

an excerpt from

Managers Not MBAs
A Hard Look at the Soft Practice of
Managing and Management Development
by Henry Mintzberg

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DEVELOPING MANAGERS IV

Impact of the Learning

*You see things as they are, and you ask “Why?” But
I dream things that never were, and I ask “Why not?”*

—GEORGE BERNARD SHAW

We turn now to the impact of this new kind of management education, in various respects. We begin by considering the costs—in particular, does the IMPM pay? Then we look at IMPact, our label for the influence of IMPM learning back at work. This leads us into a broader discussion of results—does the IMPM benefit? The answer, discussed last, really lies in the assessments of those who have been involved in the program—participants, especially, but also company people, faculty, and observers.

DOES THE IMPM PAY?

There seems little doubt that the IMPM offers something special for the development of managers. But it costs the companies in terms of money and the participant in terms of time, since so much of it is based on personal, face-to-face contact. If, however, as I have argued, there are no

shortcuts to true management development, then the question becomes: Who will pay for it?

SHOULD THE COMPANIES PAY? MBA programs can cost a small fortune. But this is usually paid by individuals who expect to enhance their earnings. In the IMPM, however, almost all the participants are sent by their employers, who pay.

There are two contemporary reasons why companies should not pay for this. First is the “easy come, easy go” nature of the corporate scene today, at least in the United States. People are now so mobile, goes the argument, that it makes little sense to invest in them. Let them look after their own development. The second argument, not unrelated, is that even those who stay in the company move so fast that they just don’t have the time for intensive development.

I find both arguments misguided. For one thing, companies are not casual collections of independent agents; they are systems of people united in social networks. Investing in this kind of education strengthens those bonds and thus the company.

For another, especially in a world with so much hype, confusion, and angst, people need to stop and take stock; they need to consider the broader perspective. Short, easy, strobe-light courses, and even longer ones fashioned as boot camps, may only reinforce some of the worst tendencies in current practices of management. We don’t need to replicate the problems of management in the classroom, but to correct them. In a world of superficiality, there is the need for substance; in a world of pressure, there is the need for reflection.

But should companies pay for this? Yes, without any doubt—if they consider leadership as important as they claim. Leaders do not appear immaculately conceived, ready to be plugged in, from MBA programs or anywhere else, including the IMPM. No classroom can do that. Leaders arise in context. But serious management education can enhance the potential for leadership by improving people’s understanding of context and capacity for managing.

THE BARGAIN OF EXPENSIVE MANAGEMENT EDUCATION This kind of development costs money. The IMPM fee for 2003 was \$45,000, plus an additional \$6,750 for those taking the degree. (Companies can reasonably expect participants to pay the latter. Participants from India and the Red Cross pay about one-third of these rates. The lower cost of the module in India balances this out.) Living costs run about \$12,000 (less for those who accept cheaper accommodations), plus there are travel costs (expensive in business class, cheap when prebooked). Multiply this

by several people sent on a given cycle, and you end up with a rather substantial expenditure for a company.

So is this expensive? Yes, indeed, when assessed against many management development budgets. But should it be so assessed? Managers cost a lot more than that, and failed management is hugely expensive.

The manager going on the IMPM from a developed country can be costing his or her company in salary and benefits during its two years of duration four or more times the cost of the program. Put the other way, for two years the company has incurred an increase of 25 percent in the cost of that manager. How much improvement would it take to justify that investment? Not much at all—and the evidence (discussed later) suggests that companies are getting a lot more than that. So the problem is not costs so much as budgets; the accounting in most firms charges this kind of development as expense to a staff department instead of investment in the operations.

But what if some of these people leave the company, carrying the investment with them? These figures suggest that a company would have to lose quite a few of its participants before this investment becomes negative. But again, that may be the wrong question. Is this a matter of wasting money on people who leave or saving money on people who stay? In other words, beside the obvious loss of some people is the less obvious retention of others. The IMPM is designed to strengthen the bond between manager and company. This alone could justify the costs. On September 20, 1999, *Business Week* ran a cover story on the “brain drain—what smart companies are doing to keep senior stars on the job.” Sending them on programs like the IMPM could be one of them. (Later I shall present figures on company retention rates.)

Frank McCauley, who brought the Royal Bank of Canada into the IMPM, has made another argument about its cost: that this can broaden a manager’s international perspective far more cheaply, and perhaps even more effectively, than a temporary assignment abroad. Counting incentive compensation, housing, health care, tax equalization payments, and other costs, he estimated the typical expatriate compensation package at two and a half times that for the same person in Canada. “The economics of the IMPM looks much different in that light!” he wrote in a memo. In fact, many of the companies participating in the IMPM use it to prepare their managers for international assignments.

Put all this together, and company support for management education begins to make a great deal of sense—as soon as it gets past the budgets of management development. For those companies that see beyond share price in the next few quarters, this is not disconnected managerial education but integrated organization development.

Of course, there is another side to the equation, beside the costs—namely, the benefits, to the participants and to their companies. Does the IMPM make that much difference? Two aspects of this are considered in this chapter: the direct impact of the education and the assessments of benefits by those involved.

IMPACT

Another factor key to this discussion was introduced in Chapter 9 as *impact*, although here it can be called IMPact (or anchoring, as in another program discussed later). To develop better managers is one thing; to develop better organizations *in the process* of developing better managers, rather than *as a consequence* of developing them, is quite another. In other words, programs like the IMPM should be designed so that *organization* development results directly from management development, as the participants carry the learning into their companies.

Impact can take two different forms, as introduced in Chapter 9. One, *action impact*, improves something in the organization. That is the purpose of the IMPM Ventures, as well as much management development today, including Action Learning and Work-Out. My concern with this, expressed earlier, is that while the purpose of an organization is to take action, the purpose of development is to improve its *capacity* to take action. And that often requires stepping back from action.

The second form, *teaching impact*, transmits the learning of those in the program to others. As discussed in Chapter 9, all managers have to be teachers—helping develop their own people and their colleagues by sharing what they have learned. That is what mentoring is all about. And who better to teach than managers who are themselves in a learning program?

One of the participants of our program commented, “There is nothing but a string of opportunities here.” True enough, but along with them come a string of challenges. People may learn in groups, but it is assumed that they carry it away as individuals. So along with the management program comes the syndrome of the lonely learner, felt especially at reentry: “I came back changed, and nobody cared.” It would be nice to believe that we avoid this in our program by having several people learn together from the same company. But when the modules end, most of them disappear into different parts of the company. “How do I carry all this back to my job?” one participant asked. “I get off the escalator, meet my colleagues, and they are all in the same place I left them.”

One company representative described the same problem in their in-house programs, where *everybody* is from the same company!

It has been said that you should never send a changed person back to an unchanged environment (Raelin 2000:21). But you *always* do. Programs are designed to change the participants, not the environment. So maybe that has to be changed. We are working on it, with the participating companies.

THE RANGE OF IMPACTS As we began to think about this issue, we realized that the program was already having all kinds of impacts, in both actions and teaching. Many of these have been small, but they add up. With a little encouragement from our side, even just to make the participants aware of each other’s impacts, there could be many more.

Impact occurs when a participant returns from a module and shares a reading with a colleague; when he or she changes a process based on some learning; also when a host group is jolted by a question from a guest on a Managerial Exchange; and when that group is so impressed that it picks up and does an exchange of its own. Other impacts result more directly from the Field Studies, the Ventures, and the Major Papers.

To appreciate the possibilities, Figure 13.1 maps IMPacts on three dimensions. One is the source of impact—the *what*. As indicated, using the symbols of the figure, this can be any activity of the program, from a Reflection Paper to an event at a module to a Field Study. A second dimension concerns the recipient of the impact—the *where*. This may be the unit managed by the participant, another unit or the whole com-

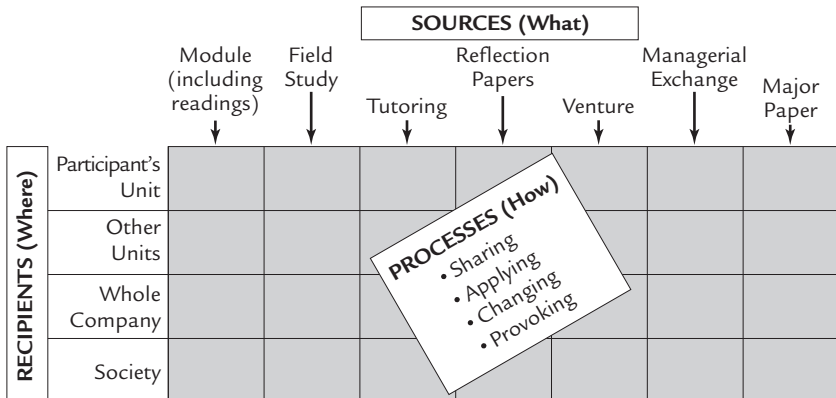


FIGURE 13.1
A Map of IMPacts

pany, also into the broader society (including the participant's family). The third dimension is the process of impacting—the *how*—which can be thought of as:

- sharing materials,
- applying methods,
- changing behaviors,
- provoking new frames.

I mean these to be in ascending order of impact. Sharing materials leaves the initiative to the recipient, whereas applying methods alters established procedures, and changing behaviors alters other people. Most impactful of all is provoking a reframing of perceptions, since this encourages other people to see things differently and so possibly stimulating a major shift. Notice that while the second and third are largely action impacts, the first and fourth are more teaching impacts. The implication of this is that transmitting the learning of the program can be more impactful than using it to render direct change. The following examples give a sense of the variety of impacts that have resulted from the IMPM:

- Jack Donner, a Motorola participant in Cycle 2, involved his colleagues in the modules by sending home a regular stream of electronic postcards about what he was learning. (Sharing)
- Francine Dyksterhuis and Wendy Youzwyshyn of the Royal Bank of Canada (Cycle 2) hosted “open houses” for members of their staff to share experiences of the modules. More formally, Matsushita has held “Friday Forums” to enable participants to discuss with colleagues issues that came up at the modules. (Sharing)
- Jeff Guthrie of the Royal Bank (Cycle 3) took an idea he read in an assigned book by Jay Galbraith (1995) and for his Venture created a “distributed organization,” allocating responsibility for various central staff functions to particular line units across Canada. (Applying)
- A Motorola group, impressed with a Managerial Exchange visit from a Lufthansa participant, picked up and went on their own exchange to Lufthansa. (Applying)

- Gorur Gopinath, an entrepreneur who had developed various businesses before the IMPM, conceived India's first helicopter charter service as his Venture, which he has subsequently grown into a discount airline. (Changing)
- Simon Cooper of BT (Cycle 3) wrote his Module III Reflection Paper in the form of a speech he had to deliver to a division of the company. He used it "to illustrate how we must become more worldly and have global intentions. . . . It took directly a series of inputs from India in particular and fed them in to my normal day job, adding real value" (e-mail, May 5, 1999). (Provoking)

An interesting account of the impacts of one participant, and his reflections on them, are presented in the accompanying box.

ONE IMPACT ACCOUNT

(letter to two IMPM faculty members from Simon Herriott, Avecia [which was part of Zeneca], Cycle 4, May 3, 2001)

Gentlemen,

The last "i" is dotted and the "t" crossed on my final paper, and thus short of graduating, the IMPM journey is now truly over. Shame! If we could justify everything in life on the basis of pure enjoyment and the pleasure of good company and intellectual stimulation, I would be starting all over again now. . . . I thought I would briefly reflect, as others have before, on the vexed question of "back home impact."

Real Changes

If we accept for a minute, that in this world of "bottom lines," my personal development due to IMPM has no value until it has real economic impact, I think that I can still substantiate a growing list of real changes that I have been able to make as a direct consequence of the learning gained. Here's my stock take:

Our business strategy emphasizes a vision of the type of business that we wish to be and of the competencies that we wish to develop, alongside the usual financial aspirations. It encompasses a flexibility in the "what's" and "how's" that my previous attempts have tried to eradicate rather than encourage.

We continue to report financial outputs, but our business team spends its time looking at input and activity measures, lifted directly from my McGill reflection paper. We have changed the reward systems for our sales team and have incorporated 360-degree feedback for the management team; both based largely on learning that I gleaned from fellow participants.

My own 360-degree feedback carried some messages which chimed strongly with Jean-François Manzoni's [of Insead] exhortations to managers to be even-handed with their employees, whether respected performers or not. I think I'm winning, though time and the next round of feedback will tell.

We have re-designed our customer service office space, taken away walls and introduced open, "collaborative" spaces; a move that was rather more radical here in the U.S. than it might appear elsewhere.

My Indian paper identified a market opportunity that remains on the "drawing board" but is under serious consideration, and the interest that I showed in innovation for my final paper has landed me a role in steering strategic research for the company.

Design and implementation of all these changes has ultimately been a team effort, but in each of them, the IMPM experience has been the source of inspiration.

Implications

There are two broad patterns that emerge: first (perhaps rather obviously), that greatest success can be achieved where the individual has the authority to implement. Two years ago, the impact that I would have been able to make would have been much less.

Second, that I didn't set out to use the knowledge gained from the IMPM in this way, it just happened. In other words, as I faced a (normal) set of managerial and strategic challenges, I found myself far better equipped to deal with them. This may reflect a "reactive" personal style, but I would prefer to think that it is the inevitable and proper response to emerging changes in our environment, and that the business would, conversely, be poorly served by selective implementation of techniques drawn from a menu. You have told us often enough that you have little sympathy for the teaching of a manual of business techniques and that the IMPM is the "anti-MBA." However, it is therefore axiomatic that if, as you intend, IMPM graduates leave with a deep well of tacit knowledge (rather than a neatly parceled manual), that it will be much harder to "prove" back home impact, as you have consistently tried to do.

I am afraid that you will have to continue to try, as will we, the students; hence my list. But, ask me where the next contribution of the IMPM will be made to my business and personal life, and I will respond that I have no idea! I am confident, however, that it will.

I suspect I am not alone in grieving the end of a searching and stimulating two years. Thank you both; it was a lot of fun!

Sincerely yours
Simon Herriott

We have made one advance in impact that I find especially important. Taizoon Chinwalla, of Motorola, wrote to the faculty after completing Cycle 2 that Impact should become a formal part of the program, for example, by changing the Venture into a series of reports on impacts attempted and achieved, and what was learned. (A participant in Cycle 3 dubbed such reports “Refl’Action”!) We have not so changed the Ventures, but Taizoon’s enthusiasm landed him the position of codirector of Cycle 5 (while doing his job at Motorola), where he held regular sessions with the class on their impacts. This is now a regular part of the program.

Figure 13.2 shows a range of postures for impacts, from simple individual learning at one end (Work-In) to aggressive action changing at the other (Work-Out)—in other words, from conventional business education to action learning management development. The two postures shown between these extremes are perhaps where attention should now be focused. One is labeled *shared learning*, where the learner of the classroom becomes the teacher on the job. The other is labeled *induced changing*, where attention is not on carrying out change projects so much as using the learning to provoke change. Formally assigned “big hit” change projects should probably be left to processes that arise naturally within the organization.

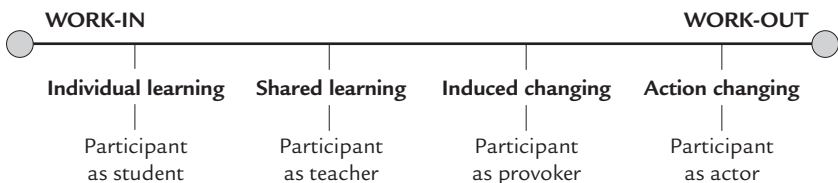


FIGURE 13.2
Impact Postures

THE COMPANY ROLE IN AND BEYOND IMPACTS So far, I have discussed impacts as they come from the participants themselves, whether by conscious design or just happen, as Simon Herriott described. As managers return to their old contexts with new ideas, it is natural for them to try to make things different. But this can also be encouraged, and efforts to do so in the classroom have already been discussed. Now let us turn to efforts by the companies. The experiences of the IMPM suggest that management education and development will become profoundly more effective when the companies participate actively with their managers. This applies especially to impacts but also to activities before and beyond them.

Figure 13.3 shows the possible company roles in a program such as the IMPM: They select the participants, prepare them for the program, deal with reentry after each module, encourage impacts of all the program activities, and manage the final reentry as well as subsequent career development. The companies vary enormously in how they manage these processes. Some, for example, hand-pick candidates for the program from among their “high-potential” managers, while another once sent out information on the program to its ten thousand managers and then dealt with the five hundred inquiries that came back. Similarly, preparation for the program varies, from handing out a few of our documents to full-fledged briefing sessions with graduates from the company. (The Matsushita participants on the first cycle introduced themselves by proudly displaying a picture with their “teachers.” They attended English-language training for two weeks; Module I ran four weeks for them!)

With regard to company management of reentries and impacts during management programs in general, one practice dominates: Do nothing. Our own experience is that companies tend to give careful attention

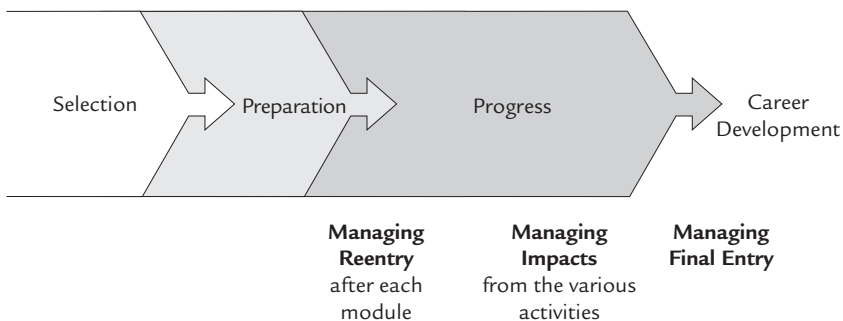


FIGURE 13.3
Company Roles around the Educational Process

to the selection and preparation of candidates at the start and/or to the management of their career after, but they are less inclined to help with reentry and impact during. Happily, however, this situation has begun to change in the IMPM, partly encouraged at our annual meeting with company representatives.

One thing companies can do is provide support for the participants. If the program assigns tutors, then the companies can assign mentors. That way the participants get supported on each end. Zeneca, for example, had each participant link laterally with a member of the executive committee. The company can also designate a group of learning partners—junior managers—with whom each participant can share his or her learning; they can even do a kind of “shadow IMPM” with the participant. In a similar vein, but going senior instead of junior, some companies have named a kind of Venture Board to oversee that activity. Some companies, as noted, have also assigned Venture topics.

Of all the IMPM companies, Lufthansa has perhaps been most active in seeking to extend program learning into the company. It has assigned a member of its School of Business (LHSB) to work with its participants and, in Cycles 5 and 6, also designated a senior manager as sponsor of each Venture and arranged to circulate the results. Lufthansa has also held several special meetings. One before the start of the program brings the new participants together with their managers, LHSB people, and IMPM graduates. After each module, a meeting has also been held to discuss the lessons learned as well as progress on the Ventures, Managerial Exchanges, and other activities. And a final meeting celebrates completion of the program.

Following a discussion at LHSB in October 2000, I wrote an e-mail to the IMPM faculty about these meetings, suggesting that they could provide a wonderful forum for impacts—a place for participants to share the ideas and consequences of the program. These managers would be learning with the appreciation that a group of colleagues at work are listening, systematically. That could encourage them to keep notes in class, an “IMPact diary,” to record possibilities for impacts, and to prepare reports on actual impacts achieved, big and small, to share at these company meetings. The cohort in a cycle could also report after each module on how it sees the company differently. Indeed, why not feed forward, and use these meetings to suggest relevant topics for workshops at the modules?

Initiatives of all these kinds could make management development programs profoundly more effective. But that will take a radical departure from so much current practice, including recognition that parallel efforts have to happen inside the companies. We talk a lot about “learning

organizations” these days. Extending management development into organization development can bring these words alive. Not by having managers running around doing projects, but by leveraging their learning in all sorts of ways. There *really is* nothing but a string of opportunities here. If the schools could find ways to work effectively with the companies, then programs for practicing managers, degree ones in particular, could become their most important educational activity.

DOES THE IMPM BENEFIT?

The IMPM may pay, compared with the alternatives, but does it benefit? Does it render serious, sustained, useful changes? After he had read a paragraph I had written on “Does the IMPM Pay?” Frank McCauley of the Royal Bank wrote to me: “What you want the reader to take away from this paragraph is an impression of the richness of IMPM, not its cost.” I agree. But how do I do that? Frank could make such a comment because he visited the class and watched the participants he sent develop over the whole program. He *saw* the richness. What about the reader who cannot?

I address first the most common answer to such a question—prove it with numbers—because I believe it to be the wrong answer. You can’t prove anything with numbers. You can sometimes provide an indication, which I shall do. But beyond that, the best I can probably do in a book like this is allow those who were there to speak for themselves. That will not prove anything, either, but it may encourage some readers to get closer to the richness of the experience and find out for themselves.

FAITH IN MEASUREMENT? Numbers, to repeat, prove nothing. They give reasonable indications of some phenomena, but learning is not one of them, nor is leadership. Everyone might make a big fuss these days about “performance,” “payback,” “deliverables,” and “results,” but the fact is that when it comes to learning and leadership, the benefits, unlike the costs, cannot be quantified.

You are reading this book. You know what it cost you, in money and in time. So what are the benefits? If you think the learning is wonderful (I hope so), can you put a figure on that? Can you know how the learning will pay off? Or maybe you think this book is nonsense—you have come a long way for that!—but then, months from now, without even realizing it, you do something useful because of what you read. So let me suggest that you be suspicious about numbers when it

comes to processes like learning. (This advice alone should recoup the cost of the book!)

Of course, the modern way is to get rid of what can't be measured. Rely on the numbers. If we can't measure it, so the saying goes, then we can't manage it. Well, then, we shall have to get rid of most startups, because few generate reliable numbers in advance. Likewise, we shall have to get rid of truly new product development, because rarely does anyone get the potential markets right. (Pampers were introduced for the travel market; they never believed people would use disposable diapers at home.) And, by the way, we shall also have to get rid of senior management, sometimes the most enthusiastic measurers of them all, because we can't measure their effects either. (If you think share value does it, then I suggest you read the newspapers.) All of these are acts of faith. Indeed, what is more an act of faith than measurement itself? Who ever measured the benefits of measuring?

According to a *Business Week* report on October 18, 1999 (Reingold 1999:80), "Already, 30% of the companies surveyed by *Business Week* have tried to quantify their programs' success, though few report solid results." Do they ever? "Verified knowledge in this area is discouragingly slim," wrote Gordon and Howell back in 1959, citing a claim from a decade earlier and adding that the "situation is not a great deal better today" (75). Nor today, almost a half century after that.¹

The head of executive development at one prominent business school said that "in the end, the real private-sector measure of executive education will be the effect it has on the company share price" (*Canadian Business Magazine*, advertising supplement, December 31, 1999). That is just plain nonsense. I defy this person to make that connection. Believe instead Jack Welch, who "always refused to measure Work-Out, saying it'd die if they started to measure and track the results it was producing. Instead, he'd know in his gut when it was working and when it was not" (Ulrich, Kerr, and Ashkenas 2002:23).

Certainly we should measure what we can—so long it does not bias what we can't. The trouble is that it so often does. It drives out judgment, without which all measurement is useless.²

¹For one particularly sophisticated effort to assess systematically the results of an overall program, that of CEDEP in France, see *Evaluating Management Education*, by Robin Hogarth (1979).

²See Devons (1950: chap. 7), summarized in Mintzberg (1994a:205–66) for a brilliant exposition on this; see also *Impediments to the Use of Management Information* (Mintzberg 1975), summarized as "The Soft Underbelly of Hard Data" (Mintzberg 1994a: 257–66), and the discussion of efficiency reported in full in Mintzberg (1989: chap. 16).

Like other programs, we assess responses to individual sessions as well as whole modules. But sometimes, at least, we have gotten away from those tyrannical numbers and asked simply, “What is the first word that comes to mind to describe this session [or module]?” On one session, for example, we received these responses: “enlightening, foundation, insightful, creative, more fun!, interesting, uncertain, artistic, useful, different, etc.” The words can get the reader to think; they are a lot more informative than 4.2.

But any assessment can be tricky. Earlier I mentioned a session in the first module of the IMPM that was terribly downrated, and then used extensively in the Reflection Papers. Had we done the evaluations two months later, we would have received an entirely different result. “You leave thinking, ‘Why did I spend the day there?’” wrote one participant about such an experience, “and a month later it’s the first thing on your mind!” Education is more than a popularity contest.

Moreover, all too often, we measure the parts and forget the whole. Gosling and Westall (www.impm.org/goslingwestall.pdf) found a “striking” result in the evaluation of Module I of the IMPM: “While individual sessions usually obtain a more than adequate response, and some are exceptionally highly rated, this in no way approaches the response to the module as a whole.” That the whole is valued as “considerably greater than the sum of its parts” has to be a significant sign of success.

With this in mind, let us look at the results of the IMPM, mostly in words, some woven into stories, even a few numbers to begin. Of course, gestures, inflections, facial expressions, and the like—namely, being there—tell it much better. But if you cannot be there, comments and stories are the next best thing, at least when they come from those who were there. Happily, we have many of these comments and stories from a wide variety of people involved every which way, because with something as novel as the IMPM, everyone is assessing it all the time, not numerically but judgmentally.

RETENTION RATES Let’s begin with the judgements of the participating companies. They vote with their budgets: They pay the bills, which, as already noted, can be substantial. The IMPM is not a consortium, so the companies are not required to commit to more than one cycle at a time. So a good indication of how we have done is how often the companies came back. Table 13.1 provides the answer: overwhelmingly. Across the eight cycles to date, of a total of sixty-one times that companies sending several participants had to decide to return, they did so fifty-one times in the next year, and fifty-six times counting those that

TABLE 13.1 COMPANY PARTICIPATION IN THE IMPM CYCLES

| COMPANY | CYCLE 1 1996- 1998 | CYCLE 2 1997- 1999 | CYCLE 3 1998- 2000 | CYCLE 4 1999- 2001 | CYCLE 5 2000- 2002 | CYCLE 6 2001- 2003 | CYCLE 7 2002- 2004 | CYCLE 8 2003- 2005 |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Alcan | 3 | | 3 | 4 | | | 4 | 3 |
| BT | 5 ¹ | 4 | 3 | 4 | 3 | 6 | | |
| EDF/GDF | 3 | 2 | 2 | 4 | 3 | 1 | 3 | 2 |
| Fujitsu | 1 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Lufthansa | 4 | 5 | 4 | 4 | 4 | 4 | | 5 |
| Matsushita | 5 | 3 | 4 | 4 | 4 | 4 | 2 | 2 |
| Red Cross | 3 | 3 | 4 | 3 | 2 | 4 | 2 | 2 |
| Royal Bank of Canada | 5 | 4 | 4 | 3 | | 4 | | |
| Motorola | | 5 | | | 3 | | | 1 |
| Zeneca | | 4 | 4 | 4 | | | | |
| LG | | | 4 | 5 | 4 | 3 | 3 | 3 |
| Marconi | | | | | 5 | 4 | | |
| India ² | 2 | 3 | 5 (1 Alcan affiliate) | | 1 (1 BT affiliate) | 6 | 9 | 3 |
| Other ³ | 1 | | | | | 2 | 3 | 7 (4 from Via Rail) |
| Total | 32 | 36 | 40 | 37 | 33 | 41 | 29 | 31 ⁴ |

¹Includes two from Telenor partner.

²Indian participants are counted together because, for the most part, especially up to Cycle 5, they have been entrepreneurs and single senior managers from small companies. (We did have one BT affiliate in Cycle 5 and one Alcan affiliate in Cycle 3, counted here.) In Cycle 6, we began to attract participation from larger companies: Sasken Communication Technologies joined with two people in Cycle 6 and one in Cycle 7, Hewlett-Packard India sent two people in Cycle 7, and Coca-Cola India sent one in Cycle 8.

³Others include one Bombardier participant in Cycle 1 and another in Cycle 7, two members of the Aga Khan Foundation from Canada in Cycle 6, and one person each from 3Com, Lendlease, Siemens, and Swiss Re. Via Rail of Canada joined Cycle 8 with four people.

⁴The drop in Cycles 7 and 8 reflect the events of September 11, 2001, and subsequent reluctance to fly, as well as a worsening economic situation, which has affected attendance at most company-sponsored programs.

came back after skipping one or more cycles in between.³ That has to be a rather remarkable retention rate—better, we suspect, than many consortium programs.

Most of the companies have stayed with us through most of the cycles, many through all eight, and some missing a cycle or two and then coming back. Our dropout rate of participants themselves has likewise been very low, probably well below most degree programs for experienced managers—about two people per cycle, on average.

As for company retention of the managers sent on the IMPM, these figures seem rather good, too. Matsushita used to send its managers to American MBA programs. About 9 percent subsequently left the company, a figure that Masushita (if not American companies) found unacceptable. It joined the IMPM at the outset and has sent managers to all of the cycles—twenty-eight people in all. Not a single one has so far left the company. In other cases, particularly companies in the English-speaking world, the figures are higher, but not excessively so. At the Royal Bank of Canada, on the higher end, six of the twenty participants sent on the program left the company. Overall, of our first three groups that began the program in 1996 to 1998, 18 of the 108 participants have left their companies as of 2003. Figures for more recent years are lower. I have no comparable data from other programs, but I imagine that our figures must be very low—lower, perhaps, than regular turnover of managers from many companies today.

At the welcoming meeting for the Cycle 8 Lufthansa participants, data were presented on all twenty-five Lufthansa graduates (to the end of Cycle 6): Ten had significant “vertical career development,” nine “significant horizontal development,” and three had not yet moved. Two left Lufthansa—one to a friendly (i.e., partner) company, the other to a company owned by Lufthansa—and a third was on paternity leave. This record was described by Herr Schollmeyer, the head of executive personnel and human resource development, as “an extraordinary impact” compared with other programs.

COMPANY COMMENTS Why do the companies keep coming back? For our conference held with all the groups involved with the IMPM, in the spring of 2000, just before the start of Cycle 5, Sue Purves of (then) Zeneca solicited comments from representatives of the companies involved in the program, which she pulled into a paper (at www.impm).

³For example, Motorola was in Cycle 2 with five people and came back in Cycle 5 with three people. I did not count the fact that one person from Motorola came in Cycle 8, because that was more of a personal decision supported by the company.

org/purves). She noted on behalf of her colleagues that “[t]he companies which joined the IMPM program were all actively engaged in looking for leadership development opportunities which differed from traditional courses on offer in many business schools.” They wanted programs that would have a strong impact on their people, in terms of “depth of thinking, the ability to synthesize and learn quickly, and the courage and judgment to act,” development aspects they felt were not readily available in conventional programs. The IMPM also attracted companies for its cross-cultural dimension and the fact that this program came within a business school “knowledge framework . . . yet tempered with the reality of the business world”—even though the “outcomes were rather less prescribed than in other programs.”

Comments from the company representatives suggest that the retention rate has much to do with the program’s “intense influence” (to quote from Fujitsu) on the participants. Frank McCauley of the Royal Bank of Canada told a *Fast Company* reporter (Reingold 2000) that the IMPM “changes people more than any program I have ever seen—ever. It brings them to a different place.” He elaborated in the Purves paper: “To learn about a mindset and then literally walk in that mindset along the streets of Bangalore is invaluable. . . . [People] become more reflective, more open, more understanding of change. It turns down their volume but increases the richness of their music.” Sue Purves herself described such changes in the Zeneca participants as “profound and subtle.” The paper concluded: “All the organizations and individuals recognized the enormous personal growth that was achieved during this program.” The IMPM “represents a giant step forward in executive education.”

PARTICIPANTS’ COMMENTS We have no shortage of comments from the participants themselves. Earlier I referred to Kerry Chandler’s Venture in which she found that all but one of her Cycle 2 classmates found the IMPM to be a “life-changing” experience. This is reflected in many written comments submitted several years after graduation—for example, “It made me a different person” (participant in Cycle 3), and “This is one of these weird programs where, it’s not so dramatic, something just changes inside.” This second comment comes from Taizoon Chinwalla of Motorola (Cycle 2), who went before Motorola University’s board of directors to lobby for its continued participation in the program:

My pitch was purely soft. I told them how I had changed as an individual. I talked a lot about how I had been able to bring balance into my life, which I had been trying to do for the last fifteen years.

There was some very deep things within me which I didn't understand which this program helped surface.

I took a gamble. I am sitting in front of these guys who are all analytical guys and I'm saying all this soft stuff and they were actually very impressed with that. They didn't want to hear the hard stuff because they've heard it all before. Here was somebody standing in front of them, opening up, and saying, "Look, I have a deep sense of insecurity about myself, I realize that, and that has changed my management style." That was a breath of fresh air for them.

What we hear especially—or at least remember best—are stories from participants about their experiences related to the program. Several are told in the following box. While they are obviously selective, they do give a flavor for the program at its best. (Note that the learning about a particular mindset does not come exclusively in the module by that name.)

STORIES FROM THE MINDSETS

A Couple of Reflective Stories

- During the good-byes at the end of the first module of the first cycle, after someone said, "It was great meeting you," Alan Whelan of BT retorted. "It was great meeting myself!"
- A Lufthansa participant from Cycle 6 told company colleagues starting Cycle 8 how much he had learned at the start of the program and of sharing this experience with his wife. She told him she was relieved that at last he was beginning to see what had been so obvious to her and subsequently became very supportive of his commitment to the program.

A Couple of Analytical Stories

- "It took Lancaster for me to understand Marx after five years at a Soviet University!" (Evgeni Parfenov, Red Cross, Cycle 2)
- Two accounts from different places and times—a Japanese and Indian participant, on different cycles—were remarkably similar. Both were being forced into obvious decisions by shallow analyses in their companies: Close the plant; speed up a slow project. After the analytical mindset in Montreal, they each went back and analyzed more deeply; for example, they analyzed the analyses of

others—where people were coming from, what data and assumptions they were using; they dug out other sorts of information that didn't make it into the conventional analyses; they found limitations in the techniques used; most important, they recognized biases in their own thinking. As a result, they saw things differently, changed course, and helped resolve the problems.

A Worldly Story

- For the 2000 conference (www.impm.org/williams.pdf), David Williams, who interviewed the IMPM graduates, described an outdoor exercise at the very beginning of the program, when a Korean moved in quietly to solve a puzzle after an American and German colleague had failed. The American, in her words, “lashed into him” for not letting them know “up front” that he could do it and having them “waste all that time. He just looked at me really calmly and said, ‘Actually in my culture we don’t do that because that’s called bragging.’ Ouch. That was a crystal moment for me.” What impressed the writer, however, was not the incident so much as the participant’s ability to articulate it: “[S]omehow the IMPM makes the abstract knowledge real. . . . [T]his appears to be one of the secrets of the IMPM. It teaches us what we think we already know.”

A Collaborative Story

- In Cycle 1 in India, the class went to an ashram for two days. During a free moment, a number of the participants turned some sticks and a wad of paper into a floor hockey game. They competed viciously; two were slightly injured. At the next module, in Japan, a professor from Insead reviewed the plan for the final module. When he suggested there would be a “competition” for presentation of the Ventures, the class exploded. Speaking for his colleagues, one of the fiercest competitors at the hockey game declared, “We do not compete with each other!”

A Story from Action

- I received the following in a letter from one of the Royal Bank people, Vince Isber, whom I tutored in Cycle 1. (Recall in reading it the discussion of confidence versus competence in Chapter 3.) “Henry, I’m not sure we spent much time talking about your

comment [asking] my opinion on whether IMPM provided confidence to the participants. Speaking strictly from my point of view, there are two separate forces here. I have always been confident . . . with my value and worth within the organization. So my organizational confidence was high. I wasn't as confident or possibly aware of the broader perspective of management and the potential impact we can have on society and the organization. I would call this confidence outside the world of [the Royal Bank]. Now after the first four modules, I feel I am much better prepared to lead and contribute to society through the organization. My awareness of broad management concepts has increased as has my confidence outside the organization. This actually had a unique effect on my level of confidence within the organization."

A Final Story of How It All Came Together for One Manager

- This comes from Jack Donner, Motorola, Cycle 2: "When I started the IMPM, I was responsible for a global sales team comprising account management teams serving most of the Fortune 500 companies. My career was characterized by continuous over-achievement of targets and frequent promotions. I hoped the IMPM would help me to move beyond a pure sales role into general management.

"However, I soon discovered that my way of thinking about the function of a sales department depended on specific industrial organization and existing technology. My reflective papers gradually revealed to me that I could have a bigger impact on my company by helping to re-define the relationship between sales, marketing and business development (acquisitions and alliances). Luckily my managerial exchange took me to a marketing department in a completely different industry on a different continent. This really helped me to see how differently things can be done, and when my exchange partner visited me I asked him to concentrate on clarifying our assumptions and options for change. This turned out to be useful for him too, and we immediately started the change process by selecting some of our teams to visit each other, much as we had done during the Management Exchange.

"This was met with a very dynamic and enthusiastic response from our colleagues—including those who did not visit, but acted as 'hosts.' We were able to set up a new organization that re-defined our function and accountability.

“This topic became the main focus of my venture, and my major paper went more deeply into the new sales channels that this opened for us.”

FACULTY LEARNING As I first drafted this section in January 2001, the third module of the fifth cycle was taking place in Bangalore. It was the IMPM’s twenty-third module and the first one I missed (Jonathan Gosling having taken over as the director of the program). As I traveled to earlier modules time and again, often on long trips, I often asked myself what in the world I was doing. The answer always came back soon after arrival. A few minutes into that classroom, and my enthusiasm was reignited. Oliver Westall of Lancaster, who has directed two of the cycles, has echoed this sentiment. He also said that the participants’ response to his material revived his excitement about economic history. I doubt there is another classroom in any of our universities, whether in physics, medicine, theater, or other subject, where the level of energetic learning, by the faculty too, surpasses what goes on in the IMPM.

Tony Dimnik, a professor of accounting at Queens University and one of the most respected management educators in Canada, made this comment (in Schachter, 1998) about his involvement as a professor:

[T]he experiences of the people in the room will be as good as any case studies you get. They are, really, protagonists in their own cases. They know the issues. . . . We just have to draw it out, which is difficult to do sometimes. . . . I’ve taught many of the cases so many times, I know exactly what people will say at different points. I have my steps planned before I go into class. But in this approach, you’re never quite sure what will happen. . . . The faculty is enthusiastic because we’re learning as much as the participants.

Earlier I wrote about our success in converting a number of traditional professors to the method of experienced reflection. But why not? Bright faculty, no matter how traditional, relish a good discussion. Why not with experienced managers in a thoughtful setting? These faculty have not lectured out of any love of lecturing; it has just been what professors do. So why not engage the class in the use of their material and learn too!

Of course, I also wrote earlier about those professors who just want to lecture and be left alone, or to guide the class through a preplanned case discussion. Maybe they have already learned enough—they know

better—or maybe they just need to be in control. In none of our experiences is this better illustrated, and in none is the contrast between the IMPM and conventional business education brought into sharper juxtaposition, than in the letter reprinted in the accompanying box. Jonathan Gosling wrote it, but did not send it, to a professor who blew up at the class when he felt that some of the participants had not sufficiently prepared the case he was doing. He berated the class for so long that one of the participants later reported, “I thought he was kidding.” Jonathan was not.

GETTING “NAILED”

Dear Professor . . .

It is a privilege to have seen you teach on the IMPM last week. Your reputation is well deserved.

You had a good deal to say about how MBA students at Harvard behave, and how professors behave toward them. I kept my silence, intrigued to discover your gist, but now let me join the fray by questioning your comparison between the Harvard students and IMPM participants.

Firstly, you were keen to point out how nervous Harvard students are of being nailed. No one likes to be nailed by a professor of Harvard, [your school], or even Lancaster. But to be honest that is the least of the anxieties of people in this group. For example:

- Evgeni, from the Red Cross, must avoid his Iraqi operations being nailed by U.N. [delegates], which would compromise his delegation’s readiness for disaster relief. . . .
- Ian, from the Royal Bank of Canada had his family relocated from Toronto to London during the module. His ethical concerns are more to do with the disruption of his children’s education and friendships, and of course his responsibility for several \$m of RBC funds.

He, like the others, is conscientious and curious. They are not short of opportunities for getting nailed. As a matter of fact, they have all just spent a week in one-to-one visits to each other that we call a Managerial Exchange, in which their managerial practice was open to scrutiny by one of their IMPM colleagues. Many of them were nailed on matters that really count. . . .

- Usha, from Motorola, learned from Hideo that her world-leading reliability testing system is still [a little] behind the elusively simple Matsushita process.
- Srinivas, proprietor and CEO of a bakery in Bangalore, heard from Clive that for all his principled support of his workforce, the shortcomings of some of his most senior managers are threatening the business. . . .

All that being said, it was discourteous of some of them not to have prepared for class. Perhaps their contrition was what motivated them to whole-heartedly enter the case discussion, once it began, and to offer their own experiences of similar ethical dilemmas—even if this was after you had written the answers on the board!

Yours sincerely,
Jonathan Gosling
Cycle 2 Director

Ludo van der Heyden, the module director for Cycles 3 and 4 at Insead, told the IMPM conference of 2000 that “I used to see my role as ‘I know what’s good for you, what you need to learn, how I can examine you.’ Now I see my role as ‘How can I help you?’” My own way of putting this is that after twenty-eight years of being a professor of management, I finally became a management professor. The IMPM has been *our* staff college!

We need faculty in this program who are seasoned, attuned to the concern of practitioners, and knowledgeable about management and business issues in general (except for the specialized sessions). They also need to think well on their feet, which means they usually have to be good scholars, willing to go with the flow in the classroom, with the confidence to shift gears when something interesting comes up. All of this may sound like a tall order, but we are delighted with the result. I doubt any of us realized in advance how successful we would be in bringing regular academic faculty into the center of management development.

Some dazzling things go on in management development; few in the IMPM. It is more about the depth of the ordinary things. Come into the classroom and you may find dead silence, as everyone is writing in their reflection books. (These are managers?) Or perhaps there will be discussions around the tables. (These are managers!) Or a participant may be

engaging a professor in the application of some concept. (This is a revolution?) Not fancy stuff at all. But beyond the obvious parts is the subtler whole, and it is radically different from almost all the programs for managers that I have seen. Serious management education happens here.

STILL LEARNING

I am evidently proud of the program. But our job is far from finished, and I would like to discuss a few of my main concerns to conclude this chapter.

First among these has to be Impact, the transfer of the learning from the classroom to the workplace. I have written about extending management development into organization development, especially by spreading the learning. I am pleased that our faculty and some companies have begun to address this issue in a concerted way, but we have a long way to go. Real progress here will depend on a more radical reconception of management development/education than we have made, especially concerning class/work connections.

I have also expressed ambivalence about how much act we really want in Impact, and how much action in action learning in general. In this ambivalence I am not alone. Among the participants we have had a few hesitant to act back home so as not to appear privileged, and others who felt obliged to act there precisely because of the privilege of being sent on the program. Views have likewise varied among the faculty and the companies. Kaz Mishina, who has directed Module IV for a number of years, sent an e-mail to the faculty (July 15, 2001) claiming that the IMPM “has been designed right for the Japanese companies,” since the two involved have sent participants to all the modules. It is “crucial to run the IMPM even better with a strong focus on inputting (or learning) as opposed to outputting (or showing off learning).”

Others don't agree. John King of BT (Cycle 5) commented about a reorganization he made that was influenced by an Impact session, “Without the thought processes triggered by reflection on the McGill and Lancaster modules, the final look and feel of the service organisation would have been very different. I am . . . convinced that the real key to using the IMPM is the synthesising of all the learning into actual projects.”

Sue Purves, for some years responsible for executive development at Zeneca, has herself been ambivalent. She remarked, “You can leverage the people. I am not sure you can leverage the learning.” She also wrote

in the paper cited earlier, “All of the organizations participating perceived that this program provided personal growth unmatched by other programs but the organizations struggled to develop the capability to bring the ideas in house.” On her own behalf, she commented, “The link to be strengthened now is that between individual and organizational learning. This is a major cultural shift which must be achieved to gain the benefits of individuals’ profound learning from IMPM.”

I remain personally convinced that we can make great progress on this issue if we recognize the distinction between teaching impact and action impact and treat them differently: Teaching impact should be more formally managed and promoted, while action impact should be allowed to happen naturally, although both should be shared in the classroom as a kind of consciousness-raising of the possibilities.

Another area of concern to me is *competency sharing*. That is not because it is difficult to do—in fact, once started, it is rather easy—but because it can be highly beneficial yet gets lost amid all the other activities. If we had a little bell that went off every time a competency issue came up—“OK, now that someone has mentioned negotiating with government officials, let’s stop and share experiences”—the problem would be solved. Perhaps we should embed such bells in the heads of the participants, so they can remind faculty members (happily) paying too much attention to the discussion.

On the whole, *tutoring* works well in the IMPM but poses a logistics problem in our particular situation. It is too expensive to bring the tutors to every module, yet having them tutor near home, close to the participants’ workplaces, distances them from other activities of the program (except the module that most of them direct). We have thought about tutoring within the companies, by graduates of the program. That would ensure full knowledge of the activities, but at the expense of the connection to the universities. Of course, the problem would disappear in a similar program run in a single location, as in a sister program described in the next chapter. But that comes at the expense of international exposure.

On another front, stating our 50-50 rule is not the same as achieving it. Rarely do we err—certainly from the participants’ perspective—in providing too much time for the participant workshops on their agendas. We are getting better, as we come to realize how much learning these workshops encourage, but we are not there yet. We, too, have to “cover” all sorts of material, as if what professors think about in advance is more important than what comes up in the class. All too often, it is exactly the opposite. Speaking for myself at least as much as some

of my colleagues, if we could listen more, we could all learn more and so have to teach less.

We *are* getting better at “self-organization.” I have sometimes imagined that the aims of the IMPM would be fully realized when the participants take over the classroom altogether. There is not much danger of that, I assure you, thanks to the participants as well as the faculty. We do need balance. But we began so far from it, and remain so well short of it (compared with our own intentions, if not other programs), that moves in this direction should be welcomed. Michael Heuser, as the head of the Lufthansa School of Business, said of the IMPM that “[t]his is a process, not a program.” We have come a long way, but we have a long way to go, too.

We could also do better in some of our modules, especially to bring the mindsets to life in the classroom. Aside from Japan, and India to a lesser extent, we could also do better in portraying the variety of styles of managing found in different parts of the world.

Finally, I come to my greatest concern. For eight years, the IMPM has been running one class for about thirty-five people. Ask these people, and I believe you will find that we have had great success. In quality, not quantity. We can expand the IMPM somewhat—we planned to introduce a second cycle per year until the events of September 11, 2001 put a temporary stop to that. But if the innovation is to be “diffused,” as management people say, it has to get beyond our own partnership. That is why I have written these chapters. And that is how I shall close this discussion in the next chapter—on the diffusion of our innovation.

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