

## **The Handy Guide to the Gurus of Management**

Episode 4 - Tom Peters

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### **Tom Peters**

The Economist Magazine once wrote the following description of our next management guru - Tom Peters - giving one of his lectures: "Striding urgently back and forth,' it wrote, 'bellowing and bantering, he nearly achieves the difficult feat of making management seem exciting."

Tom Peters is probably the most charismatic performer of the twelve gurus on our list. He is passionate, evangelical almost, in his concern to put some sense and excitement into our organizations. He gives over 100 lectures a year and travels so much that he called his first horse Frequent Flyer.

The passion and commitment carries through to his books, which have titles like 'Thriving on Chaos' and 'The Pursuit of Wow'.

Tom's writing and lecturing is rooted in everyday experience. Nowadays he creates no formal theories but lots of maxims. His stories are parables, pregnant with messages for those caught in

the entrails of organizations. He elevates common sense to a principle of action. He exhorts us, pleads with us, even, to make the most of our lives and our work and to make it easier for others to do the same. He regularly lectures to packed halls of one thousand or more managers who listen enthralled for a whole day while he castigates them for cluttering up their organizations with rules and procedures that breed distrust and stop their people using their initiative. No wonder that Newsweek magazine once described him as the best friend and worst nightmare of business.

Tom Peters is also charmingly honest about himself.

Here's his own summary of his career: "I hate labels. OK, for a while I was "the excellence guy." But - I'd like to think - you can't categorize me. I've done my "excellence thing" and my "customer thing." And my "women's thing." And my "design thing." And so on. Pin me down if you will. I bet you can't."

Tom Peters, in short, is a breath of fresh air in the overheated, fetid jungle of management thinking. That said, not all his ideas turn out to be right. His first big book, written with his McKinsey colleague Robert Waterman, was 'In Search Of Excellence'. It

came out in 1982. Written in his breezy upbeat style it sold millions. It put a management book on the best seller list for the first time ever. Most importantly, it made management ideas a serious topic of conversation in organizations. And, of course, it made Tom a fashionable guru, the first time I heard the word used of a management thinker.

The book looked at 43 successful companies and sought to analyse the reasons for their success over twenty years. It was a neat idea. A book that sought to learn from the best rather than preach to them from theory. A book that looked for the good news rather than the bad. A book on management that relied on stories more than statistics and charts.

Peters and Waterman came up with seven checkpoints for analysis, what they called the Seven S Framework; and eight characteristics of excellence. Any ideas?

The excellent companies, they said

- had a bias for action, they were do-ers
- they were close to the customer, they understood their clients' needs

- they had autonomy and entrepreneurship, they were independent and innovative
- and believed in productivity through people, the staff mattered
- they were hands-on and value-driven, they got on with the job
- stuck to the knitting, they only did what they did best
- had a simple form and lean staff, no unnecessary divisions
- and had a tight-loose structure, light control where it mattered, loose where they gave people autonomy

All good sense, you might say, but wonderfully new at the time. I remember picking the book up before it became famous and hugging it to myself, thinking that I had found the secrets of management and hoping that I could do something with it before it became common knowledge.

The trouble was that the 43 excellent companies did not stay excellent for long. Many, including the star of the book, the computer company IBM, faltered soon after. Some, like the cheap airline People Express, went bust. Peters apologized in his later books. 'There are no excellent companies' he said then. I told him that he was the first writer, even perhaps the first person, to make a second small fortune by apologizing for getting it wrong

the first time. But, of course, he wasn't entirely wrong. The eight characteristics may not be enough to guarantee success, but they point to the way modern companies need to be managed.

And the Seven S Framework that Peters and Waterman developed with Richard Athos and Richard Pascale, two academic colleagues, remains a useful tool for analysis of any organization.

So what about these Seven S's - the checkpoints for analysing the health of a company? Well, they stand for Strategy, Structure and Systems, the so-called hard S's, and the soft S's of Staff, Style, Shared Values and Skills. These all need to be in harmony with each other. There's no use inventing a great new strategy if you don't have the skills or the staff to implement it. Obvious again, like all important insights, but the check list helps to remind you not to get carried away without pausing to check that all the ingredients for your journey are in place. It is a tribute to the influence of Peters and Waterman that the concepts of their book have now become part of the common language of management.

Peters, however, was finished with semi-academic check-lists and recipes. He had come to believe that the hierarchies of the big organizations were what were holding them back. His next huge

bestseller 'Thriving on Chaos', preached revolution and the one after that 'Liberation Management', is a celebration of the coming death of middle management. He does not mince his words - "Middle Management as we have known it since the railroads invented it after the Civil War is dead. Therefore middle managers as we have known them are cooked geese." Peters sought to put people, creativity, technology and speed at centre stage. Crazy times, he proclaimed, call for crazy organizations.

Tom Peters, if you've just tuned in, is one of the management thinkers on my guide to the gurus of management from the BBC and I'm Charles Handy, one of the gurus myself. Tom's answer to what he saw as the deadening effect of middle management was WOW, spelt in big capital letters: W.O.W. By WOW he meant 'stepping out and standing out', both individuals and corporations, from the growing crowd of lookalikes. 'In short,' he said, 'it is crucial to be different as well as excellent, or you will end up as an excellent corpse.' Going small was one key. Deconstruct the company, he advised, eliminate bureaucratic structures and subdivide into 'spunky units' with their own personalities and disrespectful chiefs. The recommendations pile up: hire curious people, go for youth, teach and measure curiosity, support off-beat education, give people generous

sabbaticals and insist that everyone take vacations. Above all, make it fun.

It was not, however, going to be enough to re-energize the corporation and the ranks of middle managers. The whole world of work, he realised, was changing. 90 per cent of jobs, he claims, are likely to be completely transformed or eliminated in the next ten to twenty years. We shall, each of us, have to take control of our own destiny and look after ourselves. Or, as he puts it: "In a world where success depends upon brainpower and curiosity, the self-managed growth of the individual becomes paramount, and the wise corporation wittingly turns itself into a tool for fostering individuals' growth."

So Tom Peters wrote a series of books on the new world of work with titles like 'Brand You 50', 'The Professional Service Firm 50', and 'The Projects 50'. In the new Peters style, there is no great theory or model here, but 50 good ideas in each book. The titles are the clue to his thinking. We shall each have to brand ourselves, to create a separate and different reputation for our work. Building on that, we need to behave like a professional service firm with our own standards of excellence, codes of conduct and values.

The firms that remain will need to turn every task into a project - an identifiable job of work with a beginning and an end. They must then allow individuals to assign themselves to those projects, rather as consultancy firms already do. As giant firms like computer software company EDS have demonstrated, there is no limit to the size of the project-organized business. Peters comes back, again and again, to his message that business is 90 per cent people and only ten per cent technology. And more and more of those people are going to be women.

In the new world of work, he believes, the attitudes that most women come with will be an asset. They are better at building relationships and at the softer S factors in Peters' S Framework, the style, the staff and the shared values. As a result women are often better team players than men. And that's going to matter hugely as more and more organizations become collections of projects with self-nominated teams.

Peters' most recent campaign is designed to foster innovation. His book, 'The Circle of Innovation', has his now familiar list of zany chapter titles - 'Create Waves of Lust', 'We are All Michelangelos', and 'You Can't Live Without an Eraser.' We must,

he says, reach beyond re-engineering, total quality management, empowerment and other recent management fads to constant re-invention and even revolution.

Peters has this huge belief in our human capacity. He doesn't accept "...this notion that there's a large share of humanity that wants to come into work and face a predictable environment."

He talks about the chain-store company Nordstrom with its many thousands of employees. What's special, he says, about that company is the ordinary people who seem to behave in extraordinary ways. ... They are given inordinate leeway... to do whatever it takes to thrill the customer.

Tom Peters is often the first person who comes to mind when anyone mentions management gurus. But, in some ways, he is very different from all the others. It isn't just his colourful style, his flair for self promotion or his frenetic energy on the platform. Someone once calculated that he walked 7 miles during the course of a lecture. He is not a philosopher or a social historian like Peter Drucker. He no longer has any all-embracing theories of the world of organizations nor any fancy formulas for change. What he does have is a knack for getting under an organization's

skin. He is just as likely to interview the chauffeur as the chief executive. His book 'Liberation Management' is part-dedicated to two workers in a heavy manufacturing plant who totally changed the way they work. He earths his ideas in the humdrum reality of life and expresses them in equally earthy language.

His books and his seminars gush with ideas and froth with examples. I relish them myself and, while I discard some of his stuff as over-the-top or unworkable, I have always been inspired by his unconventional way of looking at the world and by his often extraordinary insights. Let him sum up his contributions himself. He says "I now find myself with ten books in my quiver. Some stuff is wrong. Some stuff is right. I hope all of it is provocative."

Our next guru is a good friend of Tom Peters and shares all his belief in the need to harness the talents and enthusiasms of the individual to the mission of the organization. He calls that challenge the task of leadership. His name is Warren Bennis.