MANAGEMENT

From THE High Ground *to* THE Swamp

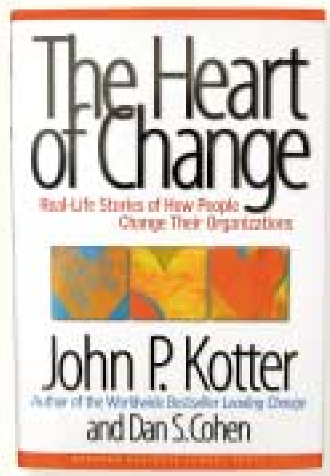
by David K. Hurst

The late Donald Schon, a respected management academic at the Massachusetts Institute of Technology, once described the varied topography of business practice as comprising some high, hard ground overlooking a swamp. On the dry land, technically interesting management problems can be solved using the latest sophisticated techniques. In the swamp, practitioners grapple with messy, confusing problems, whose very nature defies any technical solution. Schon pointed out that, despite their technical interest, the high-ground problems are relatively unimportant to individuals and society at large. All the important issues lie in the bog.

In the early 1950s, almost all management advice was given from the high ground: It was assumed that the management scientists would soon drain the swamp! Over the years, however, as this hope has faded, more and more management writers have descended into the slough to help practitioners grapple with the so-called wicked problems that lurk there. The publication in 1982 of *In Search of Excellence* (Harper & Row) was an important catalyst in this process. Tom Peters and Bob Waterman attacked what they called "the rational model" — the view that management is, or ought to be, a logical process — for its inability to handle such problems. For these are the quandaries in which the choice between good and bad is never clear: More often the choice is between two "goods," or, worse still, between two "bads."

The complexity of these wicked problems has been underscored by the current mayhem in corporate America. How is it possible for corporations whose strategies were developed and approved by some of the best brains in business to suddenly collapse and for their great plans to be revealed as nothing more than wishful thinking? Why did outside auditors and boards of directors, who should have been the shareholders' watchdogs, mysteriously morph into the management's poodles? What is it about a bull market that compels us to interpret successful opportunism as rational strategy?

The answer: Twin logics appear to vie with each other in the minds of people and their organizations. The problem isn't whether management should or should not be a rational activity; the problem is that there are two distinct, often competitive rationalities. There is the familiar, clear, task-based logic of the high ground — here business issues are, in principle, analyzable, and some conceptual frameworks produce better results than others. Then there is the murky logic of the swamp, where we are emotional, social creatures, not logic machines, who need the esteem and affection of others to function effectively and to maintain group solidarity. Since we don't make sense of the world as lonely individuals — business is a community effort — we will often shape our worlds intellectually in ways that don't square with the dispassionate, "objective," logical view of the situation. Indeed, all the evidence suggests that the logic of relationships is primal and much more powerful than the logic of tasks.



The relationship between the two logics is rather like that between a map and a compass. A map is an instructive abstraction, provided it's the right scale and identifies the features you're interested in — shops, rivers, the contours of the land. Compasses, on the other hand, are useful in strange places — compasses don't generate instructions, but they do give you a general sense of direction. When you are navigating on hard ground, strategic "maps" may be enormously helpful; landmarks are readily visible, and you may have a clear idea of your position. But maps will be of little help if you don't know where you are. For example, they are useless in a swamp lacking landmarks. In a morass, one needs a sense of direction rather than instructions; a compass rather than a map. In the management field, this is what leadership is all about — supplying a sense of direction.

Managers vs. Leaders

The move from the high ground to the swamp in management writing during the past quarter century has been accompanied by an emphasis on leadership as an activity distinct from that of management. If management is concerned with "mapping" the task logic necessary to run an efficient firm, then leadership deals with something very different: the emotion-based logic of the people who work in the organization and whose commitment and focus are so important to its success.

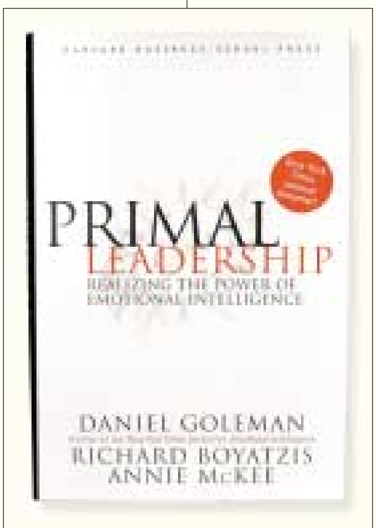
This distinction between management and leadership was first brought to prominence by Harvard Business School professor Abraham Zaleznik in his seminal 1977 *Harvard Business Review* article "Managers and Leaders: Are They Different?" His conclusion was that they differed fundamentally in their world views: Managerial goals are passive and impersonal, arising out of the necessities of the existing business rather than people's desires. Managers work to limit choices and reduce risk in pursuit of these goals. Their relationships with people are cool and are dominated by the roles that people play in the overall process. Managers see themselves as conservators and regulators of the existing state of affairs.

In contrast, leaders are active and personal in their goals. They shape ideas, changing the way people think about what is desirable, possible, and necessary. Leaders see their role as opening up options and encouraging risk taking. Their relationships with people are intense and personal, often evoking feelings of love and hate. Far from being conservators of the system, leaders see themselves as creating something new and different.

For example, in *The Heart of Change: Real-Life Stories of How People Change Their Organizations* (Harvard Business School Press, 2002), John P. Kotter, the Konosuke Matsushita Professor Emeritus of Leadership at Harvard Business School, recounts how the first action of one new CEO was to nuke the executive floor. Everyone in the corporation had known that the huge, art-filled, mahogany-paneled offices with their adjoining baths, showers, and conference rooms were a legacy from a bygone era, but no one had seriously thought to change them. The costs would be high and the benefits small, or so they thought. Now here was the new CEO tearing down the outsized offices and replacing them with smaller ones, putting in lots of shared meeting rooms and converting the express elevator that served only the executive floor into a local one that made all stops. The CEO's purpose was to communicate the necessity for real gut-wrenching change, and the apparently extravagant removal of the old symbols of top-down rule sent a message more powerful than any PR campaign.

This story is one of 34 such anecdotes from Kotter's new book, written with consultant Dan S. Cohen. They interviewed more than 200 people to extract stories of change. These real-life short stories amplify the dynamics of Kotter's now well-known eight-step process of change (increase urgency, build the guiding team, get the vision right, communicate for buy-in, empower action, create short-term wins, don't let up, and make change stick) first framed by him in *Leading Change* (Harvard Business School Press, 1996).

In *The Heart of Change*, Kotter contrasts two core patterns or methods of effecting change — the classic business school analyze-think-change sequence, and the more intuitive see-feel-change process. He finds that the first, more cerebral approach is rarely used in successful organizational change. The second approach, which engages people in the organization at the visceral level, is almost always present. Kotter uses the stories to demonstrate how the second mode was employed in each of the change steps. In one tale illustrating the first step, "increase urgency," a purchasing agent dissatisfied with the corporation's haphazard buying practices assembles samples of each of the 424 different gloves the company buys and dumps them with their disparate prices attached on the boardroom table. When executives are called in to see this amazing exhibit, it creates an urgency for change that is far more compelling than an abstract cost accountant's report detailing possible savings. The problem is dramatically illustrated as real — here and now — rather than something theoretical dreamed up by a desk jockey.



Emotional Intelligence

The distinction between management and leadership and their different logics has also been highlighted by the work of Daniel Goleman and his colleagues, Richard Boyatzis and Annie McKee, describing emotional intelligence. With his concept of emotional intelligence, Goleman has done for leadership what Michael Hammer with his concept of reengineering did for business process improvement. They have both packaged and branded an existing set of ideas and techniques and made them accessible to a wider audience.

In *Primal Leadership: Realizing the Power of Emotional Intelligence* (Harvard Business School Press, 2002), Goleman's third book on the subject, he introduces more evidence for the power and leverage of emotional intelligence (EI) to produce high performance when compared with conventional cognitive abilities (IQ) and technical expertise. Once individuals are over a threshold IQ level (it takes a minimum IQ of 110-120 to get an MBA), EI capabilities seem to account for 80 percent to 90 percent of the differences between them in their effectiveness as leaders. To be an effective leader, it seems that the more EI skills (self-awareness, self-management, social awareness, and relationship management) you have, the better.

Goleman argues that emotionally intelligent leadership can produce organizational climates conducive to high performance because moods are contagious — we pick up our feelings, upbeat or sad, excited or apathetic, from those around us and then spread them to others. So-called resonant leaders, who are attuned to people's feelings, can sense and respond to these moods, acting as catalysts to turn vicious emotional dynamics into virtuous ones. Such leaders have resonant styles Goleman describes as affiliative, blending, coaching, and democratic. Dissonant leaders, on the other hand, cannot respond because they are insensitive to whatever feedback they may be getting. Indeed, they may not be getting any feedback at all. For although their dissonant leadership styles — which Goleman classifies as commanding and pacesetting — have their uses at times in every organization, they inhibit feedback when used as default leadership styles.

The author describes this vicious feedback-reducing dynamic at the top of organizations as the *CEO disease*. Too often senior managers end up in an information vacuum, where important information is withheld from them, either for fear of their wrath or in deference to an organizational culture committed to accentuating the positive. Clearly this disease was endemic in the upper echelons of Enron.

Goleman's recommendations for dealing with the perceived dearth of emotional intelligence are pitched at both the individual and the organizational level. Unlike analytical techniques (such as reengineering), EI competencies cannot be acquired conceptually; they can be developed only through well-structured experiences. The author suggests tailored learning agendas to include extended practice and constant feedback. This requires considerable commitment on the part of the individual to close the perceived gap between his or her ideal self and actual self. It also demands a willingness to be introspective — a skill that is often in short supply in the executive suite. Moreover, the concept of practice, while familiar to athletes, may seem strange to many managers, who are used to spending nearly all of their time performing.

Searching for Bedrock

Many management writers would agree with Schon that the important management problems lie in the swamp, but there is disagreement about what lies beneath it: Is there bedrock, or is there mud all the way down? If there is bedrock, then there is a real attraction to conceptual structures built on such foundations. Like those on the high ground, they would promise a singular rationality that can appeal to "hard" disciplines like economics, with its attribution of self-interest to human action.

With its portentous title, *What Management Is: How It Works and Why It's Everyone's Business* (Simon & Schuster Inc., Free Press, 2002), written by consultant and former *Harvard Business Review* strategy editor Joan Magretta, with the magazine's former editor Nan Stone, represents a lucid and provocative description of the bedrock, the fundamentals of management, which the authors believe lies under the swamp. They define management as the capacity to turn complexity and specialization into performance, and they detail how their approach could affect both for-profit firms and not-for-profit organizations.

The book has a certain *ex cathedra* quality — this is the way it is. For example, the authors dismiss the arguments about management versus leadership as superficial and even damaging to the whole field of management. And they encourage the reader to "…think of this book as everything you wanted to know about management but were afraid to ask."

Daniel Goleman has done for leadership what Michael Hammer did for business process improvement: made ideas and techniques accessible.

One question some readers might want to ask is: Why is the book organized into two such neat divisions — Design and Execution? The implication of such a structure is that, at least in principle, organizations should be designed on drawing boards and the blueprints handed over for implementation: Structure follows strategy. Magretta and Stone describe entrepreneurial icons such as George Eastman (Kodak) and Sam Walton (Wal-Mart) in their early years as "thinking through" who the customers are and what the customers value. Everything we know about how entrepreneurs work suggests that this almost certainly didn't happen. This mode of working is just not practicable early in the life of an organization, unless one stretches the action of "thinking" to meaninglessly large dimensions. The entrepreneurial process is inherently unstructured, and the crisp logic of strategy often emerges only retrospectively after long periods of trial and error. Although the process may be heavily rationalized in hindsight, it is rarely rational at the time.

In recent years, arguments against the rational-actor model have been cogently made by such academics as Henry Mintzberg in *The Rise and Fall of Strategic Planning: Reconceiving Roles for Planning, Plans, Planners* (Simon & Schuster Inc., Free Press, 1993) and Robert Burgelman in *Strategy Is Destiny: How Strategy-Making Shapes a Company's Future* (Simon & Schuster Inc., Free Press, 2001). The empirical evidence for the rational model is skimpy, and it ignores the complex co-evolution of acting and thinking in any human enterprise. Thus it's a little surprising that Joan Magretta and Nan Stone should nail their strategy colors so firmly to Michael Porter's mast and omit any mention of either emergent strategy or the constraints against innovation that mature organizations face as they age. Porter's frameworks are brilliant tools for MBA students to use in analyzing industries, but they are much less useful down in the

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gumbo where managers and workers are trying to make sense of the dynamics of their own particular organization.

What Management Is has been hailed in some quarters as a refreshing return to the basics. But this ignores the fact that these are the very basics that got us into trouble in the first place. This monolithic view of management makes external observers of apparently thriving organizations — directors and analysts alike — vulnerable to elaborate rationalizations of opportunistic successes that may not be sustainable. Internally, this vision of management privileges the view of senior managers. It makes them feel good about themselves, but it often does so at the expense of those who work for them. Such a perspective may encourage its adherents to default to those dissonant commanding and pace-setting leadership styles identified by Daniel Goleman and others, with the accompanying inhibition of feedback from the bottom to the top of the organization.

Magretta and Stone's denial that people and things function according to very different and often competing logics represents a determined, even reactionary, attempt to stuff the elusive genie of leadership back into the management bottle. Senior managers feel self-confident and powerful, but, immune to anything other than favorable comment, they end up taking their organizations in directions that they cannot or should not go. They can describe the broad path that leads to the future in eloquent, persuasive terms, often attracting the support of management academics in the process. But, as recent corporate history reminds us, without a moral compass to guide them, too often they and their unfortunate followers end up in a quagmire. +

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