

The Thought Leadership Series – Henry Mintzberg

Engaging Leadership

An interview with corporate strategist Henry Mintzberg

Henry Mintzberg is a world-renowned business thinker. He first came to prominence with his book The Nature of Managerial Work. Since then he has written a number of books covering a diverse range of subjects, from corporate strategy to the ordeals of international travel.

Currently the Cleghorn Professor of Management Studies at McGill University, Montreal, Canada, he is also a visiting professor at a number of business schools including INSEAD and London Business School. He was the driving force behind the creation of the International Masters Program in Practicing Management, a unique business education program.

Mintzberg has a deserved reputation for provocative and controversial thinking. Yet, while he may be controversial his observations are invariably amusing and insightful. His recent book Managers Not MBAs develops one of his favorite themes: the shortcomings of the world's gold standard in business education – the Master of Business Administration (MBA) degree. It also touches on subjects he has written about earlier such as organisational design and corporate strategy.

During a visit to London Professor Mintzberg spoke to Steve Coomber about a variety of subjects including what it takes to be an effective manager and why an MBA is not necessarily part of that equation.

What are the key skills that successful managers need?

I'm always reluctant to talk about what the key skills of effective managers are, as it becomes an infinitely long list. I think it's more about what the characteristics are that lead to effective management. I think managers need to be informed, I think they need to know what's going on, at the ground level in the organisations they are working in.

I think effective chief executives are candid, and thoughtful. They don't follow the crowd. They think things through for themselves, something fewer and fewer chief executives do these days. They are not big on managerial correctness, they know what they think is right. But I think that the key factor for me is that they do what they do

based on a deep tacit understanding of what they are managing; both the industry, and the company itself.

So are these the kind of skills you get from taking an MBA?

No, you don't get any of it. The MBA does exactly the opposite, it trains people out of context. It gives them the impression that you can manage anything. Because there is no context in an MBA program. Even when people have experience it is rarely used. The traditional style MBA does not use experience at all.

Take case studies for example. Learning from case studies isn't experience, it's voyeurism. People who are already practicing management can learn from cases written about other people. But people who haven't practiced management can't learn from them that easily. Worse still, case studies are not used just to expose people to other kinds of experience; they are used to force people to make decisions based on the most superficial of knowledge. What do the people know about these companies that they are forced to make decisions about? They read twenty pages the night before.

There was a survey of MBAs in *Business Week* a little while ago. The MBAs named their favorite chief executive. It was a top five list and none of them had an MBA.

In *Managers Not MBAs* you outline three different types of management style: calculating, heroic and engaging. What is the difference between them?

We've long been dominated by calculating managers, right back to Robert McNamara, ex-Ford president and Secretary of Defense during the Vietnam war, and his obsession with numbers. Then there was ITT and Harold Geneen with all his numbers. Now it's in the form of shareholder value. Everybody is looking at the stock price every few hours. It is like playing tennis and watching the scoreboard instead of the ball. That is the calculating manager.

"It is like playing tennis and watching the scoreboard instead of the ball."

Heroic managers are ultimately not much different but they think they are artists, they think they are very creative. So they come out with these strategies like at Vivendi, AOL Time Warner, or AT&T. They come out with all these lovely looking strategies, which ultimately are not that interesting. I call them pretend artists. These are the heroic managers, engaging in the great massive mergers, with all the drama that entails.

Finally we have the style I prefer, which I call engaging. This is where managers and chief executives first go about engaging themselves. They know the industry. They know the people. They are committed to the company. They are not there for a few years just to drive up stock prices and run off with their bonuses. And by engaging themselves, they engage other people.

You suggest that the dominance of the MBA as an educational standard has corrupted managerial practice. Why is that?

Well, because you have people coming out thinking they are prepared to manage, and they are not. And what is even worse you get people coming out who don't even go into management, they go into consulting or finance. They do an end run around management and end up leaping from consulting jobs, or financial jobs, into chief executive chairs. And I think the performance of many of them is just plain dreadful. There are exceptions, but a lot of them fail terribly.

But what is it about an MBA education which you believe often makes people ill-equipped to be leaders in corporations?

Confidence without competence. Which to me is equivalent to arrogance.

MBA courses tend to attract people who aren't necessarily sensitive to people issues. We have a lot of evidence that these are people more concerned with numbers, and getting themselves ahead, than

dealing with people. There's a wonderful quote which comes from an interview with Harvard professor John Kotter. He did a study of the Harvard MBA class of 1974, tracking their careers. A journalist asked him if the people he tracked were team players. He said no, they want to run the team, create the team and lead it to glory rather than be a member of someone else's team. And that is the antithesis of team working, wanting to run the team.

We talk about top managers. But anyone who's on top of the team is outside the team, and doesn't know what is going on. We describe organisations as networks, and we talk about top managers, but anybody who's on top of the network is outside the network. That is exactly what the Kotter quote suggests. These people don't want to be part of the team, they want to run the team. It's the obsession with having to be in charge. You know leadership should be earned. Leadership shouldn't be granted because you have a degree and an old boys network.

So how do you earn leadership?

You earn leadership from those that you lead. You earn leadership from earning the respect of the people. Kofi Annan was put into his position at the United Nations with tremendous support from the UN staff, he earned his leadership. McKinsey & Co elects its senior partner, its chief executive in effect, by a vote of the senior partners. I wonder if it has ever recommended that to any of its clients.

Can you learn leadership, or do you think it's an innate quality?

Well, you learn it in the sense of experiences and exposures, challenges, and all those sorts of things. That's how you learn leadership. Nobody has ever been made into a leader in the classroom. Courses that claim to create leaders are dishonest. You can't create a leader in the classroom. What you can do is take people and enhance their managerial skills, and enhance their understanding of their job, if they are already in positions of leadership.

And I am totally against this notion that you can separate managers from leaders. This implies that leaders don't have to manage, which means that leaders don't have to know what is going on intimately in their organisation. Which is wrong.

“Nobody wants managers who aren't leaders. So why would we want leaders who aren't managers”

They have to be connected, and management is the way in which they are connected. Nobody wants managers who aren't leaders. So why would we want leaders who aren't managers, leaders who don't know what is going on, who aren't connected. It's a phony distinction.

What are the key issues facing CEOs today?

If you are in a publicly traded company, then it's probably coping with shareholder value. Trying to get past the short-term pressures, the need to impress the media for example, and really build the company substantially.

How can senior management best cope with a disproportionate emphasis on shareholder value?

Taking the company private is one way. Another way is to open up the representation on the board of directors. If you had other constituencies represented you would be better off.

Shareholder value is corporate social irresponsibility. Because it implies that only one constituency matters, and it is probably the least important constituency. The people who really make companies successful are the employees, not the stockholders.

So you have to empower the employees at board level?

You don't have to empower the employees. I don't like the term 'empower', because it implies that they need some gift from the gods

to do what they are hired to do. They should know what they have to do, and just do it. No, you have to inspire the employees. And the first way to inspire them is by being part of the organisation, not just grabbing huge bonuses for yourself. That inspires nobody. That's why I think there is a leadership deficit in the Anglo-Saxon corporate world today. I think things are better in Japan for example. They have a different tradition. There is certainly a lot more humility in Japanese companies.

You have said “great organisations once created don't need great leaders.” Do you still believe this? And what do you mean?

What I was trying to say is that it takes a special kind of leadership to start something from scratch. Because you're really fighting all the odds. You are up against all the pressures, having to carve out your own niche. An established organisation that's sizeable really needs a motivated, enthusiastic workforce. That might take quiet, concerted, sympathetic and engaged management—more so than heroic management. There are all kinds of self-appointed heroes out there, running around trying to fix companies that aren't broken.

Why is that?

Because people are paid obscenely for impressive gains in stock price. I think the press is mainly responsible because it wants to write about dramatic actions, not about steady, boring companies. What if really good management may be boring to observe? No mergers, no big dramatic acts. You don't fire thousands of people every time the stock dips. Imagine that.

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