

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

Episode 9 - Rosabeth Moss Kanter

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## Rosabeth Ross Kanter

Today's subject in my guide to the gurus was once listed by the London Times newspaper as one of the fifty most powerful women in the world. Yet she commands nothing except ideas, as I've once witnessed, and the riveted attention of her audiences when she speaks around the world. She is Rosabeth Moss Kanter of the Harvard Business School.

Not yet sixty, she's been writing books of great insight for a long time, and the latest one may be her best yet. It is called e.Volve! with a dot after the e to indicate that it's set in the world of the dot coms and the internet, and with an exclamation mark at the end of the word to make sure that you sit up and pay attention. That's just like Rosabeth. She's always topical in her writing, dealing with the issues of the day in the corporate world, while her energy is boundless. When she lectures she literally bounces with enthusiasm on the platform and is forever rushing off to investigate another organization or to inspire another audience. 'Don't laugh or I'll miss my plane!' I once heard her tell one conference. Of course, they laughed and loved her, as she doubtless knew they would.

But don't just read her latest book. There's a lot of good stuff in her earlier work. It's mostly about change, how to cope with it and how to manage it. She is a sociologist by training and it shows. She looks at organizations as communities and cultures. But her books always come back to what the changes she talks about will mean for the individuals in the organizations, and for their families and communities. That same sociological background means that her books are based on solid research and lots of evidence. Rosabeth goes into leading - edge corporations, learns from them - and then serves up what she's learnt in nicely digestible messages for the rest of us. She also runs a successful consultancy business. Consulting, she says, is a way to create. "It is practical and I learn by applying my academic knowledge to the businesses.' She's very much a honey bee of a guru, carrying the good ideas from there to here.

For her latest book, for instance, she and her researchers conducted over 300 interviews in nearly eighty companies in North America and surveyed almost three times as many other companies world wide. She then focused down on twenty-five companies from three continents, including the fashionable ones like the Internet auction site e-Bay and Cisco the computer giant, but also lesser-known examples such as Williams-Sonoma, who make and sell kitchen equipment and Drugstore.com, the internet pharmacy. The result is a set of rich case studies, stories of real people coping with a new world, illuminated, however, by Rosabeth's' comments. It feels almost like reading a series of short novels.

So what are the main issues of her work? Her early work looked at the communes of the 1960's and the social movement that brought them into existence, but she soon moved on to the study of organizations and, in particular, to a study of the different ways in which men and women were treated by corporations. The book she wrote about it, called "The Men and Women of the Corporation", had a big impact. It helped to change the way in which many companies treated women, particularly women with families.

That book started her fascination with how organizations change. How does lasting change occur? What forces block change? How can resistance to change be overcome? Books with titles like "The Change Masters" and "When Giants Learn to Dance" provided inside stories of the best of the world's corporations as they faced up to what she called the post entrepreneurial age.

Rosabeth Kanter has a gift for the telling phrase and the memorable sets of axioms. She talks of organizations' desperately seeking synergy' and advocates that they should be fast, focused, flexible, friendly and fun. One chapter is headed "Becoming Pals", where P.A.L stands for Pooling, Allying and Linking building partnerships in other words - her recommendation for companies who need increasingly to do more with less. She's pointing out that whereas in the past companies wanted to own everything themselves and to build a fence around their operations, in the new competitive world they discovered they could no longer afford to go it alone in every area.

The new model organization, she notes, is lean, flat and athletic, rather than tall and authoritarian. The effect on corporate careers would, she predicted, be dramatic. The new key to the fast track is a flexible package of skills and services that you can take anywhere. Dutifully climbing the corporate ladder will no longer guarantee success, or even lifetime employment. That may be obvious to most managers by now, but Rosabeth was writing this in 1989, and her detailed prescriptions for success in the new sorts of careers are still valid.

For those who may have just joined us, This is the World Service of the BBC and I am Charles Handy. We are discussing the ideas of Rosabeth Moss Kanter, one of the gurus featured in the Handy Guide to the Gurus of Management.

Rosabeth Moss Kanter's work is full of messages for the modern executive. Take, for instance, her list of the skills needed by what she calls the 'business athletes' of the modern corporation: Yes, like most of the gurus, Rosabeth is fond of lists, but this one rings true so listen carefully to my shortened version of it:

First - if you want to be a business athlete - you must learn to operate without the might of the hierarchy behind you. You are more on your own now. Next, you must learn to compete in a way that increases co-operation

with your colleagues, rather than undermining them. You must operate with the highest ethical standards

Be multi-faceted and ambidextrous. AND

Get satisfaction from the results of your work,

But, Rosabeth insists, in addition to all these high aspirations you must still keep a high dose of humility.

A tall order, perhaps, but I think she is right.

That said, you won't succeed without the feeling that you are working for something worthwhile. It's the job of the people at the top, Kanter says, to set the goals and values of the corporation, below them the middle layers design and manage the programmes and the systems, the forums and relationships that bind the whole together, while the project ideas and innovations hopefully bubble up from the bottom layers.

That sounds a bit like wishful thinking to me, and so I was not surprised when Rosabeth returned to the challenge of the innovative organization In her latest book - eVolve, which tackles the new digital world of business but also builds on her observations of innovative global companies in her book called "World Class" with its instructive subtitle - Thriving Locally in the Global Economy.

EVolve draws together the best ideas of the best companies. Some of them underline concepts from her earlier work - networks of partners, teams

rather than formal hierarchies, finding committed people with talent. But the emphasis here is different. Strategy should be like improvised theatre, you start something with an idea rather than a plan and see where it leads you. 'Create small experiments, she suggests. Don't bet the company and don't waste time, just act, simply and quickly to have something concrete to convert the sceptics.'

So what the organization needs are entrepreneurs and innovators of all types - in independent ventures or within already established organizations. Change involves shaking up the established ways of thinking, creating new patterns like a kaleidoscope. Change means staging pep rallies to enthuse the troops, communicating with internal and external audiences, building support inside and outside the organizations. She could be talking about a politician rather than a manager, but, in fact, it is the skills of a politician that the new manager needs to learn. It's a new world.

And in the last chapter of this book, the sociologist in Rosabeth Moss Kanter cannot help but return to the questions that the digital revolution poses for society.

The Internet, she says, could produce a great leap forward to a shared consciousness around the world and connect peoples everywhere in powerful ways that foster community and co-operation. But it could also go the other way, leading to the isolation of individuals and clashes between communities. Remember - this book was written and published before the

events of September the eleventh in North America. Her comments are even more timely since that day. The best businesses in the digital world, she says, will be those that foster community internally and serve communities externally.

She worries, too that the Internet and all that goes with it will breed isolation, hinder real education and development and lessen our sense of responsibility to others. Computers are no real substitute for people, we need what another guru, John Naisbitt, calls Hi-Touch as well as Hi-Tech.

Rosabeth, of course, ends with a list - a list of the seven characteristics of the qualities needed by business managers if they are to succeed in the new world of digital commerce.

Business managers must have curiosity and imagination, she says the ability to find new patterns in the kaleidoscope. They have to be good at communicating near and far, to make themselves understood by others who have not shared their experiences, and to understand those who are different from themselves. They must be cosmopolitans, not confined to a single world view, but able to build bridges of thought. They must grasp complexity, finding the connections that make sense of disconnected dots, and charting a course between conflicting points of view with multiple audiences. They care about feeding their own peoples' bodies and spirits, and work with them as resources rather than subordinates, respecting what others bring to the table and listening to their ideas. In fact good business

managers lead through the power of ideas and the strength of their voices rather than the authority of their formal positions.

Like myself, at times, Rosabeth ends her latest book by asking 'Am I predicting the future, or indulging in wishful thinking?' We don't know yet. It's up to us, she says, to take a stand, to choose between the lonely crowd or the connected community. We need, she says, a shared consciousness to solve social problems. We have to feel responsible to wider communities, even to those who come after us. Going back to the title of her book, she wonders whether we will continue to evolve as a race. And that's a question about us as people, about our humanity and values, and not about technology. It's our choice.

So, you see, management is much more than running a business. It is ultimately about the future of humanity.

Our next guru also worries about that, but he starts from the technology end. He is Bill Gates, author, prophet and, of course, a hugely successful entrepreneur and leader.