Opportunities for Action

The Fallacy of the Player-Coach Model

Professional sports have largely abandoned the notion that great players can simultaneously be great coaches, but businesses cannot seem to shake the idea. If you peel back the first few layers of many organizations, you will likely find scores of individual contributors who are also managing the work of other employees part-time. But these *player-coaches* don't succeed as managers. Either they neglect their direct reports, or they create busywork for their staff in order to justify their own managerial role. Corporations need to eliminate player-coaches just as the National Basketball Association (NBA) did decades ago.

Each decision to create a player-coach may seem to make sense individually: player-coaches are often high-performing contributors who are asked to assume managerial responsibilities as a reward, during layoffs, or because a unit does not require full-time supervision. But within the organization as a whole, player-coaches contribute to corporate bloat and inefficiency. As a rule of thumb, managers should oversee eight direct reports, although that number can vary greatly depending on the complexity of the job. When managers have only three or four direct reports—as player-coaches often do—they tend to meddle and micromanage. When they have more people to supervise, they have time to do only two things: communicate goals and focus on trouble spots by managing exceptions.

The connection between sports and business is generally weaker than executives' speeches and coaches' books might suggest. But not on this issue. Player-coaches are bad for sports—and they are bad for business.

A Basketball Lesson

The NBA figured out the weaknesses of player-coaches a long time ago. Teams employed player-coaches in the early days of the league when money was tight, but the arrangements were not generally successful. The teams discovered that when coaches were also competing in the game, they lacked the perspective and detachment necessary to oversee play.

Consider the example of the Boston Celtics. In the 1950s and 1960s, the team reached the NBA finals ten consecutive times. The dynasty was led by Bill Russell, one of the great players of all time, and was coached by Red Auerbach, one of the great coaches of all time. But in the 1966–1967 season, Auerbach turned coaching duties over to Russell, who served as a player-coach. For the first time since 1956, the team did not reach the finals. Russell coached and played the following year but cut back on his playing time, and his team rebounded to win the final. Even so, Russell's three-year record as a player-coach was not nearly as good as Auerbach's final three years as a coach.

Bill Russell is just one of several former player-coaches in the NBA. The others were less successful. For instance, Lenny Wilkins, another great player of the same era who eventually became a great coach, spent four years as a player-coach for the Seattle SuperSonics and the Portland Trail Blazers. During that period, he managed a winning record only once—in a year in which he cut back on his playing time.

As the popularity—and financial health—of professional basketball grew, the number of player-coaches dwindled. The league's collective-bargaining agreement now bans them altogether.

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THE FALLACY OF THE PLAYER-COACH MODEL

A Common Problem

The belief that employees can and should be both producers and managers runs deep at many organizations. There are at least five explicit reasons why corporations rely on player-coaches—and five corresponding counterarguments and better alternatives. (See the exhibit below.)

Player-coaches can also come into being inadvertently through poorly executed cost-reduction plans. Told to reduce head count, managers will let go of less experienced, less skilled junior staff and retain their seasoned, highly skilled "utility" players, who end up assuming both contributing and coaching roles. Once embedded in the organization, these player-coaches tend to

remain player-coaches rather than settling into one role or the other. It makes more sense, however, for organizations to align structure, skills, and costs than to focus on arbitrary head-count targets that create perverse side effects such as player-coaches.

Nevertheless, the reality is that at organizations with a player-coach culture, it can be difficult to disentangle the manager and producer roles. One way to separate them is to define the roles of the manager and then evaluate the performance of player-coaches against those criteria. Managers can create value within an organization in four different ways. They *exercise power* by hiring, evaluating, and firing employees. They *manage work* by setting objectives, allocating resources, and providing training. They *develop careers* by coaching and mentoring. And they *provide leadership* through motivation, recognition, and empowerment.

Player-coaches rarely perform these roles as effectively as they could. To find out if your player-coaches are adequately managing their staffs, ask yourself the following questions:

- How does the player-coach make a difference along the four dimensions described above? Does he or she exercise power, manage work, develop careers, and provide leadership? Or does the player-coach perform these tasks half-heartedly, partially, or not at all?

- Who has actual influence and authority over the supervised group? Is the player-coach an active managerial force or is he or she merely passing along orders and objectives from above?

- How different would the performance and behavior of the player-coach's direct reports be if they were unsupervised? Is the player-coach making a difference as a coach, or is his or her main contribution as a player?

Player-Coaches Are Bad for Business

Reason for relying on a player-coach	Counterargument	A better solution
We don't want a full-time manager overseeing a group of only three employees	That makes sense, but relying on player-coaches is not the only solution	Consolidate distinct activities at a higher level
We expect our managers to be contributors as well	Contributors cannot be fully engaged in supervision and do not have control over the full set of management levers	Make the tough decision about whether individual managers are more valuable as managers or as contributors
We reward our best employees by letting them manage one or two other employees	This practice teaches new managers bad habits and has a negative effect on subordinates managed by a former peer	Introduce other reward and recognition measures
We don't allow first-time managers to supervise more than three direct reports	Properly trained, many first-time managers can handle greater spans of control	Plan a transition to greater spans of control
Many of our managers also oversee outside vendors and contractors	Many full-time managers oversee such outside relationships	Limit the practice to big-budget projects and sizable outsourcing initiatives

SOURCE: BCG analysis.

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More likely than not, the answers to these questions will reveal that your player-coaches are not fulfilling their role as coaches. Because they have things other than managing on their minds, they are probably acting as gates: stifling creativity from below and impeding information from above. And that is simply not an environment in which employees can succeed.

Player-Coaches and Delayering

When corporations try to flatten the pyramid and become more nimble through *delayering*,[1] player-coaches are often a sticking point. The existence of player-coaches conflicts with the dual desire for greater spans of control and faster decision making. During a fact-based delayering diagnosis, these flaws become apparent. In fact, such a diagnosis is often the best way for a corporation to expose a wide range of hidden organizational and structural inefficiencies—not just an excess of player-coaches but other redundancies as well. Manufacturers, for example, often have part-time human-resources staff at individual plants. They could cut costs and improve HR capabilities by consolidating these activities at the regional level, or they could explore other options for merging back-office managerial roles and increasing spans of control.

Executives often believe that they can solve organizational and structural issues by doing a quick, anecdotal spot check. But our work with delayering suggests that developing a strong fact base is the best way to understand what works and what doesn't work within organizations. Player-coaches may have been created as one-off "acceptable exceptions." But as they proliferate across a company, they can be dealt with only through a holistic approach, such as delayering, that is quick, fair, and transparent.

In sports, player-coaches were an idea whose time had come and gone before many of today's managers were even born. When it comes to player-coaches, business *should* imitate sports.

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1. The Boston Consulting Group has applied for federal trademark protection for its delayering services.