point has become almost as famous as the one cited above. It is stated in an introductory paragraph:

People who understand high finance are of two kinds; those who have vast fortunes of their own and those who have nothing at all. To the actual millionaire a million pounds is something real and comprehensible. To the applied mathematician and the lecturer in economics (assuming both to be practically starving) a million pounds is at least as real as a thousand, they having never possessed either sum. But the world is full of people who fall between these two categories, knowing nothing of millions but well accustomed to think in thousands, and it is of these that finance committees are mostly comprised.

One consequence of this state of affairs is that the time spent examining expenses bears no correlation to their importance, even, it seems, to the extent that the higher the sum, the less time is spent considering it.

This argument is followed by an example. A committee is to discuss three subjects: the purchase of an atomic reactor costing 10 million pounds; the construction of a bicycle shed costing 350 pounds; and the choice of drinks to be served at the Joint Welfare Committee, that is to say a sum of 21 pounds a year. The committee members spend two and a half minutes discussing the first subject; forty-five minutes discussing the second; and an hour and a quarter discussing the third. The explanation for this, of course, lies in the fact that while almost no one knows anything about the reactor and some fail to see the problems posed by a bike shed, everyone wants to have their say about the coffee and orange juice.

There comes a point, however, when the sum in question is so insignificant that the committee judges it unworthy of their attention, hence the chapter's title⁶ and the hypothesis that Parkinson deduces:

At this point it would be natural to ask whether a still smaller sum – £10, perhaps, or £5 – would occupy the Finance Committee for a proportionately longer time. On this subject, it must be admitted, we are still ignorant. Our tentative conclusion must be that there is a point below which the whole tendency is reversed, the committee members concluding that the sum is beneath their notice.

TEXT NO. 3: NONORIGINATION⁷

My students – and I say so because I am proud of them – are brilliant pupils, but this quality sets them at risk of committing costly errors when they first come into contact with businesses, during internships or the first few years of their careers. Indeed, it has been by showing themselves to be knowledgeable, articulate and clever that they have induced those influential persons known as examiners to give them good grades, with the most beneficial consequences for their futures. They naturally believe that the same will be true when they work in business. Once again, Parkinson forcefully puts them on their guard:

As a young business man you should learn early in life that your advice is of no value to your elders and betters. (p. 41)

A reputation for cleverness is the last thing you want, nor could it lead to anything but trouble. (p. 42)

The explanation behind these cruel truths is simple: your elders consider you a rival, and the phenomenon is exacerbated by the passage of time because you have learnt recent techniques they struggle to understand. The moral of the story: keep a low profile. But how, given that you are quite understandably ambitious?

Here again Parkinson's anecdotes work wonders. He explains how a capable young man succeeds in making an older and respected member of the

6. "The point of vanishing interest": the limit below which interest disappears.

7. BibNum text, document 3, original numbering: pages 41 to 51.

hierarchy believe that it is he, the senior colleague, who has come up with the good ideas, and humbly puts himself at the service of his elder to carry them out:

(The young recruit) "Thanks very much. That will be fine. It's very good of you to discuss Company policy with me. Junior as I am, I can contribute nothing. But I am keen to learn." (p. 49)

*There is nothing more intolerable than a young man who thinks he can run the Company (...) Always have your ideas put forward by someone else.*⁸ (p. 50)

Thus the older man takes an active interest in the younger's advancement, until the latter, nearing the summits, rips off his mask.

The remaining chapters of these two works contain other gems, but I have chosen the two that are most enlightening for young engineers.



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⁸ Hence the title of the chapter: "Nonorigination".