

Management saints for all seasons

The same management names crop up again and again. But, as Dr Leandro Herrero argues, there is no single model for how to run a business because there is no best way to be organised.

Modern management has its own legendary icons, most of them still in office. The one probably closest to beatification is Jack Welch, CEO of General Electric (GE). A determined worker and charismatic leader, he has, since 1981, been in charge of one of the most successful corporations of the modern era.

Portrayed as an exemplary leader, he is constantly referred to by management consultants and business educators. His 'work-out' sessions and 'town hall meetings' where he discusses anything with employees, have been well publicised as an example of top-down/bottom-up alignment in an organisation. Many have tried to follow. 'If Welch does it, I can do it as well'. Good for Jack Welch, congratulations to him and to GE shareholders.

The second high priest in modern management is Percy Barnevik, of Asea Brown Boveri (ABB), who ran the company until his retirement at 55, in 1997. ABB is a conglomerate of businesses (power tools, petrochemicals, engineering and so on) across the world. Barnevik was famous for breaking down the corporation into 1,300 separate companies and 5,000 profit centres and, in parallel, shrinking the head office to a slim 200-staff unit.

He managed to glue the entire operation well and, above all, showed the world that such a massive empowerment and decentralisation exercise could be done. Since then, Barnevik has been a prominent figure in the world of 'business case studies' and management guru publications. Tom Peters, the chief guru, has taught the world how to spell Barnevik. Good for Percy Barnevik, congratulations to him and to ABB shareholders.

The third one in my biased management holy trinity is Richard Branson, chairman of the Virgin conglomerate which includes (almost) everything under the Virgin sun, from Virgin Atlantic to Virgin Cola. Another favourite of Tom Peters, Branson (now to be called Sir Richard if you are in England) is hailed as a master brand strategist first, kitchen-table-board-room-style leader second, and, finally, enemy of the Big. Good for Sir Richard, congratulations to him, and to him again, I suppose, since Virgin is not a public company.

I have my own dose of restricted respect for the three of them. However, once you hit the thousand-plus reference (books, articles, videos) to Welch, the similar endless quoting of the breakdown of ABB, of its headquarters shrinkage, and of the entrepreneurial spirit of Branson, one starts wondering whether management has run out of models, ideas, or imagination. Well, not quite, as I will explain later.

I recently attended a two-day intensive seminar at a prestigious business school in England, led by an academic whose papers I had followed with interest. The course title had to do with creating corporations for the future. Ten minutes on, at the uncivilised Sunday evening start session, we had a lengthy video of Welch sharing his management ideas at different times in the past (almost) 20 years. He was to remain omnipresent during the rest of the seminar. Saint Jack again, I thought. An inner voice came to my head the following day, saying 'I told you so' when, yes,

Barnevik was there as well with his broken down pieces and small head office, this time in the form of a detailed case study. I finished my course with high levels of frustration, not much insight into what the academic world thinks of the 'organisation of the future' and a greater knowledge of management archaeology. I was grateful to the professor who at least spared me Sir Richard.

Branson has consistently been both number one in the list of role models for young people in the UK, and the unofficial example of entrepreneurship in the Anglo-American world. Well, now it is official, since his recent knighthood was given precisely for 'services to entrepreneurship'. Never mind that his businesses are in big trouble, that Singapore Airlines now owns 49% of Virgin Atlantic, for example, that he runs a train company with one of the poorest

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track records in the UK, that he has commoditised the Virgin brand to the point of dissolution, and that his liberal lifestyle would not rank him the highest scorer in family values. Still, 'Richard can get away with murder, as was pointed out to me at a media training session (where, of course, he was the model for media management). Perhaps the unwritten case study about Virgin should be entitled, 'Charm as the core competence'.

Icons are inevitable but it is starting to look like a déjà vu of 'The usual suspects of management'. The advantage of models, whether role models or business models, is that they can act as a handy 'all sea-

sons reference'. If you want to preach decentralisation, quote Barnevik. If you are in need of a reference to solid, centralised leadership, quote Welch. If you need to refer to entrepreneurial kitchens, quote Branson.

But small is beautiful, so, perhaps you need to praise the agility of the small firm. Well, you have plenty of start-ups and dot.coms around. However, remember that the most admired corporation à la *Fortune Magazine* is very big. It is called GE, run by Saint Jack and produces more than US\$10 billion profits each year. That is big. So, big must be beautiful as well (perhaps everything is beautiful).

'Stick to what you know, to your core competencies', has also been glorified as a strategy. Again, GE is a super-conglomerate, the worst example of focus, and the shareholders there don't seem to complain. If you need a model, go to the shelves of management, or visit Saint Tompetersborough's bookshop. It is a pick and mix, pret-a-porter business model world and you can have all of them in one single lecture or executive education course.

Jesus and Shakespeare

In its quest for models and references, business has become more creative these days. Actually, very creative. Aristotle has recently come to the rescue of General Motors¹, Machiavelli has long been invoked, and Charles Handy has used the Greek gods as management models².

Meanwhile, 'Jesus CEO' is a book about what the founder of Christianity would say in business situations³. And the March 2000 issue of *Fortune Magazine* refers to 'Moses on management: 50 leadership lessons from the greatest manager of all times', by D Baron and L Padwa.

Another was 'Shakespeare in charge: the Bard's guide to leading and succeeding on the business stage', by N Angus and K Adelman. This contained the following reference to 'The Taming of the Shrew': 'Petruccio makes some shrewd executive moves... (He) has assessed a core competency, namely wooing Italian women with wealthy fathers... has defined his market (Padua), his product (himself), and his potential source of capital (a dowry-adorned maiden)'. That's creativity. Are Shakespeare and Moses going to substitute Welch and Barnevik in the management fare?

Let me make my own contribution to models. In leadership terms, nothing is as good as Moses, but I see a different angle. He first gets clear instructions from the Chairman to head off for the promised



A tendency to follow management gurus like sheep can seriously inhibit initiative.

land. He then tells his people: "Come with me to the land of milk and honey", and they follow him for what I am sure has to have been a pretty unpleasant trip. The small local difficulty, as the English would say, of the Red Sea is sorted rather well. Waters part, they carry on and wander around a desert. Dry now, wet before, the environment is not an issue for the leader who, incidentally, gets additional instructions from the Boss. Ten of them, to be precise. At that point, Moses has led them somewhere where there is neither milk nor much honey and he still retains the leadership without contest. That's strong leadership. The vision is not materialised but, hey, welcome the unintended consequences, as a risk consultant friend of mine put it to me the first time we discussed Moses' leadership. That is, the creation of the state of Israel, since the journey itself is central to Jewish history.

Well, Moses was a hell of a centralising leader, Welch type. Moses did more 'management by wandering around', 'work-outs' and 'town-hall meetings' than Saint Jack has ever done. I have found no record of management consultants being around to advise at that time, but after Moses,

decentralisation was proposed and followed, presumably to empower people. The organisation was split into twelve parts – the 12 tribes had been created and the independent business unit concept established. A bit of Barnevik leadership here. Later on, centralisation comes back under David when a brand new single Jewish monarchy was formed. Centralise, decentralise, centralise again. As the Mediterraneans say, 'nothing new under the sun'.

This management story is even more intriguing in the context of highly publicised statements by Ze've Hergoz, professor of archaeology at Tel Aviv University⁴. "The Israelites were never in Egypt, did not wander in the desert, did not conquer the land in a military campaign and did not pass it on to the 12 tribes of Israel," Hergoz said. "Perhaps even harder to swallow is the united monarchy of David and Solomon, which is described in the Bible as a regional power, and was at most a small tribal kingdom."

Boy, that super-leadership was difficult to match. Has Hergoz considered the possibility, I wonder, that the kingdom was in fact a virtual organisation with small headquarters and lots of strategic alliances?

Sorry, I think I am reading too many management books.

Back to the theme of heroes and saints, I have long come to the conclusion that there are no universal organisational models, because, as Peter Drucker (grandfather guru) has repeated, there is no one best way to be organised.

Organisations are a result of ideas, people's interactions, goals, history and geography. Successful organisation does not correlate with any particular architecture. Nobody knows how well Welch would have done in

ABB or Virgin, and I suspect GE could hardly be run *a là* Branson. The trouble with management education models is that they tend to focus on the caricatures: the big GE and ABB, the entrepreneurial Virgin, the small dot.coms. That leaves thousands of any-size, any sector, any structure, different organisations in between.

As for the saints, Welch fired 100,000 people in what are now known as the

'Neutron Jack' years with his short-term management style that stifled innovation and laid waste to towns, marriages and the environment⁵. Bill Gates runs a cult (or perhaps two halves), and Jeff Bezos, proud founder of Amazon, everybody's favourite e-bookshop and Mother of All

Dot Coms, runs a sweat shop (12 e-mail replies an hour and anyone who drops below seven gets the sack)⁶.

For business role models, look around. They are to be found in the less glamorous offices of any well run company, big or

small, manufacturing or professional services, where a decent CEO delivers good returns for shareholders, creates a common sense of purpose, navigates through tempests, and walks on muddy waters without Moses' special effects and little help from the chairman. These are people like you and me who will never make it to the front cover of *Fortune Magazine* and won't be quoted by business gurus.

Will the last MBA student and executive education delegate please leave the room and switch off the lights when another Jack Welch video is about to be shown, an ABB case study to be handed out or a reference to Sir Richard's kitchen to be made? 

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