



HEROES OF LEADERSHIP

The men and women who advanced
organizational thinking in theory and practice

BetaCodex Network Associates

Niels Pflaeging

BetaCodex Network White Paper No. 14 | February 2013 | betacodex.org/white-papers

14

**Why do these heroes
matter for
leadership today?**

Most books, articles and concepts on leadership are ridiculous.

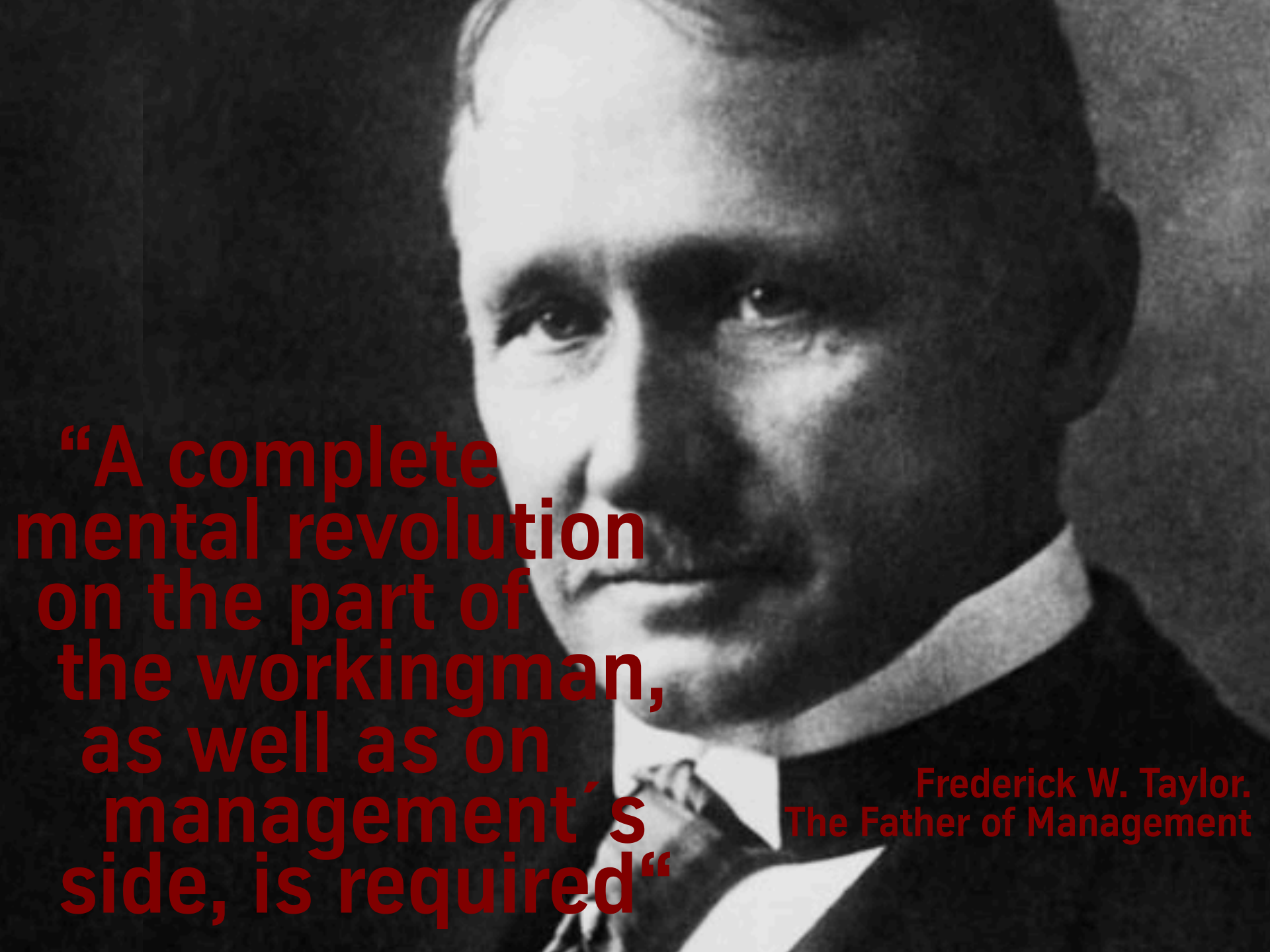
Mainly, that's because they fail to consider history, available science, and the systemic nature of work and organizations.

This paper approaches leadership by looking at it through the lens of history, and by presenting more than thirty notable men and women who enriched and shaped the way we (should) perceive leadership today.

We will start our journey at the time when large-scale corporations and the profession of management started to gain weight, at the height of the industrial age. It stretches to some of the leadership "heroes" of this day. We have selected a wide range of notables of the field - some famous, some less so. Many thinkers and practitioners have been left out – for practical, for obvious or less obvious reasons. Let's just say that the notables we selected were chosen after careful and rigorous consideration.

The choices made may have been subjective.

Founders

A black and white portrait of Frederick W. Taylor, a man with a mustache, wearing a suit and tie. The image is used as a background for the text.


**“A complete
mental revolution
on the part of
the workingman,
as well as on
management’s
side, is required”**

**Frederick W. Taylor.
The Father of Management**

Frederick W. Taylor is, at the same time, hero and anti-hero in the story of leadership. He is considered, by some, the most influential figure in human history. Maybe rightly so. Management *begins* with Taylor - he was the one who defined its core characteristic and who thus consolidated the then nascent caste of management into a profession that was here to stay.

The guiding principle of hierarchically dividing the thinking from the doing, and then finding the optimal way to fulfill each task, outlined in his seminal book *The Principles of Scientific Management*, co-promoted previously unknown leaps in industrial efficiency and productivity. This division became the defining principle of management *per sé*, shaping organizations, business education, work methods and practices everywhere, until this very day. Taylor's approach became core content at Harvard Business School. His quest for the *one best way* profoundly impacted life-style in the 20th century.

Taylor saw restriction of industrial output as a consequence of poor method, not worker inferiority; he thought that labor strife was not inevitable, and he spoke eloquently and passionately for labor-management cooperation – an ideal that his techniques could not support. Later-on, consultants, technocratic engineers and managers alike mastered Taylor's method, and forgot the intent.

A black and white portrait of Mary Parker Follett, a woman with dark, wavy hair, wearing a dark jacket and a white lace collar. She is looking slightly to the right of the camera with a serious expression.

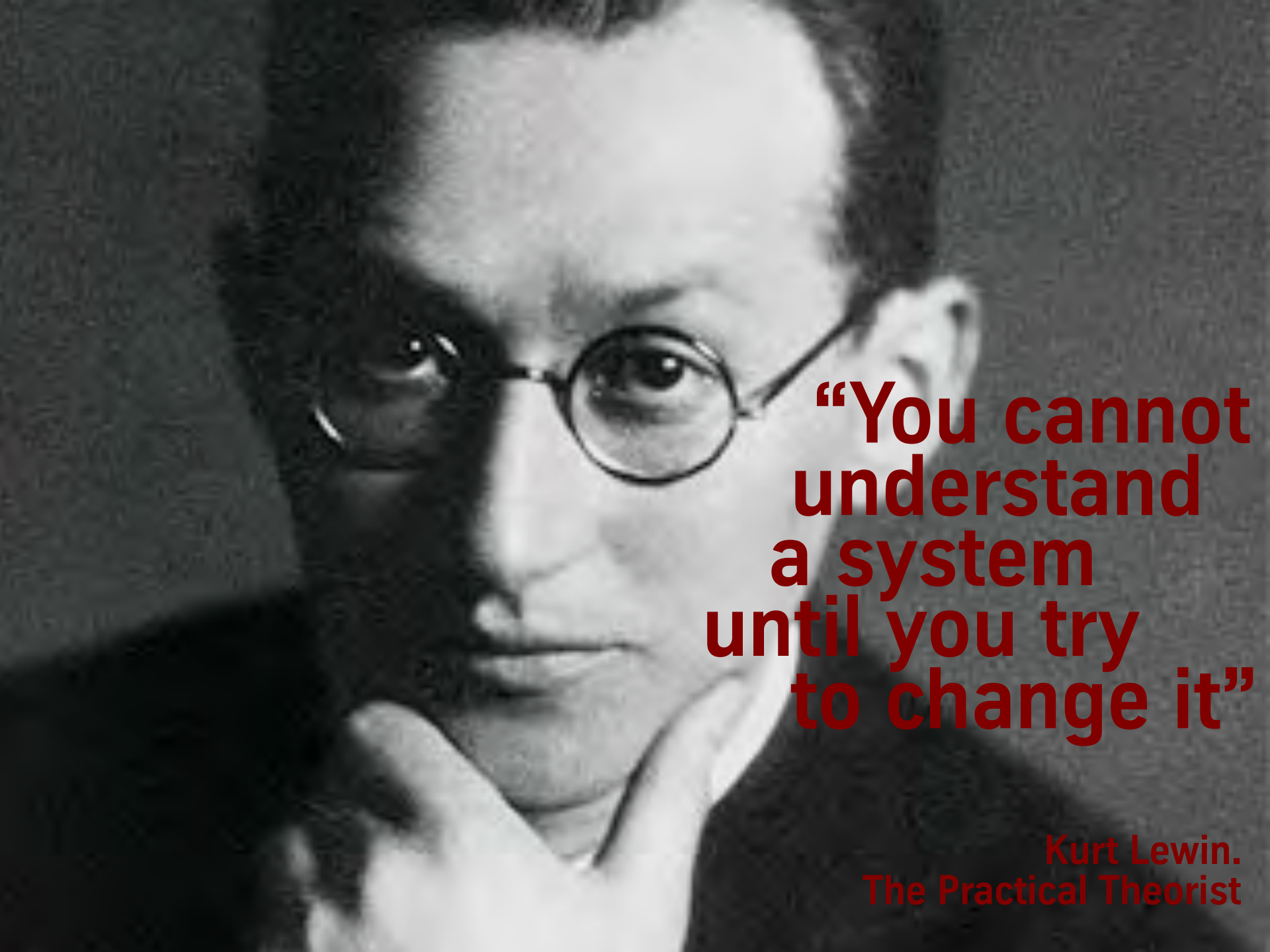
**“To free the
energies of the
human spirit
is the high potentiality
of all human association”**

**Mary Parker Follett,
The Leadership Sage**

Mary Parker Follett was a pioneer in the field of human relations and democratic organization. Peter Drucker called her the "prophet of management" - meaning leadership, of course. Her contribution to the development of the field was in stark contrast to the scientific management theory of the early 1900's: Unlike efficiency engineers such as Taylor, and later *behaviorists* such as Elton Mayo who would "humanize" the command-and-control model, she argued for a *human relations approach* that was decades ahead of its time.

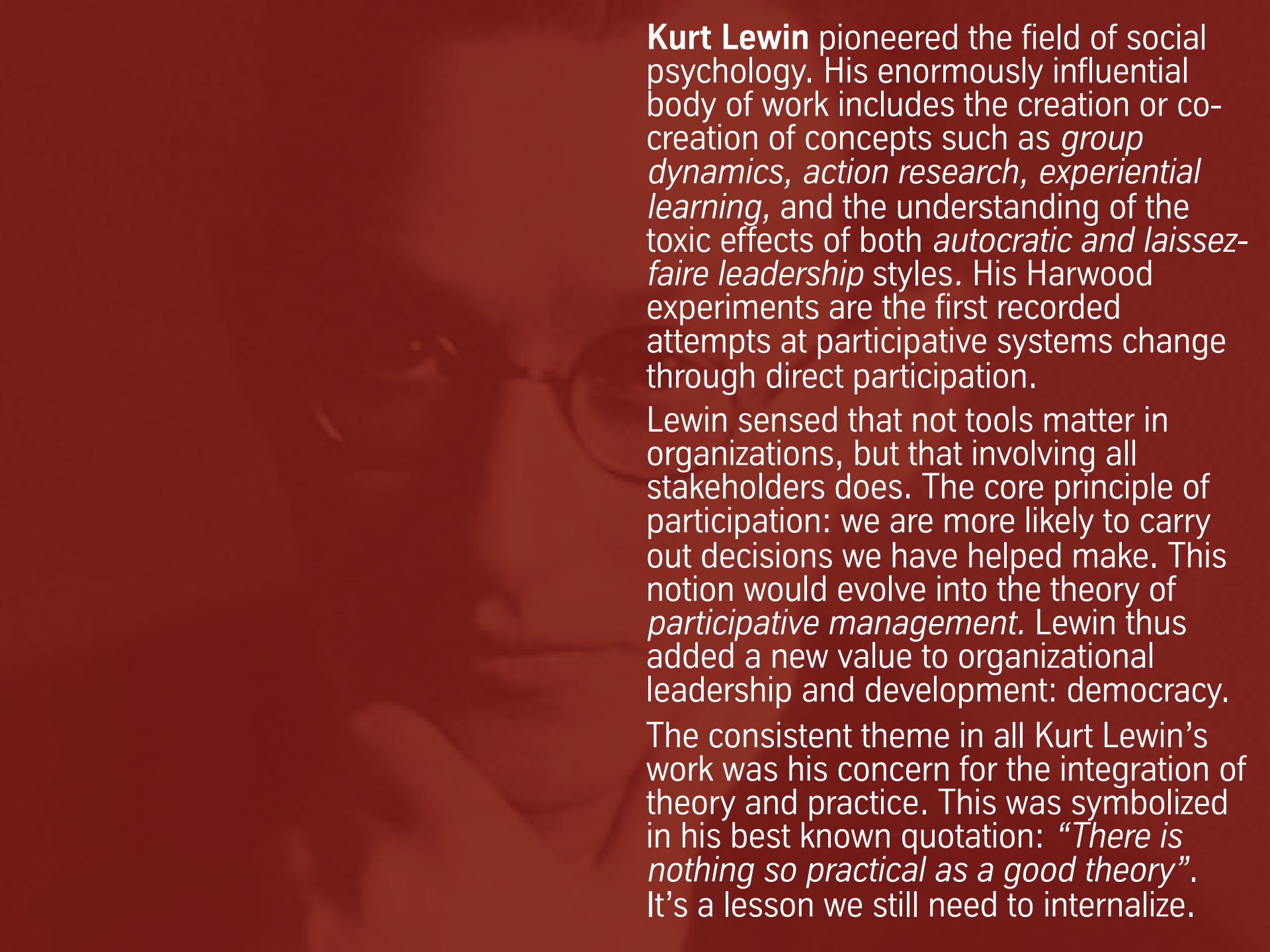
Follett is increasingly recognized as the originator of ideas that are today commonly accepted as cutting edge in organizational theory. These include the idea of seeking win-win solutions, strength in human diversity, and situational leadership. She stressed the interactions of managers and workers, presaging modern systems approaches. She was also a successful management consultant.

Follett was concerned about the misuse of the term leadership that had already become common in her time. In her definition, a leader was someone who sees the whole rather than the particular: "*The best leader knows how to make his followers actually feel power themselves, not merely acknowledge his power.*" She was one of the first to integrate the idea of organizational conflict into leadership theory.

A black and white portrait of Kurt Lewin, a man with glasses, resting his chin on his hand. The image is used as a background for the text.

**“You cannot
understand
a system
until you try
to change it”**

**Kurt Lewin.
The Practical Theorist**



Kurt Lewin pioneered the field of social psychology. His enormously influential body of work includes the creation or co-creation of concepts such as *group dynamics*, *action research*, *experiential learning*, and the understanding of the toxic effects of both *autocratic and laissez-faire leadership* styles. His Harwood experiments are the first recorded attempts at participative systems change through direct participation.

Lewin sensed that not tools matter in organizations, but that involving all stakeholders does. The core principle of participation: we are more likely to carry out decisions we have helped make. This notion would evolve into the theory of *participative management*. Lewin thus added a new value to organizational leadership and development: democracy.

The consistent theme in all Kurt Lewin's work was his concern for the integration of theory and practice. This was symbolized in his best known quotation: "*There is nothing so practical as a good theory*". It's a lesson we still need to internalize.



**“We cannot
change anything
until we accept it.
Condemnation
does not liberate,
it oppresses”**

**Carl Gustav Jung.
The Inventor of Development**



Carl Gustav Jung was a pioneer of analytical psychology, but he can also be considered the founder of what today we call positive psychology—the idea of “developmental psychology of the healthy”. He was a life-long advocate for self-awareness and reflection as a means to human progress.

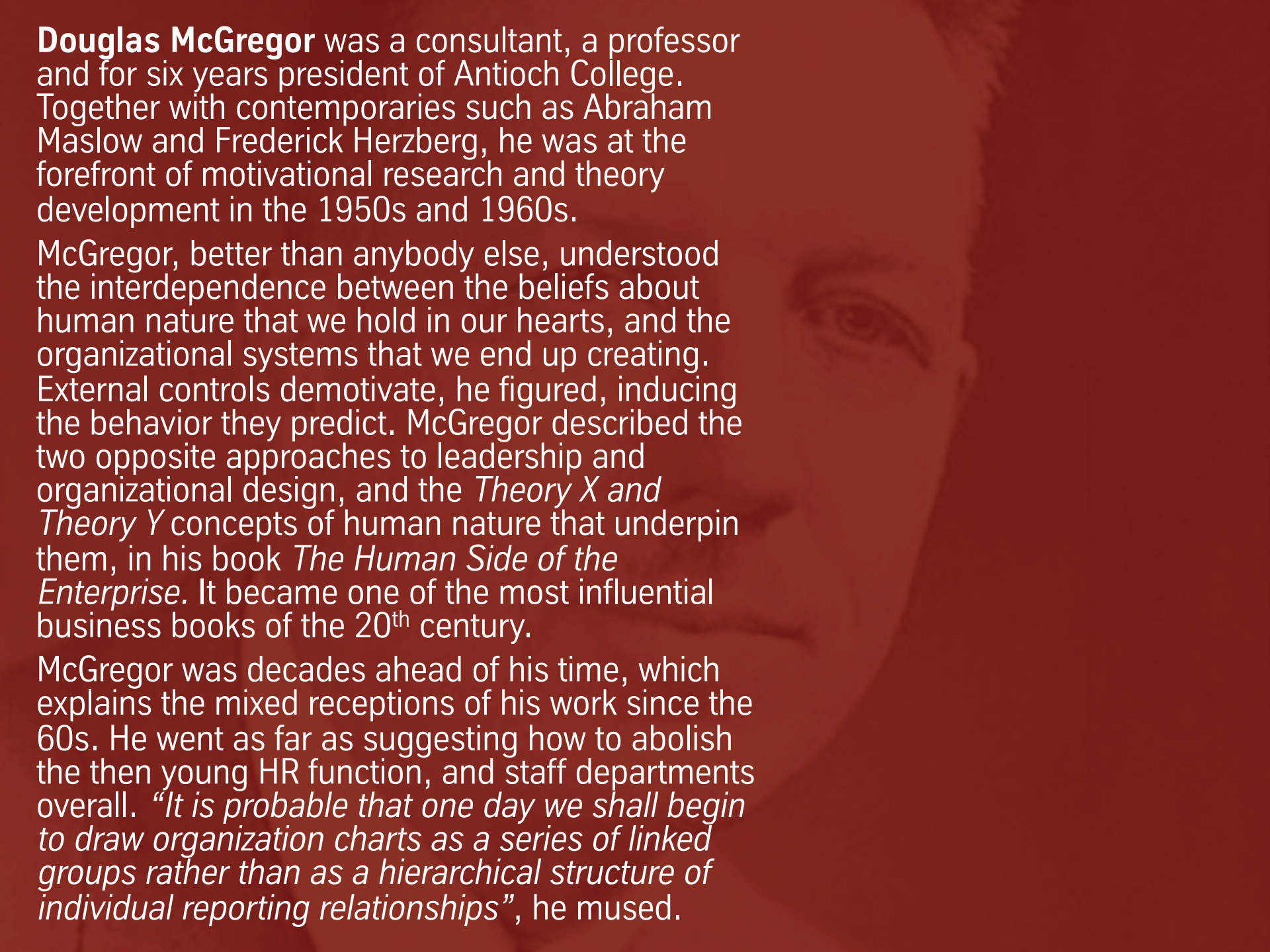
The central concept of human development, according to Jung, is individuation – the psychological process of integrating the opposites, including the conscious with the unconscious, while still maintaining their relative autonomy. A notion inseparable from contemporary concepts of the individual, as well as of modern leadership.

Jung proposed and developed concepts such as the collective unconscious, archetypes, extraversion and introversion, the complex, and synchronicity. Jung's theory of psychological types, or preference theory, has found especially wide-spread application in organizations.



**“Effectiveness
of organizations
could be
doubled if
managers
discovered how
to tap into the unrealized
potential present in
their workforces”**

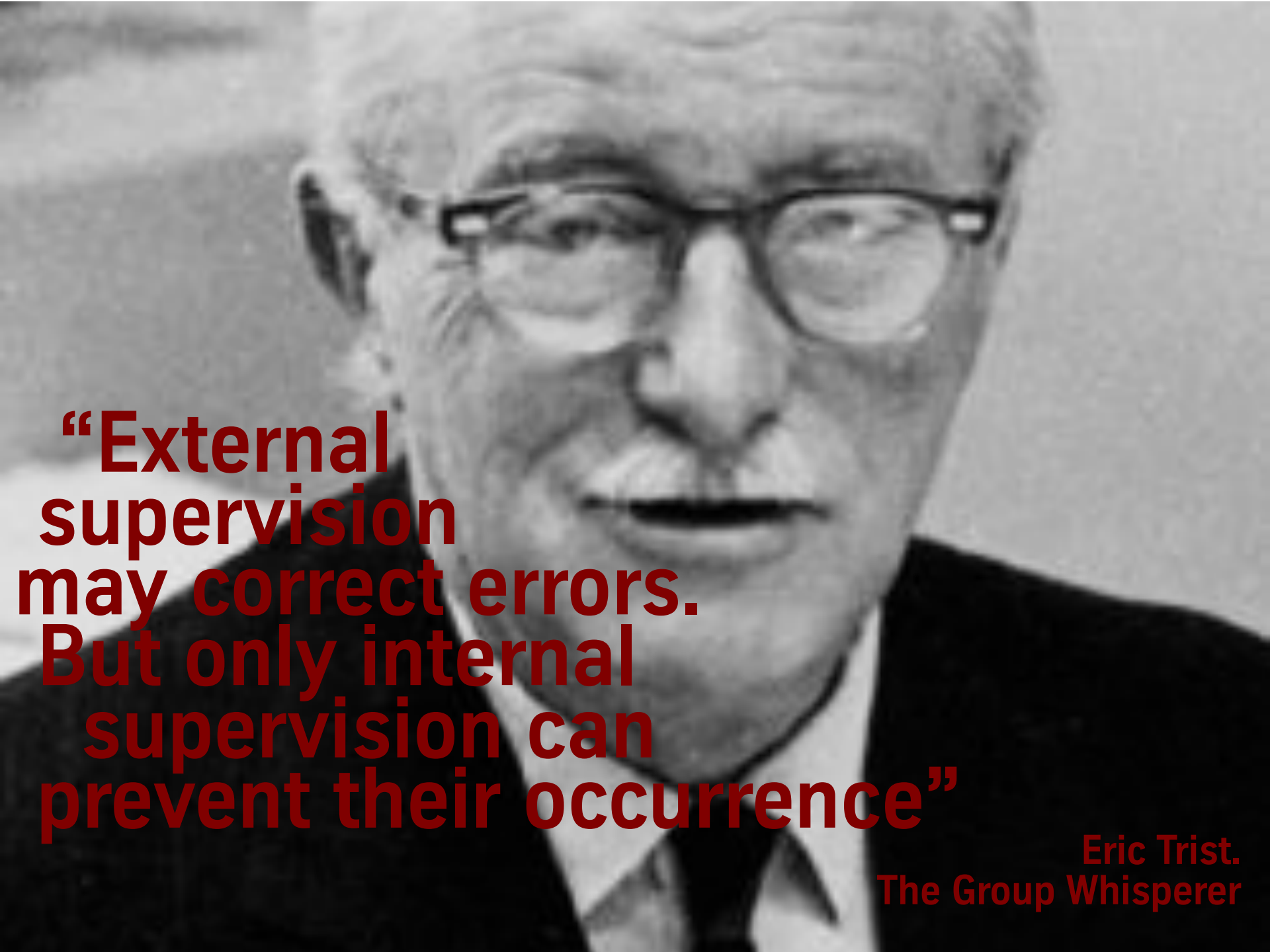
**Douglas McGregor.
The Missionary of Humanism**



Douglas McGregor was a consultant, a professor and for six years president of Antioch College. Together with contemporaries such as Abraham Maslow and Frederick Herzberg, he was at the forefront of motivational research and theory development in the 1950s and 1960s.

McGregor, better than anybody else, understood the interdependence between the beliefs about human nature that we hold in our hearts, and the organizational systems that we end up creating. External controls demotivate, he figured, inducing the behavior they predict. McGregor described the two opposite approaches to leadership and organizational design, and the *Theory X and Theory Y* concepts of human nature that underpin them, in his book *The Human Side of the Enterprise*. It became one of the most influential business books of the 20th century.

McGregor was decades ahead of his time, which explains the mixed receptions of his work since the 60s. He went as far as suggesting how to abolish the then young HR function, and staff departments overall. *“It is probable that one day we shall begin to draw organization charts as a series of linked groups rather than as a hierarchical structure of individual reporting relationships”*, he mused.

A black and white portrait of Eric Trist, an older man with glasses and a mustache, wearing a suit and tie. The background is a plain, light-colored wall.


**“External
supervision
may correct errors.
But only internal
supervision can
prevent their occurrence”**

**Eric Trist.
The Group Whisperer**

Eric Trist was a psychologist, researcher, teacher, and consultant and a leading figure in the field of *Organizational Development*. He was co-founder of the *Quality of Work Life* movement and of the influential *Tavistock Institute for Social Research* in London that pioneered so-called T-groups, studying self-organization and group dynamics during the 1950s and 60s.

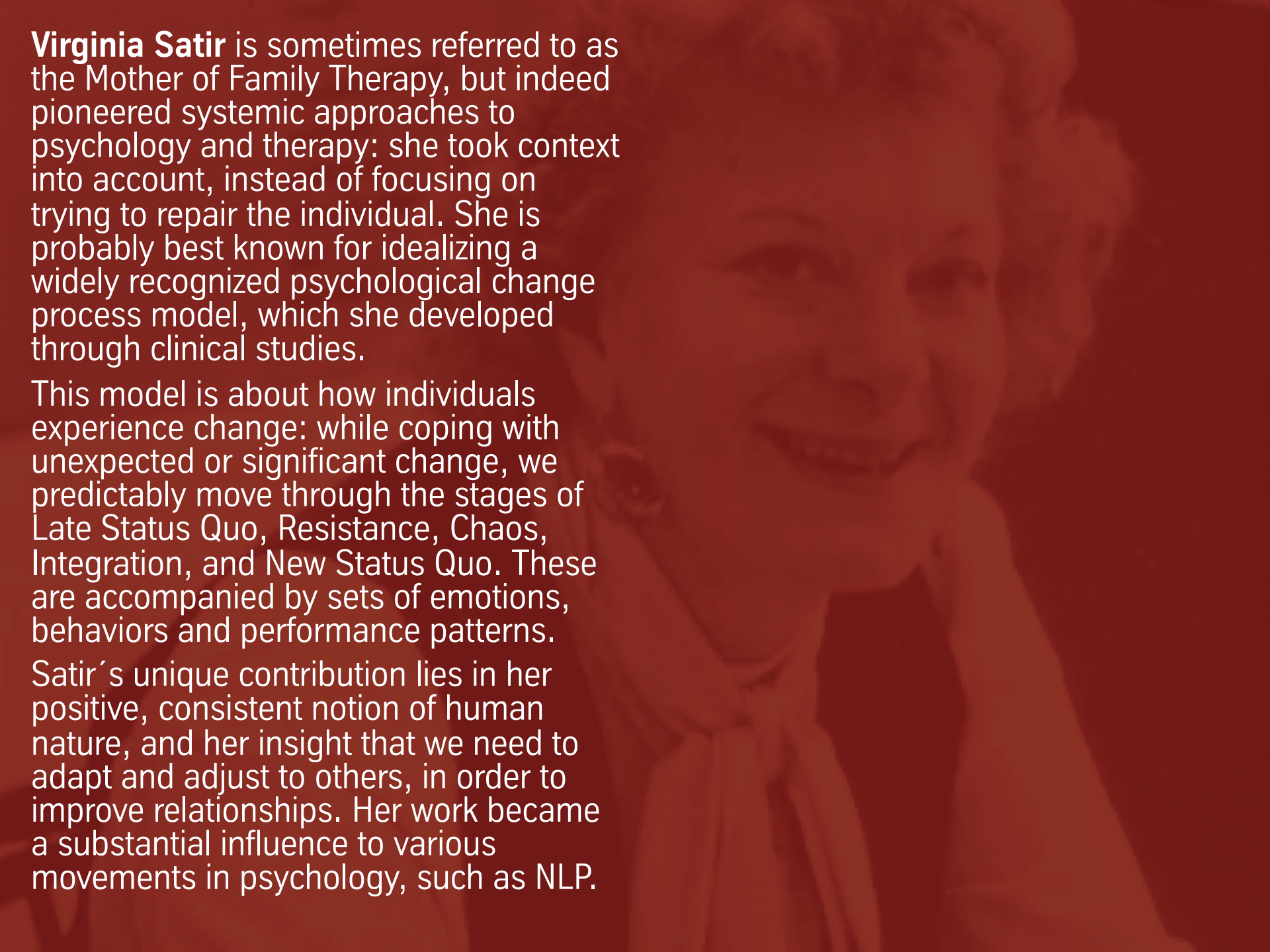
Trist coined the phrase *sociotechnical system* to underscore that the interaction of people (social) with tools and techniques (technical) results from choice, not chance. Together with his frequent collaborator, Fred Emery, he then enlarged this concept, creating the theories necessary to contemporary work redesign. Trist also organized early field studies that led to new work designs, and inspired major change efforts in cities and communities.

In 1949, Trist and his colleagues discovered a British coal mine near Yorkshire that demonstrated how all the features of highly autonomous, self-organizing and responsible teams would come together in a new workplace reality. The case proved that a new match between customer needs, producers and their technology could be achieved. It was an economic and a social breakthrough. Sociotechnical design put the fragments of dumbed-down, taylorized jobs at every level back together, by treating the work system, not discrete tasks, as the unit of analysis.



**“We get together
on the basis of
our similarities;
we grow on the
basis of our
differences”**

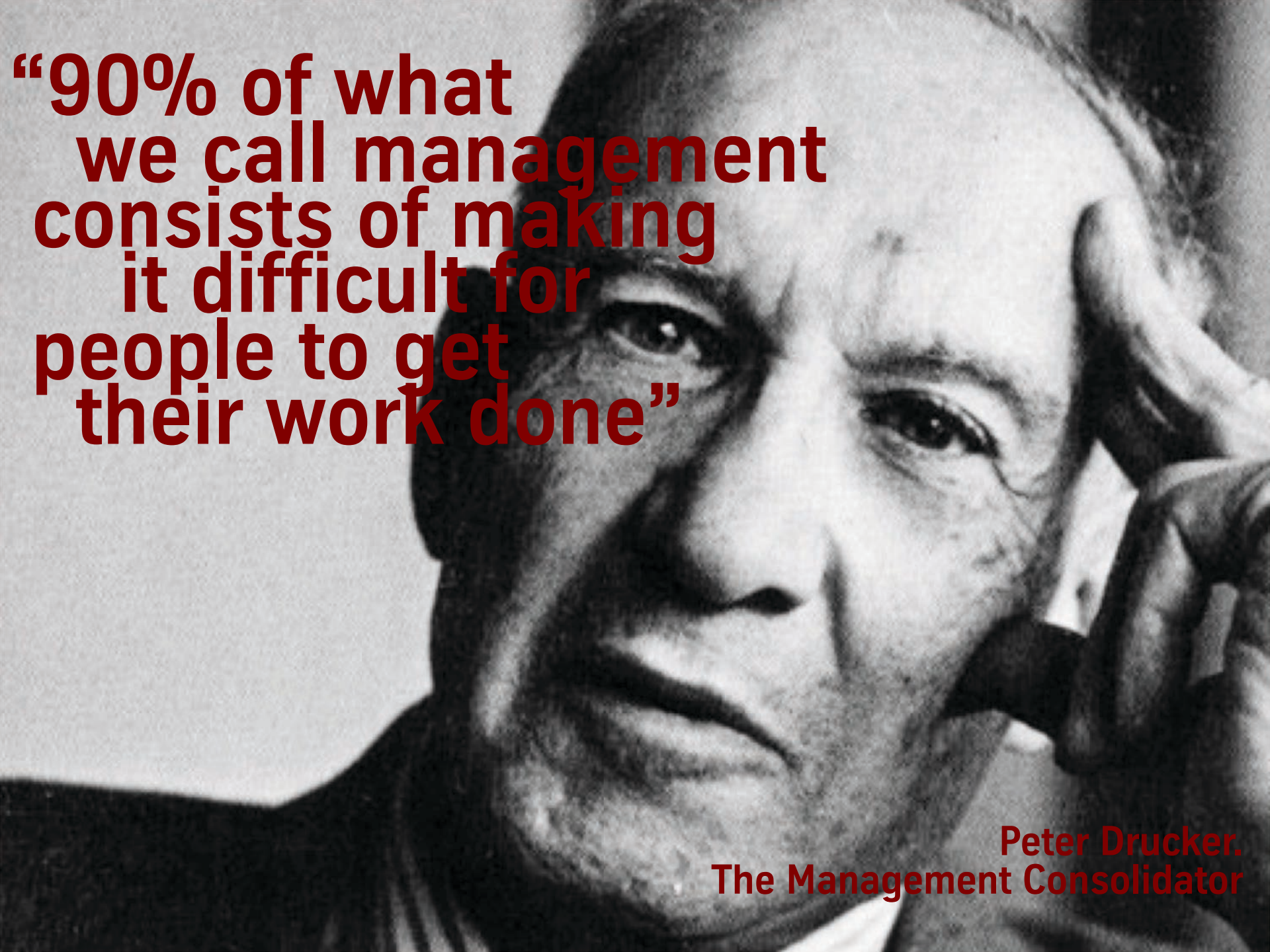
**Virginia Satir.
The Relationship Decipherer**



Virginia Satir is sometimes referred to as the Mother of Family Therapy, but indeed pioneered systemic approaches to psychology and therapy: she took context into account, instead of focusing on trying to repair the individual. She is probably best known for idealizing a widely recognized psychological change process model, which she developed through clinical studies.

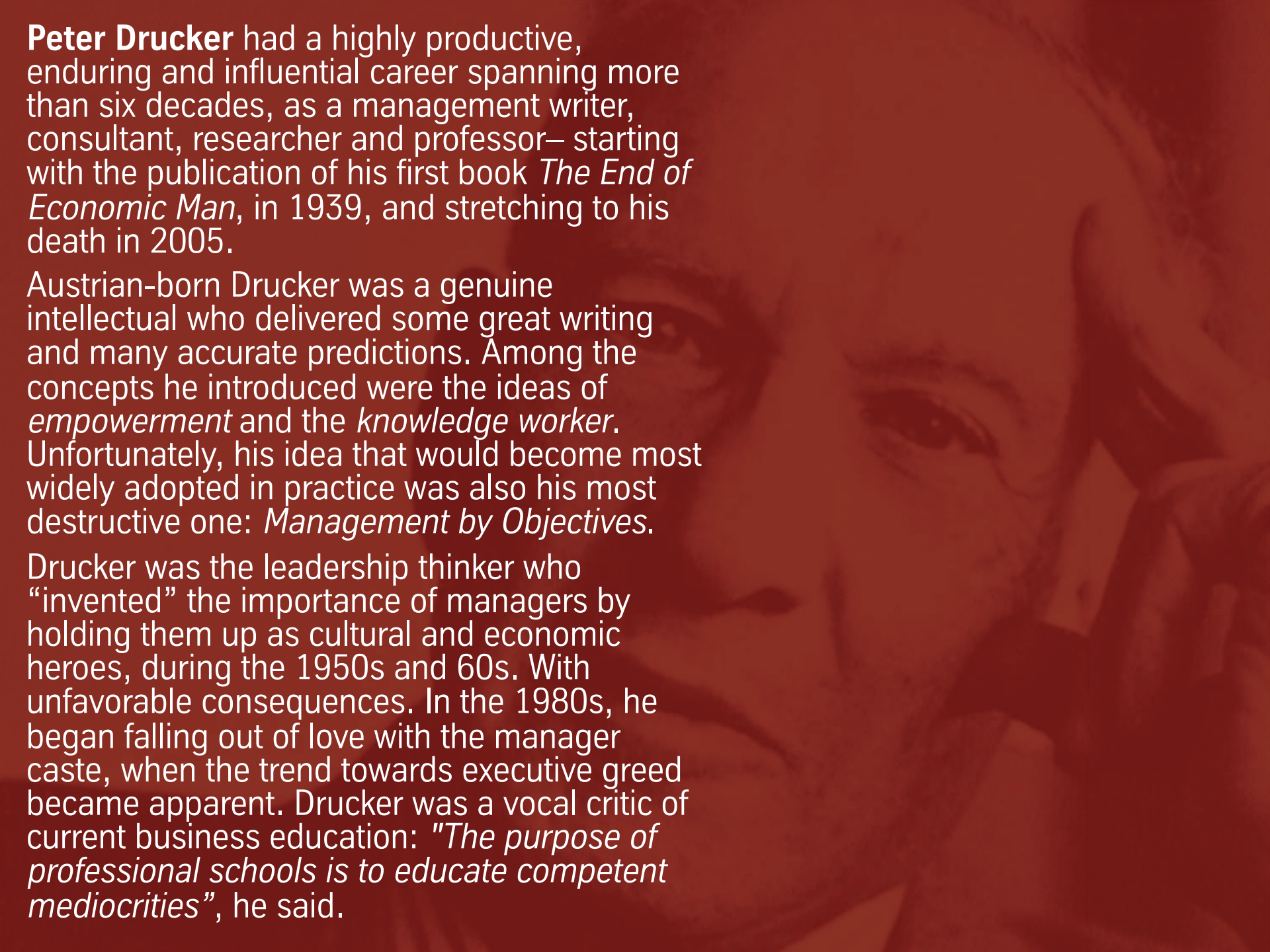
This model is about how individuals experience change: while coping with unexpected or significant change, we predictably move through the stages of Late Status Quo, Resistance, Chaos, Integration, and New Status Quo. These are accompanied by sets of emotions, behaviors and performance patterns.

Satir's unique contribution lies in her positive, consistent notion of human nature, and her insight that we need to adapt and adjust to others, in order to improve relationships. Her work became a substantial influence to various movements in psychology, such as NLP.

A black and white close-up photograph of Peter Drucker. He is looking slightly to the right of the camera with a thoughtful expression. His right hand is raised to his forehead, with his fingers resting against his temple. The lighting is dramatic, highlighting the texture of his skin and the intensity of his gaze.

**“90% of what
we call management
consists of making
it difficult for
people to get
their work done”**

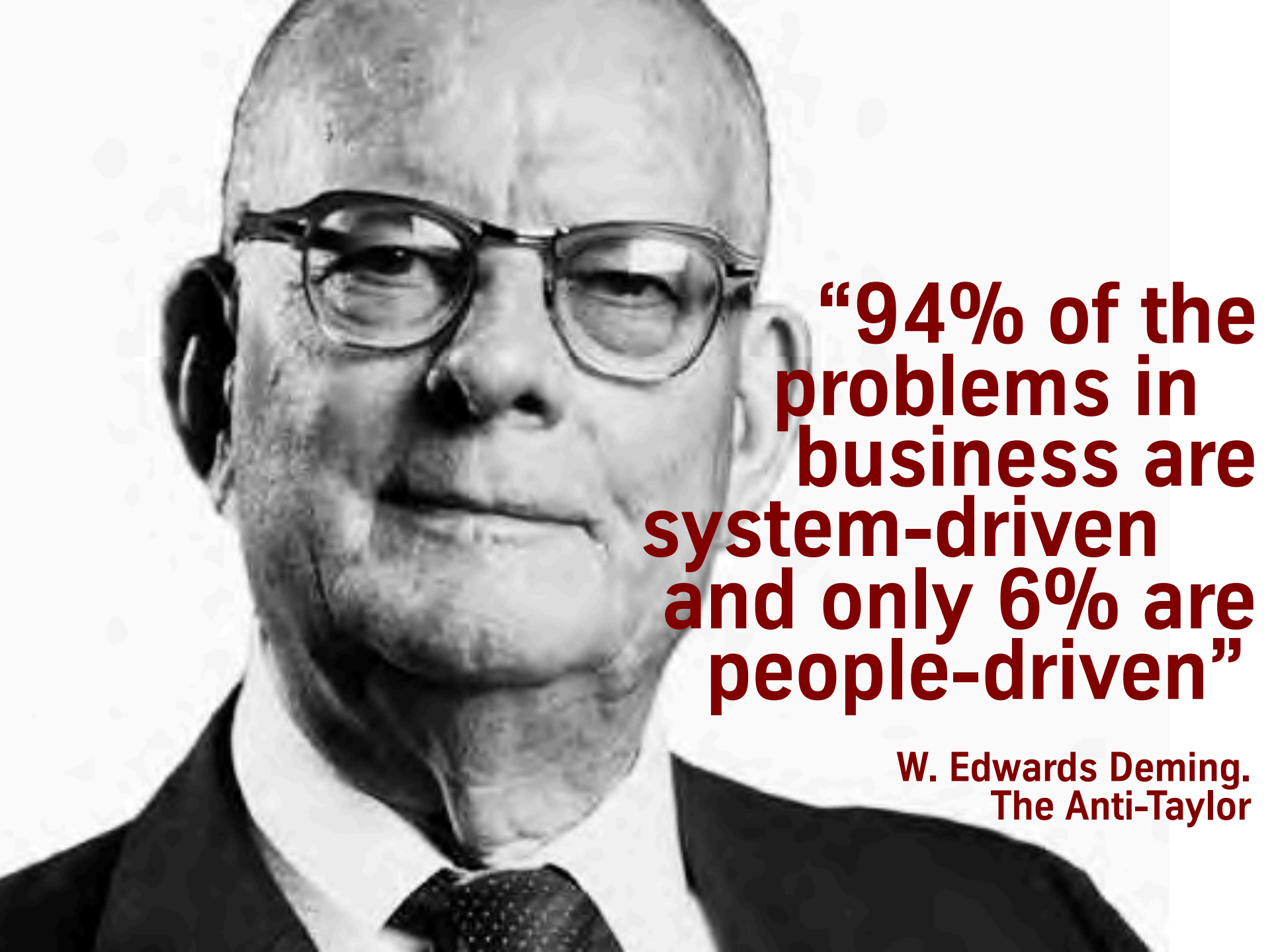
**Peter Drucker.
The Management Consolidator**



Peter Drucker had a highly productive, enduring and influential career spanning more than six decades, as a management writer, consultant, researcher and professor— starting with the publication of his first book *The End of Economic Man*, in 1939, and stretching to his death in 2005.

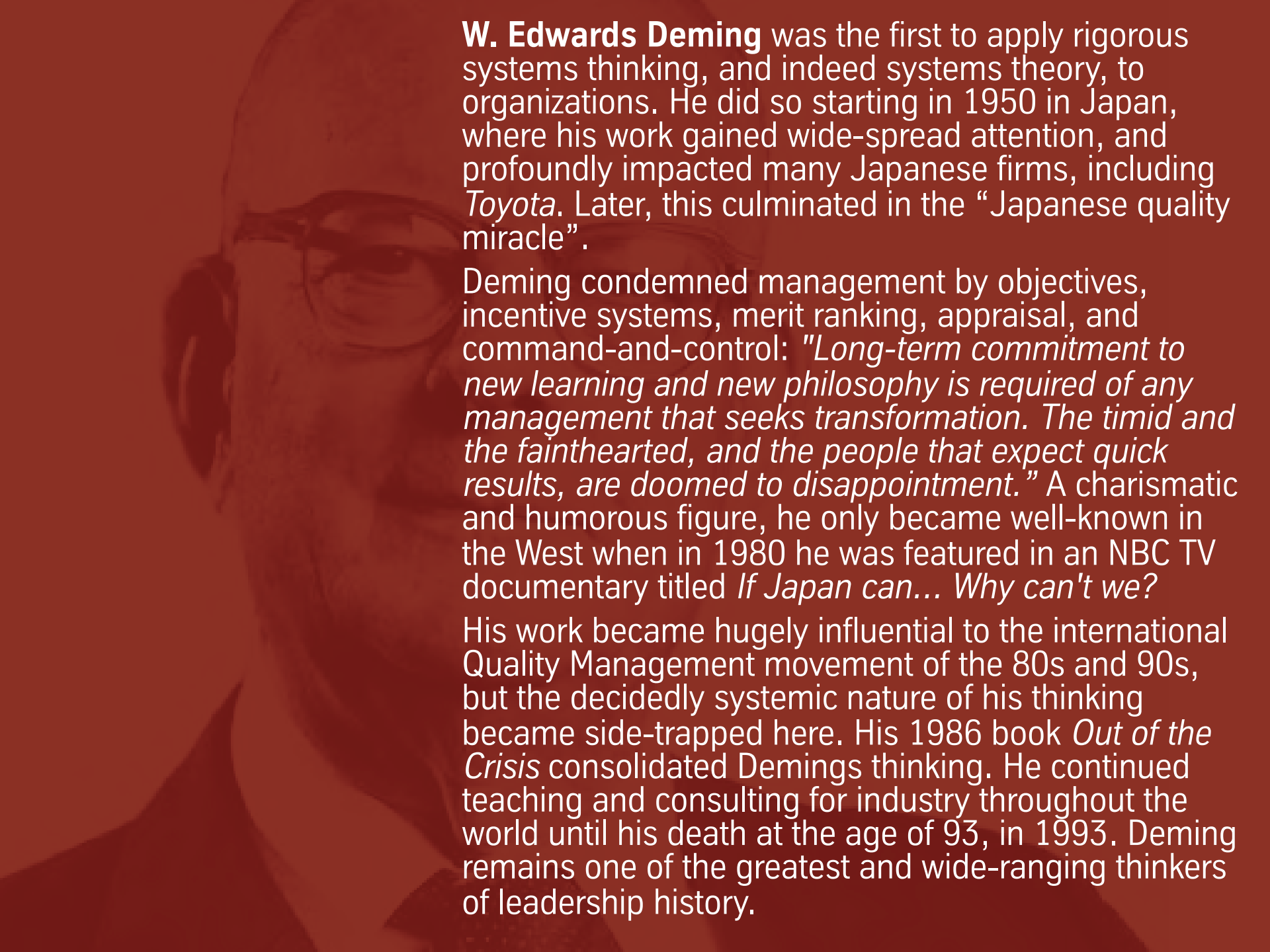
Austrian-born Drucker was a genuine intellectual who delivered some great writing and many accurate predictions. Among the concepts he introduced were the ideas of *empowerment* and the *knowledge worker*. Unfortunately, his idea that would become most widely adopted in practice was also his most destructive one: *Management by Objectives*.

Drucker was the leadership thinker who “invented” the importance of managers by holding them up as cultural and economic heroes, during the 1950s and 60s. With unfavorable consequences. In the 1980s, he began falling out of love with the manager caste, when the trend towards executive greed became apparent. Drucker was a vocal critic of current business education: “*The purpose of professional schools is to educate competent mediocrities*”, he said.



“94% of the problems in business are system-driven and only 6% are people-driven”

**W. Edwards Deming.
The Anti-Taylor**

A faint, semi-transparent portrait of W. Edwards Deming is visible in the background of the slide. He is an older man with glasses, wearing a suit and tie, looking slightly to the right.

W. Edwards Deming was the first to apply rigorous systems thinking, and indeed systems theory, to organizations. He did so starting in 1950 in Japan, where his work gained wide-spread attention, and profoundly impacted many Japanese firms, including *Toyota*. Later, this culminated in the “Japanese quality miracle”.

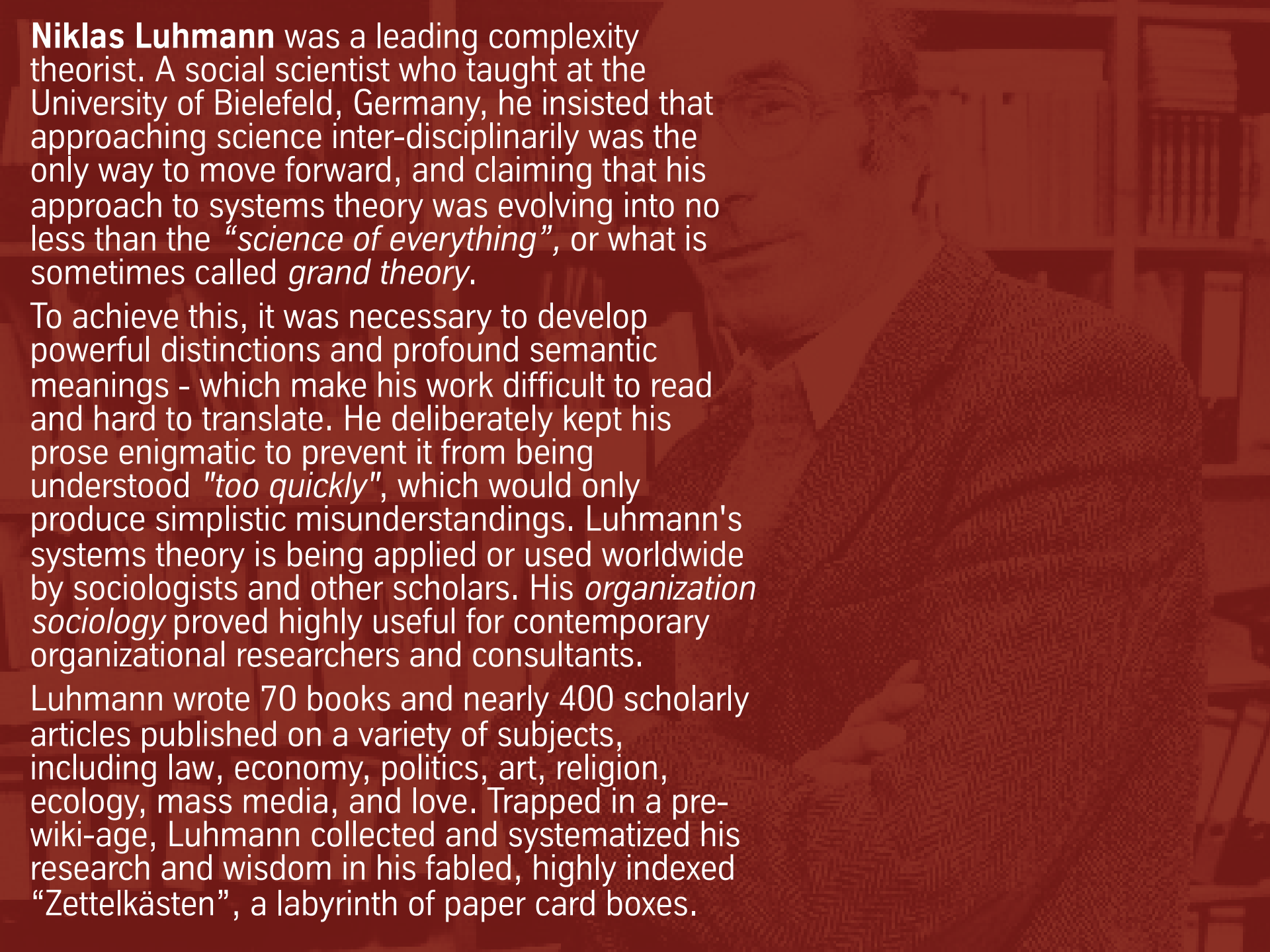
Deming condemned management by objectives, incentive systems, merit ranking, appraisal, and command-and-control: *“Long-term commitment to new learning and new philosophy is required of any management that seeks transformation. The timid and the fainthearted, and the people that expect quick results, are doomed to disappointment.”* A charismatic and humorous figure, he only became well-known in the West when in 1980 he was featured in an NBC TV documentary titled *If Japan can... Why can't we?*

His work became hugely influential to the international Quality Management movement of the 80s and 90s, but the decidedly systemic nature of his thinking became side-trapped here. His 1986 book *Out of the Crisis* consolidated Deming's thinking. He continued teaching and consulting for industry throughout the world until his death at the age of 93, in 1993. Deming remains one of the greatest and wide-ranging thinkers of leadership history.



**“Social systems
consist entirely
of communication”**

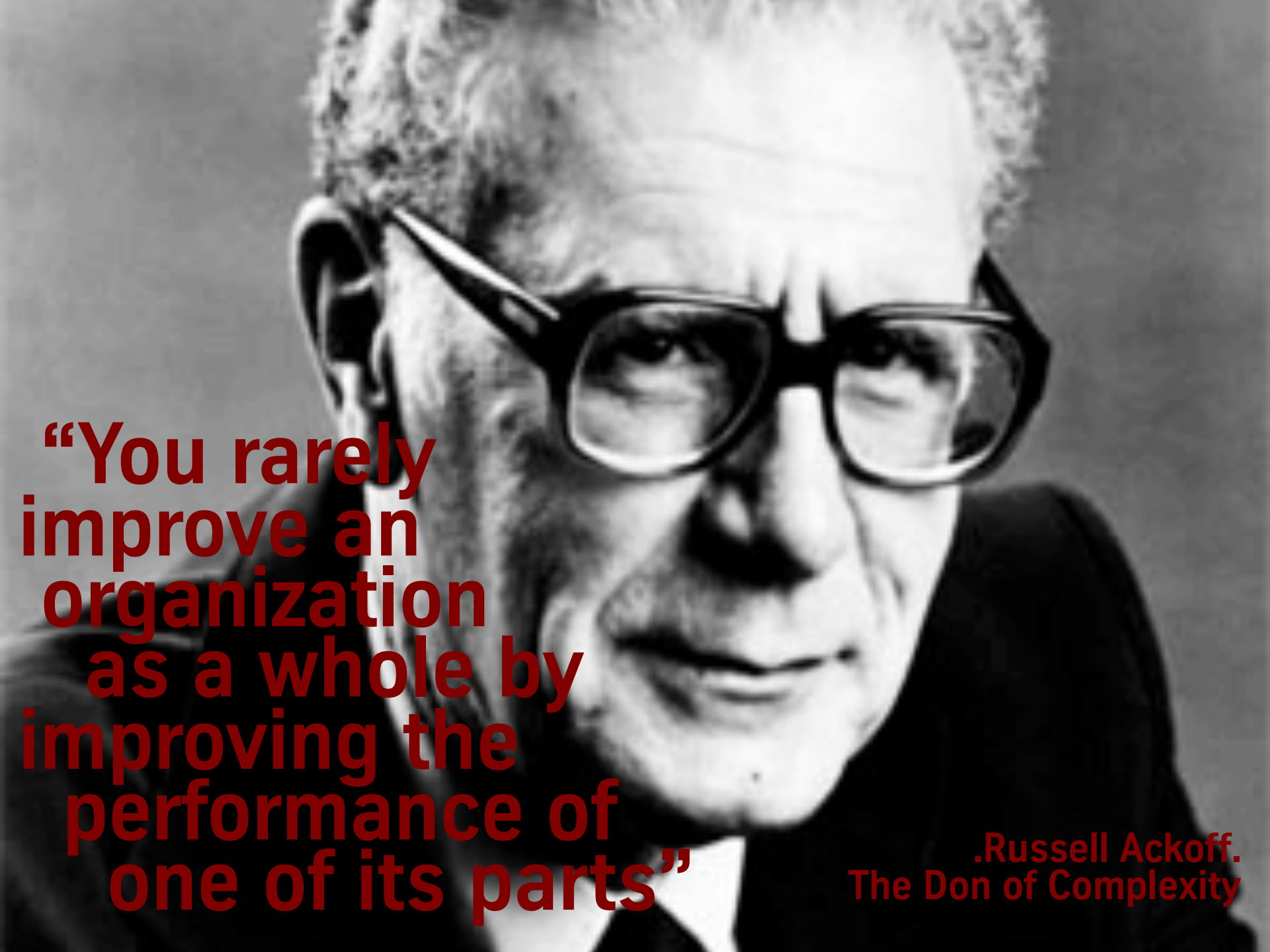
**Niklas Luhmann.
The Theorist of Everything**



Niklas Luhmann was a leading complexity theorist. A social scientist who taught at the University of Bielefeld, Germany, he insisted that approaching science inter-disciplinarily was the only way to move forward, and claiming that his approach to systems theory was evolving into no less than the “*science of everything*”, or what is sometimes called *grand theory*.

To achieve this, it was necessary to develop powerful distinctions and profound semantic meanings - which make his work difficult to read and hard to translate. He deliberately kept his prose enigmatic to prevent it from being understood “*too quickly*”, which would only produce simplistic misunderstandings. Luhmann's systems theory is being applied or used worldwide by sociologists and other scholars. His *organization sociology* proved highly useful for contemporary organizational researchers and consultants.

Luhmann wrote 70 books and nearly 400 scholarly articles published on a variety of subjects, including law, economy, politics, art, religion, ecology, mass media, and love. Trapped in a pre-wiki-age, Luhmann collected and systematized his research and wisdom in his fabled, highly indexed “Zettelkästen”, a labyrinth of paper card boxes.

A black and white close-up portrait of Russell Ackoff, an elderly man with white hair and glasses, looking slightly to the right with a thoughtful expression. The background is a plain, light color.

**“You rarely
improve an
organization
as a whole by
improving the
performance of
one of its parts”**

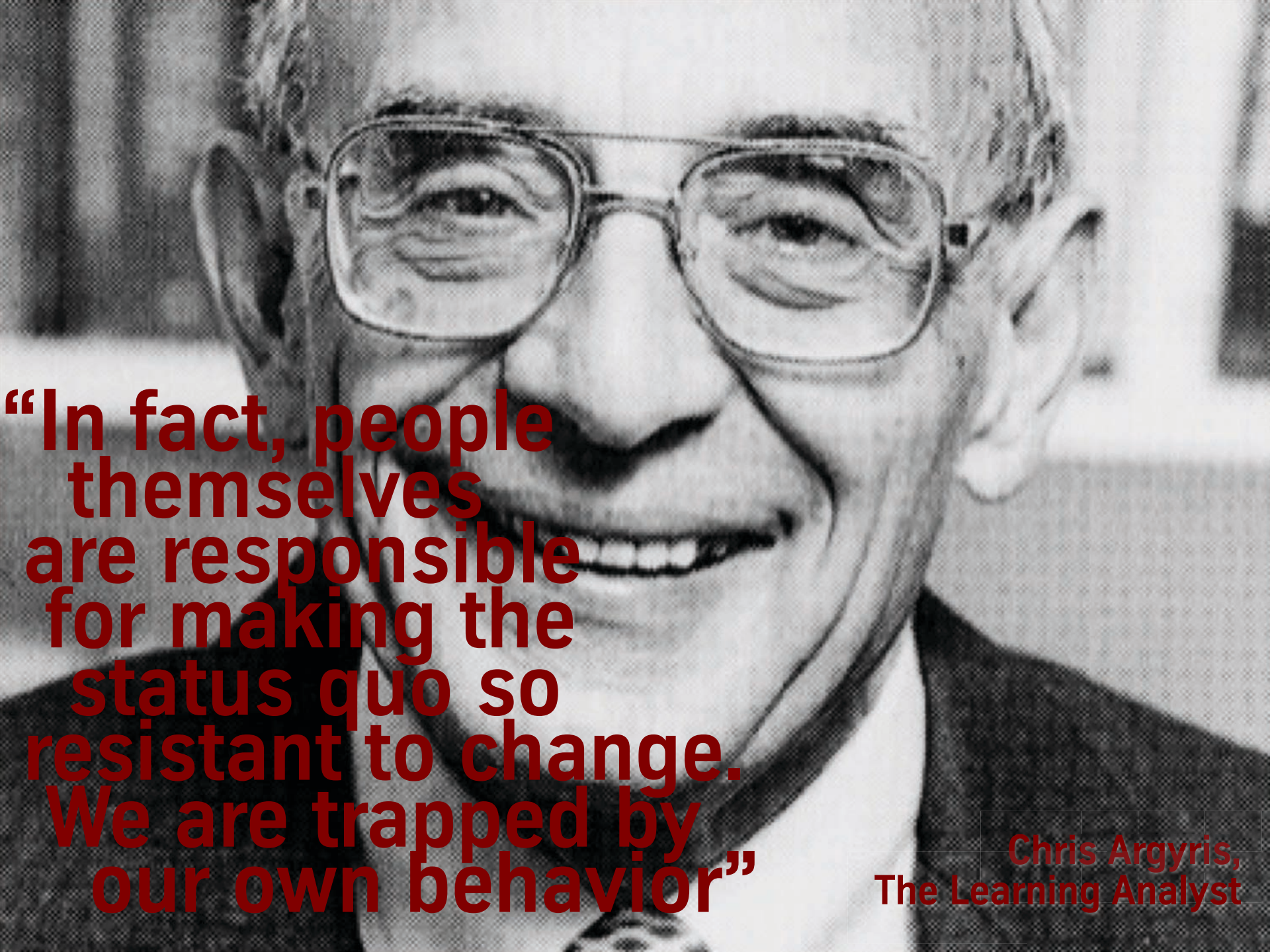
**.Russell Ackoff.
The Don of Complexity**

Russell Ackoff was an American organizational theorist, consultant, and professor - noted for combining theory and practice, escaping disciplinary bounds, and driving students and practitioners alike toward independent thought and action.

Ackoff early-on understood the consequences of the onset of the *Systems Age* that had started in the 1940s: The Machine Age, bequeathed by the industrial revolution, had been carried by two concepts – reductionism (everything can in the end be decomposed into indivisible parts) and mechanism. Here, everything was explained by using only one simple relationship: cause-effect. According to Ackoff, however, *“managers are not confronted with problems that are independent of each other; but with dynamic situations that consist of complex systems of changing problems that interact with each other.”* Ackoff called such situations messes.

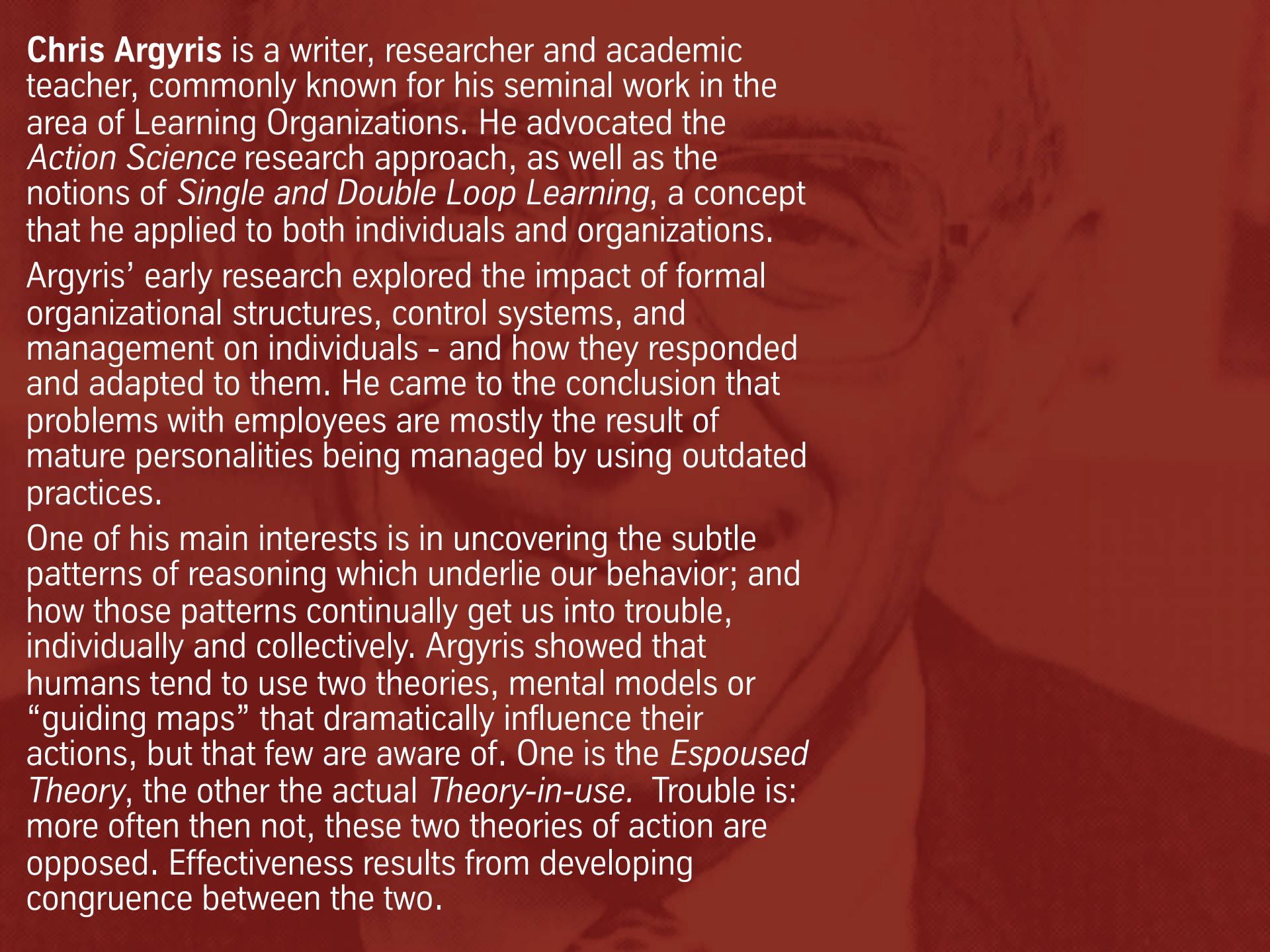
“Managers do not solve problems, they manage messes.”

Ackoff would patiently and humorously explain the necessary paradigm change. During the last years of his life, he developed what he called *f-Laws*, a series of over 100 distilled observations or subversive epigrams of bad leadership and the misplaced wisdom that surrounds management in organizations: *“f-Laws are truths about organizations that we might wish to deny or ignore – simple and more reliable guides to managers' everyday behavior than the complex truths proposed by scientists, economists, sociologists, politicians and philosophers.”*



“In fact, people themselves are responsible for making the status quo so resistant to change. We are trapped by our own behavior”


**Chris Argyris,
The Learning Analyst**



Chris Argyris is a writer, researcher and academic teacher, commonly known for his seminal work in the area of Learning Organizations. He advocated the *Action Science* research approach, as well as the notions of *Single and Double Loop Learning*, a concept that he applied to both individuals and organizations.

Argyris' early research explored the impact of formal organizational structures, control systems, and management on individuals - and how they responded and adapted to them. He came to the conclusion that problems with employees are mostly the result of mature personalities being managed by using outdated practices.

One of his main interests is in uncovering the subtle patterns of reasoning which underlie our behavior; and how those patterns continually get us into trouble, individually and collectively. Argyris showed that humans tend to use two theories, mental models or "guiding maps" that dramatically influence their actions, but that few are aware of. One is the *Espoused Theory*, the other the actual *Theory-in-use*. Trouble is: more often than not, these two theories of action are opposed. Effectiveness results from developing congruence between the two.

A black and white close-up portrait of Charles Handy. He is an older man with white hair, resting his head on his hand and looking thoughtfully towards the camera. The background is dark and out of focus.

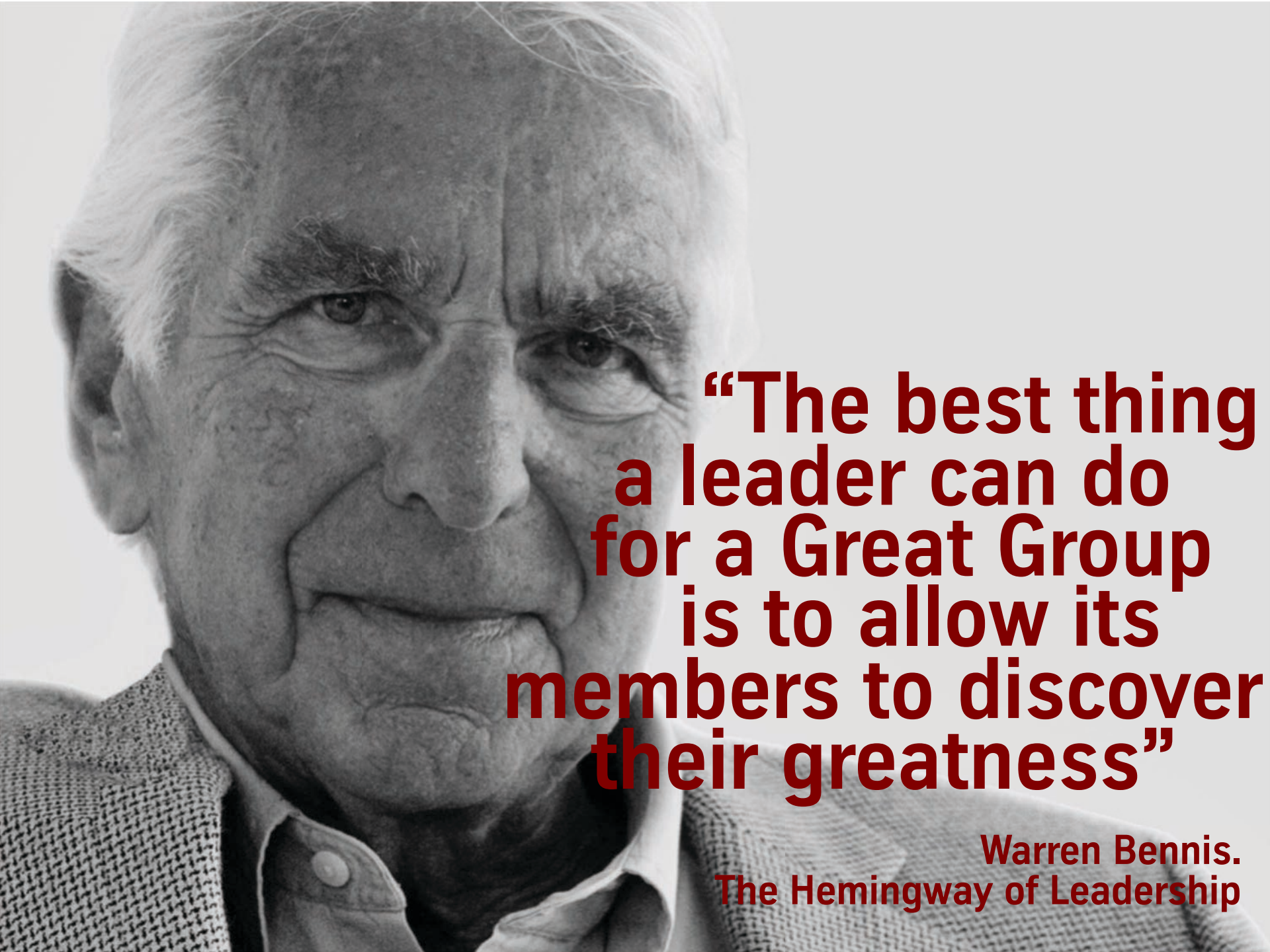
**“Work is
something
you do rather
than something
you go to”**

**Charles Handy.
The Philosopher of Knowledge Work**

Charles Handy is an Irishman and widely considered to be Europe's most influential leadership guru. The *Economist* once said of Handy: "More common sense is what he stands for, and fewer common rooms." His main interest always was in organizations, and about the search for ways in which companies can go beyond the pure pursuit of profits. Organizations, he said, are "*not machines that can be neatly designed, mapped, measured and controlled.*"

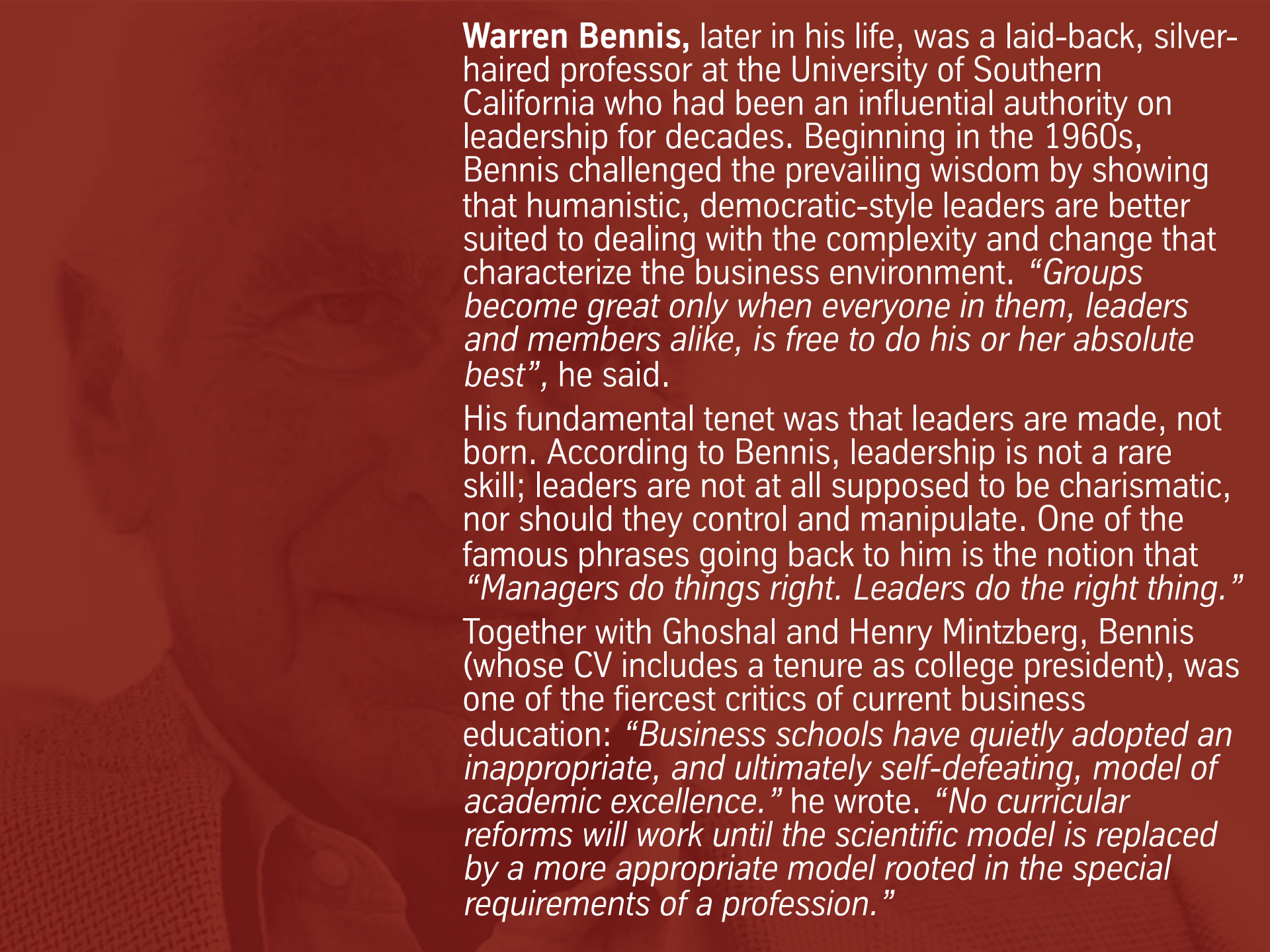
Handy came up with colorful metaphors, such as the *shamrock organization* which, like the plant, would have three leaves: management, specialists and an increasingly flexible labor force. Or *portfolio working*, a lifestyle in which the individual holds a "*number of jobs, clients and types of work*" (i.e. roles), all at the same time.

Handy had a key role in shaping Britain's management education in the 1960s and 1970s and later regretted having borrowed too heavily from the American MBA, and taking too few lessons from professions such as law, architecture and medicine, which "*all consistently mixed formal learning with some form of apprenticeship.*"

A black and white close-up portrait of Warren Bennis, an elderly man with white hair and a serious expression, looking slightly to the right. He is wearing a light-colored collared shirt and a dark, textured jacket.

**“The best thing
a leader can do
for a Great Group
is to allow its
members to discover
their greatness”**

**Warren Bennis.
The Hemingway of Leadership**




Warren Bennis, later in his life, was a laid-back, silver-haired professor at the University of Southern California who had been an influential authority on leadership for decades. Beginning in the 1960s, Bennis challenged the prevailing wisdom by showing that humanistic, democratic-style leaders are better suited to dealing with the complexity and change that characterize the business environment. *“Groups become great only when everyone in them, leaders and members alike, is free to do his or her absolute best”*, he said.

His fundamental tenet was that leaders are made, not born. According to Bennis, leadership is not a rare skill; leaders are not at all supposed to be charismatic, nor should they control and manipulate. One of the famous phrases going back to him is the notion that *“Managers do things right. Leaders do the right thing.”*

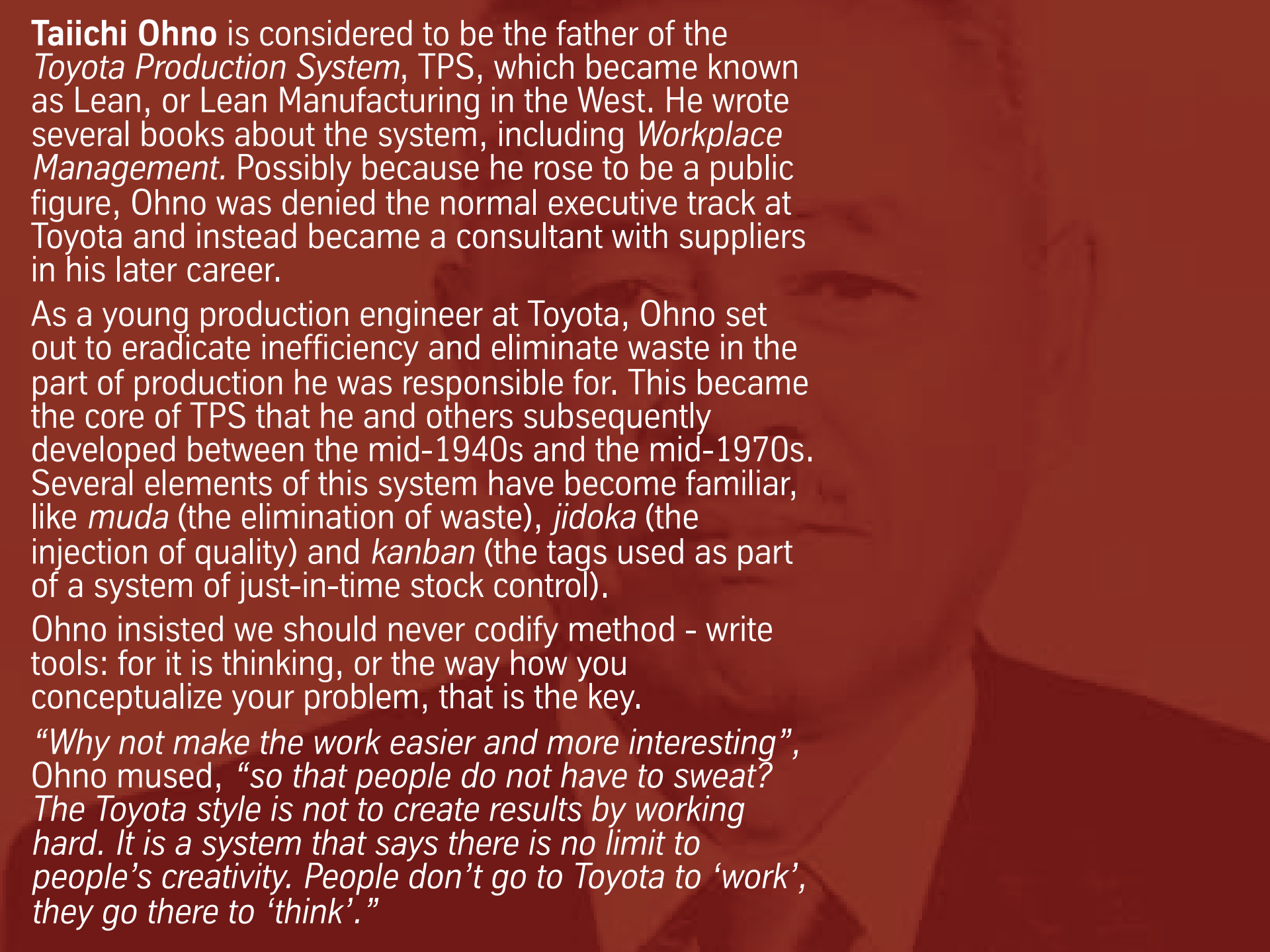
Together with Ghoshal and Henry Mintzberg, Bennis (whose CV includes a tenure as college president), was one of the fiercest critics of current business education: *“Business schools have quietly adopted an inappropriate, and ultimately self-defeating, model of academic excellence.”* he wrote. *“No curricular reforms will work until the scientific model is replaced by a more appropriate model rooted in the special requirements of a profession.”*

Pioneers

A black and white portrait of Taiichi Ohno, an elderly man with a mustache, wearing a dark suit, white shirt, and dark tie. He is looking slightly to the left of the camera with a neutral expression.

**“Let the flow
manage the processes,
and not let management
manage the flow”**

Taiichi Ohno.
Toyota

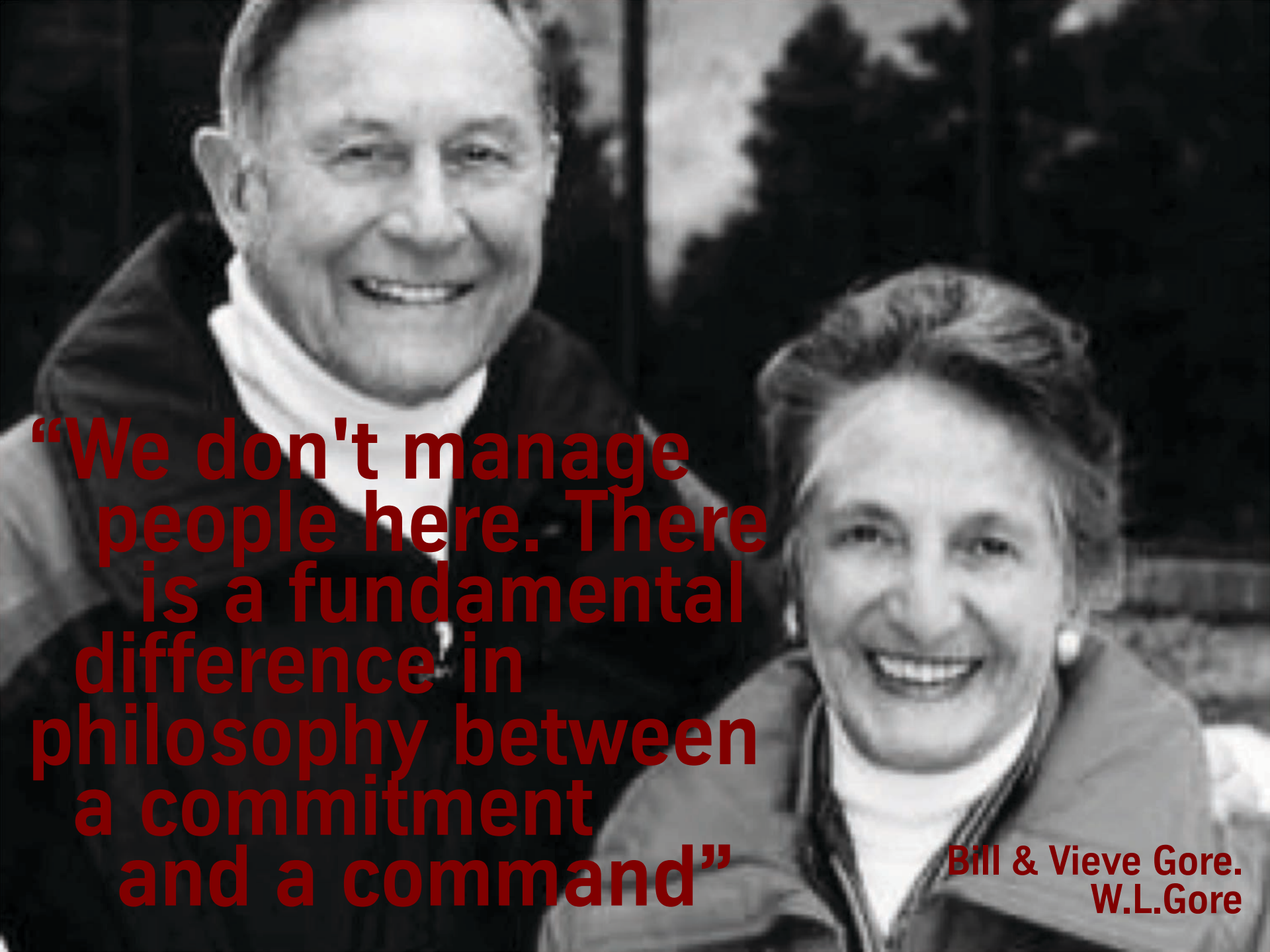
A faint, large-scale portrait of Taiichi Ohno serves as the background for the text. He is shown from the chest up, wearing a dark suit jacket, a white shirt, and a dark tie. His expression is neutral, and he is looking slightly to the right of the frame.

Taiichi Ohno is considered to be the father of the *Toyota Production System*, TPS, which became known as Lean, or Lean Manufacturing in the West. He wrote several books about the system, including *Workplace Management*. Possibly because he rose to be a public figure, Ohno was denied the normal executive track at Toyota and instead became a consultant with suppliers in his later career.

As a young production engineer at Toyota, Ohno set out to eradicate inefficiency and eliminate waste in the part of production he was responsible for. This became the core of TPS that he and others subsequently developed between the mid-1940s and the mid-1970s. Several elements of this system have become familiar, like *muda* (the elimination of waste), *jidoka* (the injection of quality) and *kanban* (the tags used as part of a system of just-in-time stock control).

Ohno insisted we should never codify method - write tools: for it is thinking, or the way how you conceptualize your problem, that is the key.

“Why not make the work easier and more interesting”, Ohno mused, “so that people do not have to sweat? The Toyota style is not to create results by working hard. It is a system that says there is no limit to people’s creativity. People don’t go to Toyota to ‘work’, they go there to ‘think’.”



“We don't manage people here. There is a fundamental difference in philosophy between a commitment and a command”

**Bill & Vieve Gore.
W.L.Gore**

Bill & Vieve Gore founded W.L.Gore & Associates in 1958. The company since gained international attention and respect for evolving in one of the world's most innovative companies, and one of the best places to work. The Gores nurtured the firm from a home-based business into a worldwide, 10.000 employee corporation, while embedding into it a unique leadership style that emphasizes freedom, fairness, commitment and consultative “waterline” decision-making in unusually open and entrepreneurial work environments.

Bill Gore presented the concept of the firm's unique structure and cultural principles in a paper entitled *The Lattice Organization – A Philosophy of Enterprise* that was distributed to Gore employees in 1976. It proposed a decentralized organization where everyone would share the same title of “associate.” There would be neither chains of command, nor predetermined channels of communication.


Leadership was disconnected from position and would always be temporary only, replacing the idea of “bosses”: Associates choose to work with leaders rather than have bosses assigned to them. The firm pioneered concepts such as *job sculpting*: matching roles to employees, not employees to job descriptions.

At Gore, hands-on product innovation and prototyping are encouraged. Teams organize around opportunities, new product concepts, or existing businesses. As teams evolve, leaders emerge as they gain followership. This culture has shown to be a significant contributor to associate satisfaction and retention, as well as to the company's economic success. The company motto: “*Make money and have fun*”. The *lattice* became a state of mind.



**“We must
eliminate
the organization's
bureaucratic complex”**

**Jan Wallander.
Handelsbanken**



Dr. Jan Wallander joined Handelsbanken, Sweden's biggest bank, as CEO in 1971, after a stint as CEO at a small regional bank in the country's North. Handelsbanken was in a crisis, both economically and in terms of regulation. Wallander, an economist, accepted the job under the condition that he would have *carte blanche* for reinventing the firm: What he intended was, in his own words, to “*eliminate the bank's bureaucratic complex*”.

And so he did. In the following years, the organization's hierarchy was reduced to three managerial levels. Fixed-target-setting, budgeting, and incentive systems were discontinued, the marketing department dissolved, as were many other central areas. There hasn't been an org chart, a bonus system, annual financial planning or strategic planning of any sort at the firm for over 40 years. Instead, “*the branch is the bank*”, decision-making is radically decentralized and consultative. No product costing, volume or growth targets interfere with the branches' autonomy and responsibility.

Handelsbanken now has around 10.000 employees and has been Europe's most successful bank for decades, consistently outperforming competitors in any possible measure, including ROE and the cost/income-ratio. It is also one of the best companies to work for in its markets, and has performed well during financial crises.

A black and white photograph of Herb Kelleher, CEO of Southwest Airlines. He is wearing a suit and tie, looking down at a document he is holding. The background is slightly blurred, showing what appears to be a window with a grid pattern.


**“We have a
‘strategic’ plan.
It’s called
doing things”**

**Herb Kelleher.
Southwest Airlines**

Herb Kelleher co-founded Southwest Airlines in 1971, against fierce resistance from established competitors. The company's low cost, no-frills business model would reshape the US airline industry, making flying widely affordable. Kelleher, a colorful, enjoyable and charismatic character, headed the company as CEO until 2008.

Southwest has been the world's most successful airline by any possible measure, continuously earning money in a notoriously loss-making industry. Says Kelleher: *"The business schools used to pose it as a conundrum. They would say, 'Well, who comes first? Your employees, your shareholders, or your customers?' But it's not a conundrum. Your employees come first. And if you treat your employees right, guess what? Your customers come back, and that makes your shareholders happy. Start with employees and the rest follows from that."*

The company is proud to have few rules, and employees are invited to break them if it is in customer's best interest. Southwest built a corporate culture that made employees well known for taking themselves lightly - but their jobs seriously: YouTube videos of Southwest cabin personnel rapping in-flight announcements or singing them to the tune of popular songs became legendary. *"The business of business is people. Yesterday, today, and forever"*, Kelleher says.

A black and white close-up portrait of Ricardo Semler, looking slightly to the right with a subtle smile. The background shows a blurred cityscape with hills in the distance.

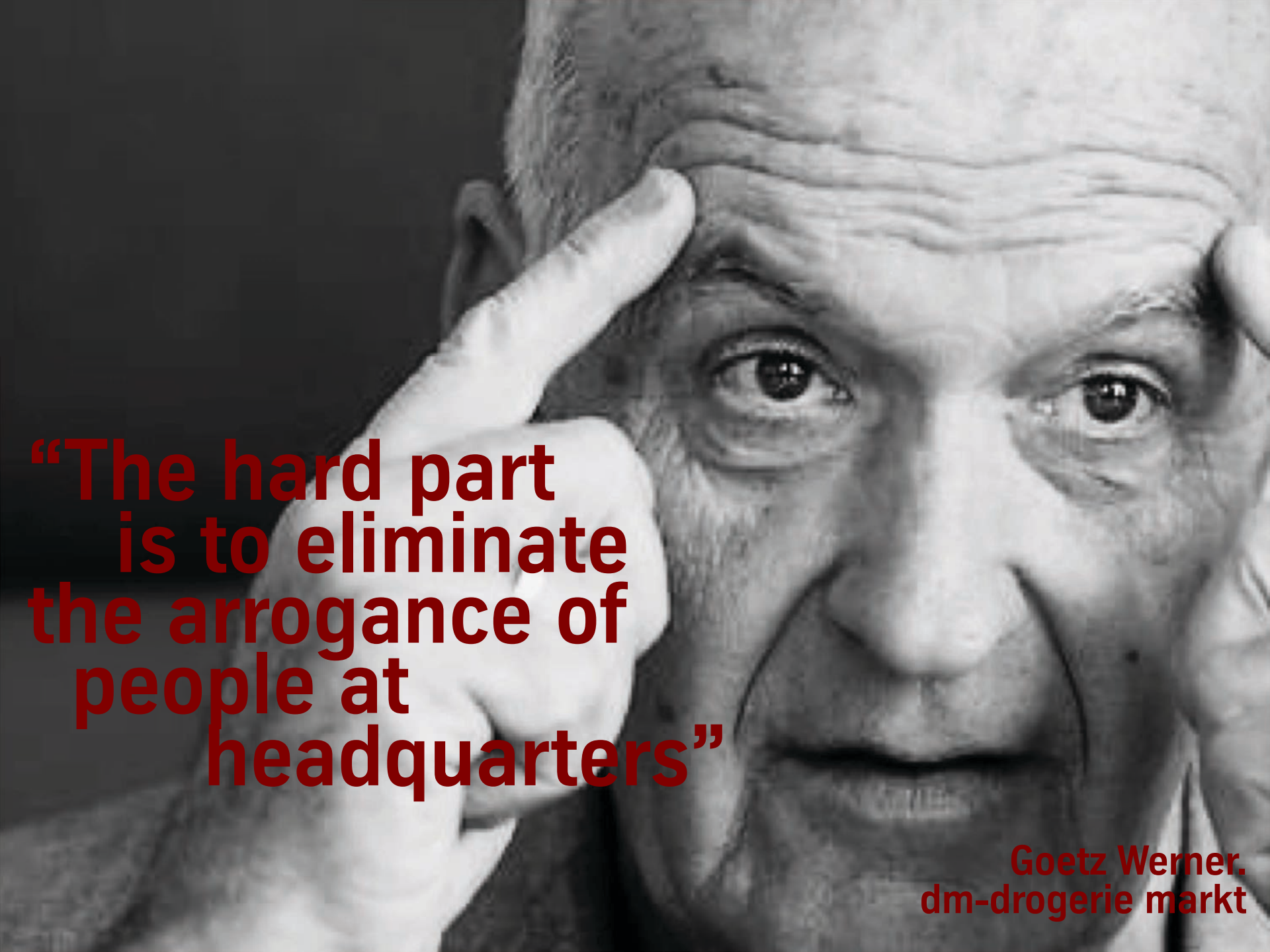
**“Our ‘architecture’
is really the sum
of all the conventional
business practices
we avoid”**

**Ricardo Semler,
Semco**

Ricardo Semler took over control of Semco, the company founded by his grandfather, at the age of 24. He had previously concluded an MBA at Harvard Business School. Bright, jovial and fast-thinking, he started not only to reinvent Semco's business model, but to radically transform its organization model as well – creating a company guided by coherent, democratic principles. It's hard to find a single aspect of traditional management that Semco did not either blow up, reinvent, abolish or turn upside down - including work hours, pay, and HR as a whole.

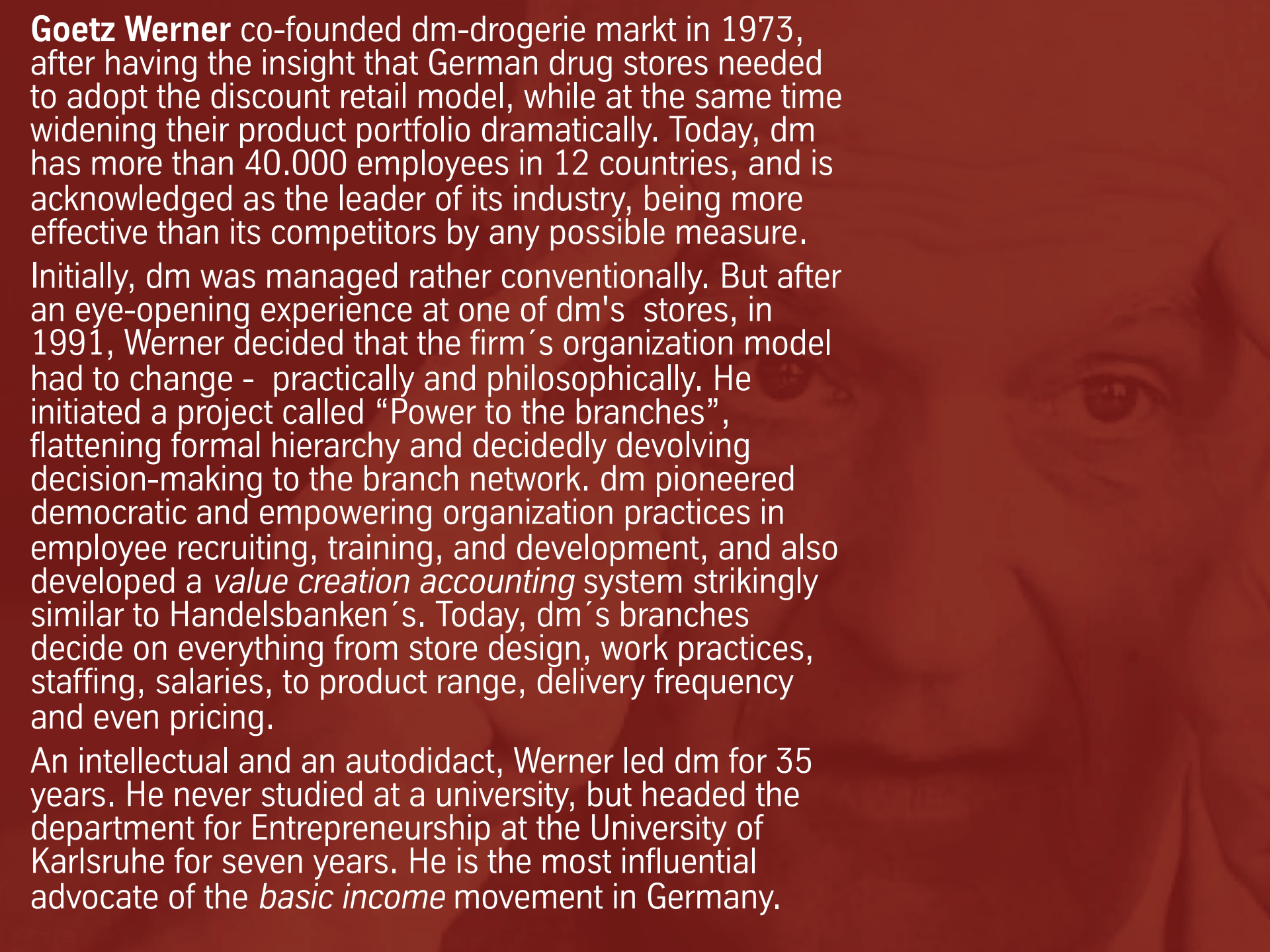
Semler achieved super-star status in his native Brazil through his first book, *Maverick*, and provocative columns in Sao Paulo's *Folha* daily. About ten years later, he wrote *The Seven-Day Weekend*, a book that went even further in describing life in an organization beyond management, and command-and-control.

Later, Semler would grow wary of the leadership industry, and of being part of the international speaker circuit, feeling he had achieved little there. Today, he is an active investor, and also founder of several social initiatives, among them *Lumiar* School, a highly innovative, democratic school for children aged to 14.



**“The hard part
is to eliminate
the arrogance of
people at
headquarters”**

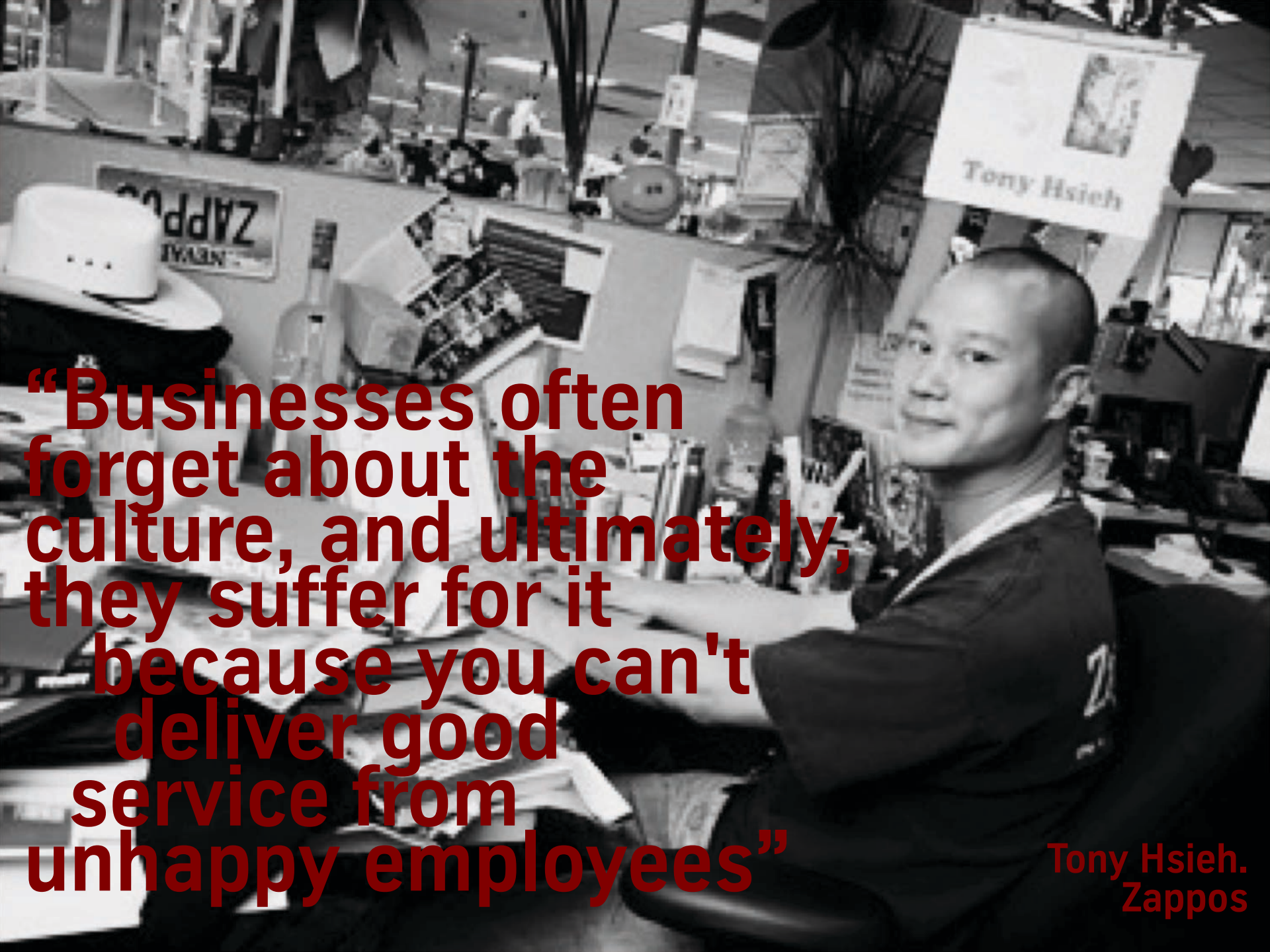
**Goetz Werner.
dm-drogerie markt**



Goetz Werner co-founded dm-drogerie markt in 1973, after having the insight that German drug stores needed to adopt the discount retail model, while at the same time widening their product portfolio dramatically. Today, dm has more than 40.000 employees in 12 countries, and is acknowledged as the leader of its industry, being more effective than its competitors by any possible measure.

Initially, dm was managed rather conventionally. But after an eye-opening experience at one of dm's stores, in 1991, Werner decided that the firm's organization model had to change - practically and philosophically. He initiated a project called "Power to the branches", flattening formal hierarchy and decidedly devolving decision-making to the branch network. dm pioneered democratic and empowering organization practices in employee recruiting, training, and development, and also developed a *value creation accounting* system strikingly similar to Handelsbanken's. Today, dm's branches decide on everything from store design, work practices, staffing, salaries, to product range, delivery frequency and even pricing.

An intellectual and an autodidact, Werner led dm for 35 years. He never studied at a university, but headed the department for Entrepreneurship at the University of Karlsruhe for seven years. He is the most influential advocate of the *basic income* movement in Germany.



“Businesses often forget about the culture, and ultimately, they suffer for it because you can't deliver good service from unhappy employees”

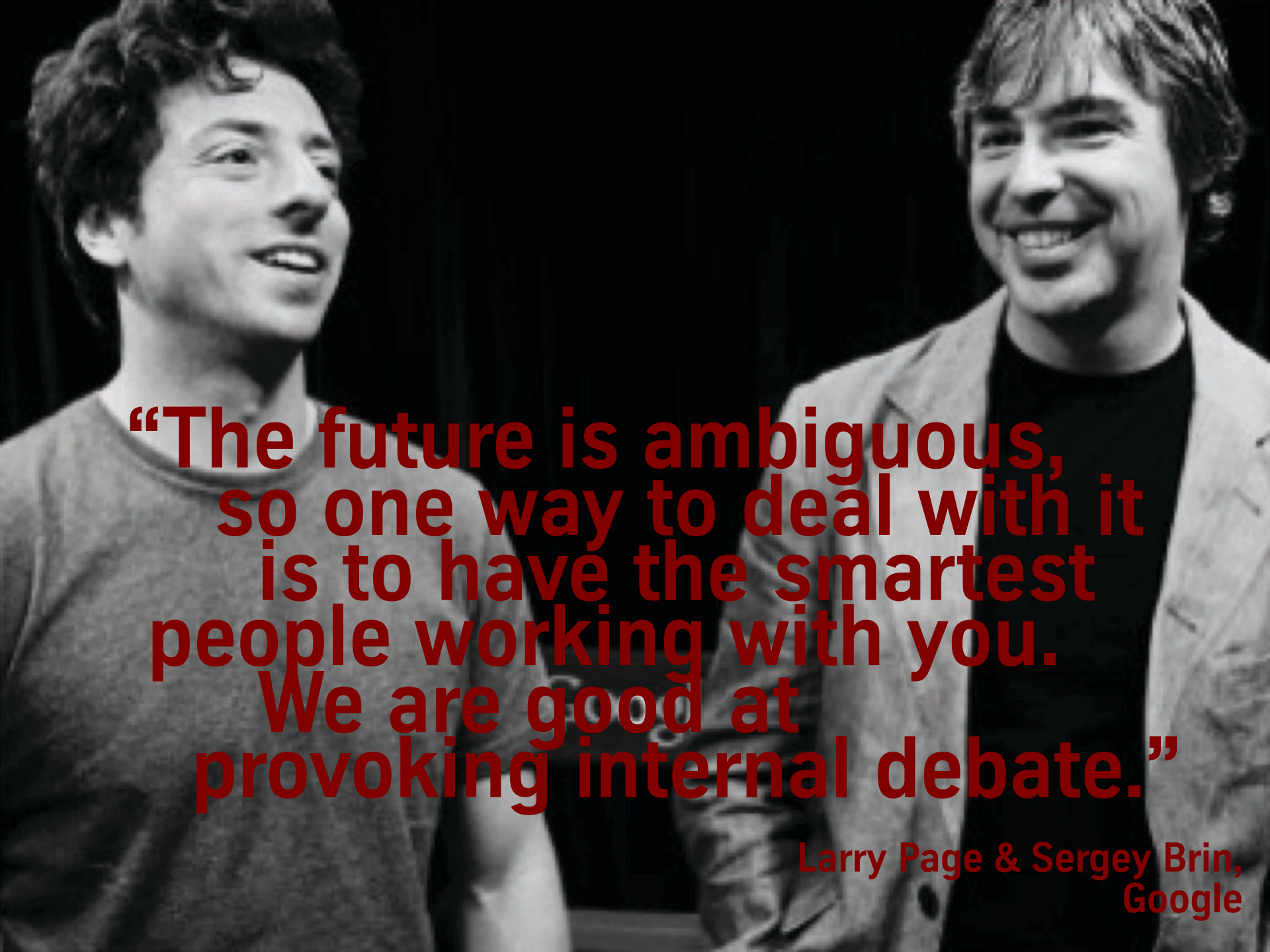
**Tony Hsieh.
Zappos**



Tony Hsieh is an entrepreneur and venture capitalist. He is CEO of the online retailer Zappos.com. Prior to joining Zappos, Hsieh co-founded internet advertiser LinkExchange. He sold the firm to Microsoft for \$265 million, an experience from which he says he learned the importance of building a culture able to stay alive as a company grows: *“The culture of your company and your company’s image are really just two sides of the same coin.”*

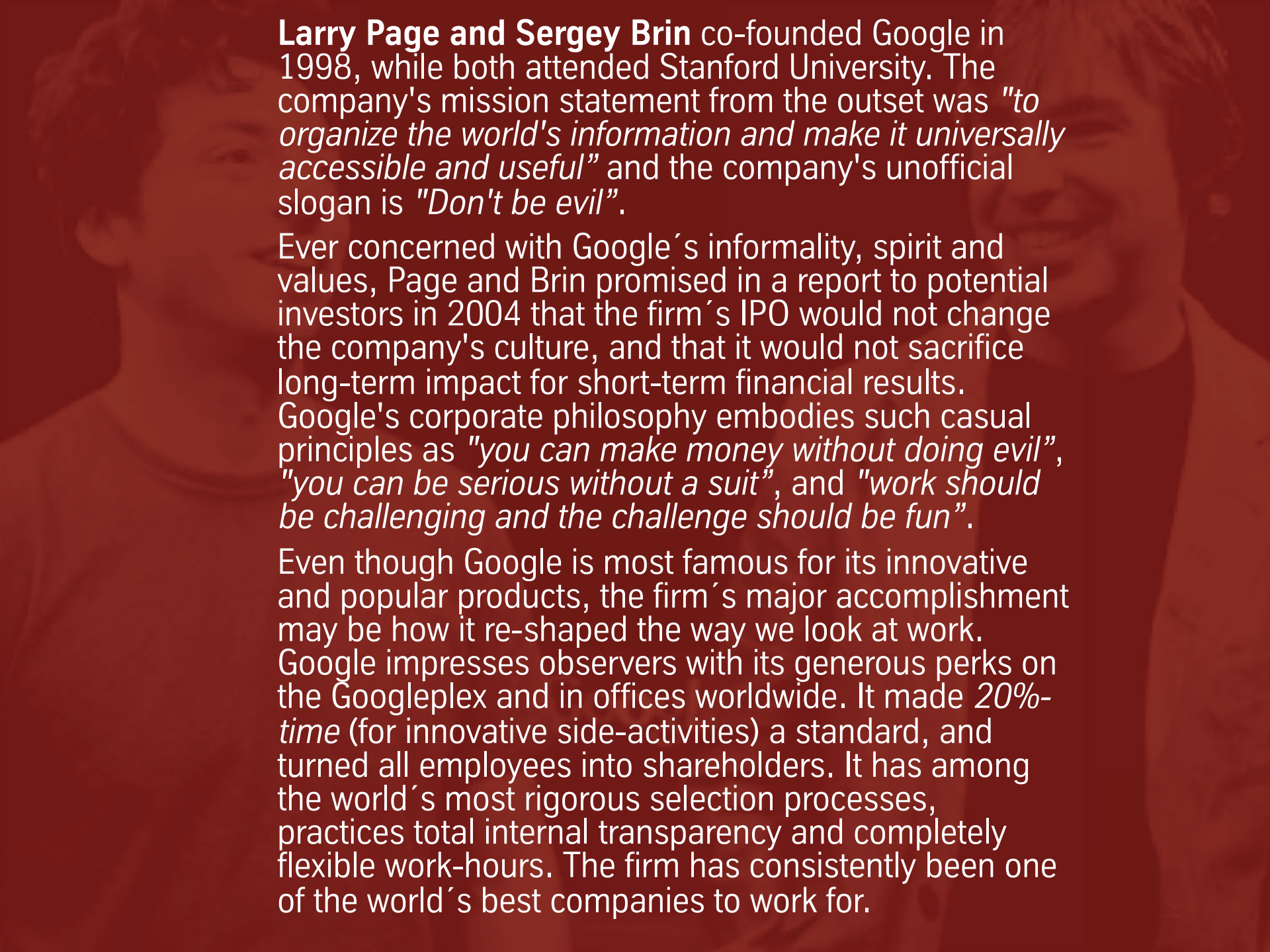
Hsieh originally got involved with Zappos as an advisor and investor in 1999, but ended up spending more and more time with this company that was both the most fun and the most promising out of the projects he was involved with. The Zappos culture of “WOW” under his leadership would become defined by: make your customers happier (through relentless focus on customer service); make your employees happier (by focusing more on company culture) and make you happier (to learn more about the science of happiness).

Zappos pioneered revolutionary techniques not only to satisfy customers, but also to work and run the team, and make more profit – and in less time – than with the old formulas governing large companies. Most famously, Zappos at some point started to offer new employees a few thousand dollars to leave if they were not satisfied with being part of the company. They also created a Culture Book, where staff writes about what the Zappos culture means to them: Every year, a new edition is produced and distributed to prospective employees, suppliers and even customers.

A black and white photograph of Larry Page and Sergey Brin. Larry Page is on the left, looking slightly upwards and to the right with a slight smile. Sergey Brin is on the right, smiling broadly and looking towards the camera. The background is dark and out of focus.

**“The future is ambiguous,
so one way to deal with it
is to have the smartest
people working with you.
We are good at
provoking internal debate.”**

**Larry Page & Sergey Brin,
Google**



Larry Page and Sergey Brin co-founded Google in 1998, while both attended Stanford University. The company's mission statement from the outset was *"to organize the world's information and make it universally accessible and useful"* and the company's unofficial slogan is *"Don't be evil"*.

Ever concerned with Google's informality, spirit and values, Page and Brin promised in a report to potential investors in 2004 that the firm's IPO would not change the company's culture, and that it would not sacrifice long-term impact for short-term financial results. Google's corporate philosophy embodies such casual principles as *"you can make money without doing evil"*, *"you can be serious without a suit"*, and *"work should be challenging and the challenge should be fun"*.

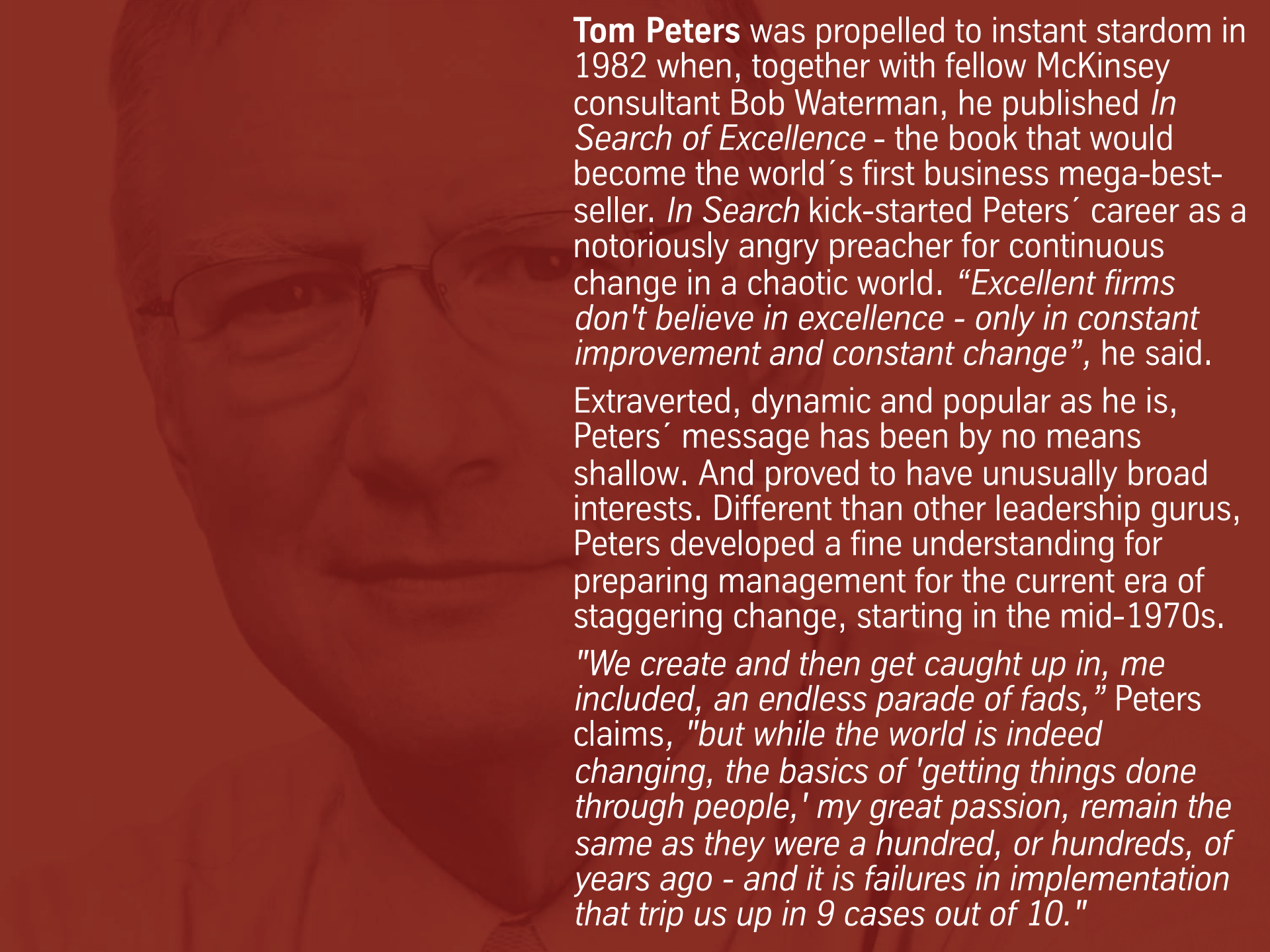
Even though Google is most famous for its innovative and popular products, the firm's major accomplishment may be how it re-shaped the way we look at work. Google impresses observers with its generous perks on the Googleplex and in offices worldwide. It made *20%-time* (for innovative side-activities) a standard, and turned all employees into shareholders. It has among the world's most rigorous selection processes, practices total internal transparency and completely flexible work-hours. The firm has consistently been one of the world's best companies to work for.

Shaper-shifters

A black and white close-up portrait of Tom Peters, an older man with glasses, looking slightly to the right of the camera with a subtle smile. He is wearing a light-colored, textured button-down shirt. The background is plain white.

**“Leaders don't
create followers,
they create
more leaders”**

**Tom Peters.
The Prophet of Transformation**



Tom Peters was propelled to instant stardom in 1982 when, together with fellow McKinsey consultant Bob Waterman, he published *In Search of Excellence* - the book that would become the world's first business mega-best-seller. *In Search* kick-started Peters' career as a notoriously angry preacher for continuous change in a chaotic world. "*Excellent firms don't believe in excellence - only in constant improvement and constant change*", he said.

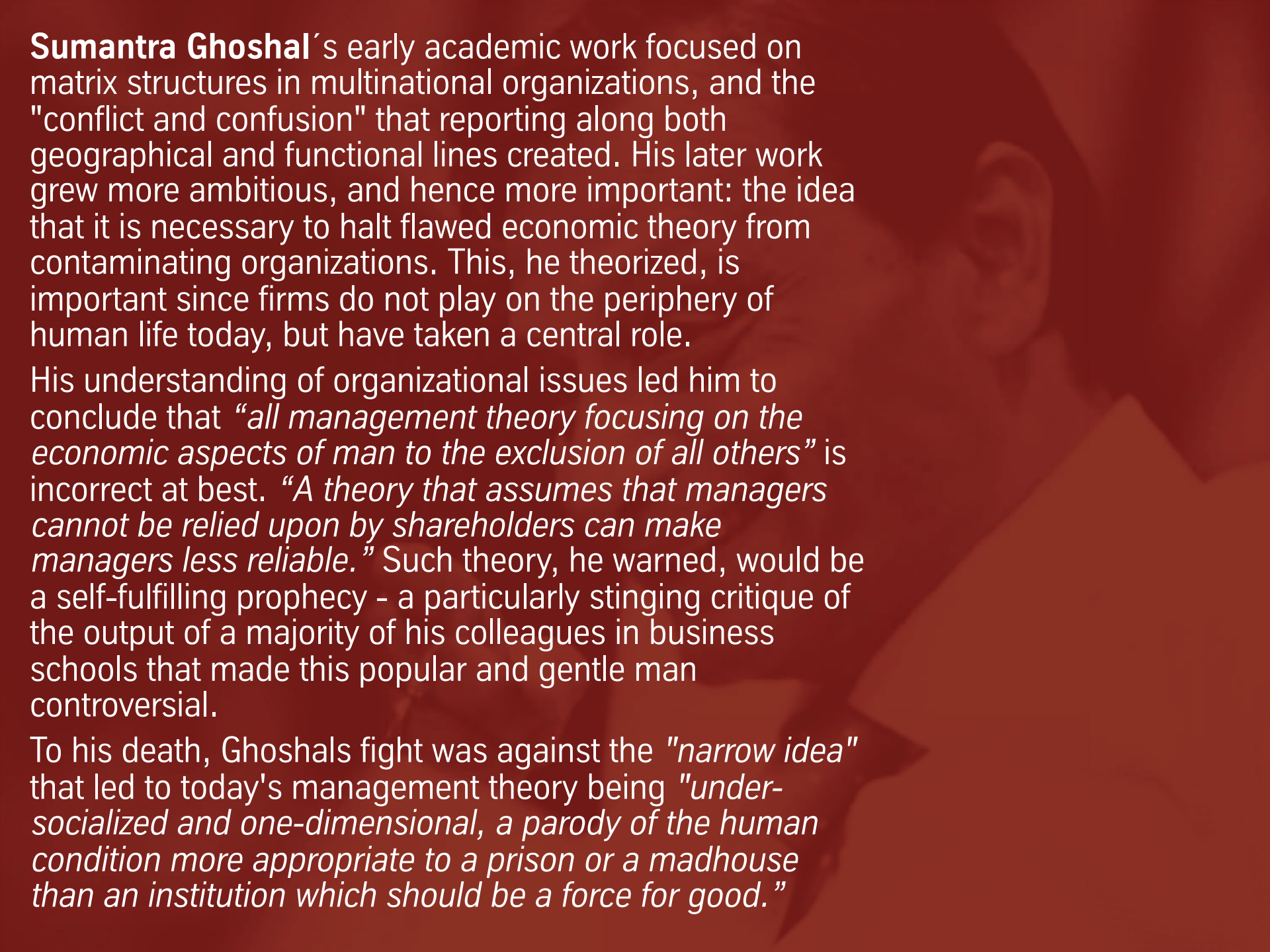
Extraverted, dynamic and popular as he is, Peters' message has been by no means shallow. And proved to have unusually broad interests. Different than other leadership gurus, Peters developed a fine understanding for preparing management for the current era of staggering change, starting in the mid-1970s.

"We create and then get caught up in, me included, an endless parade of fads," Peters claims, *"but while the world is indeed changing, the basics of 'getting things done through people,' my great passion, remain the same as they were a hundred, or hundreds, of years ago - and it is failures in implementation that trip us up in 9 cases out of 10."*



“Bad management theories are, at present, destroying good management practices”

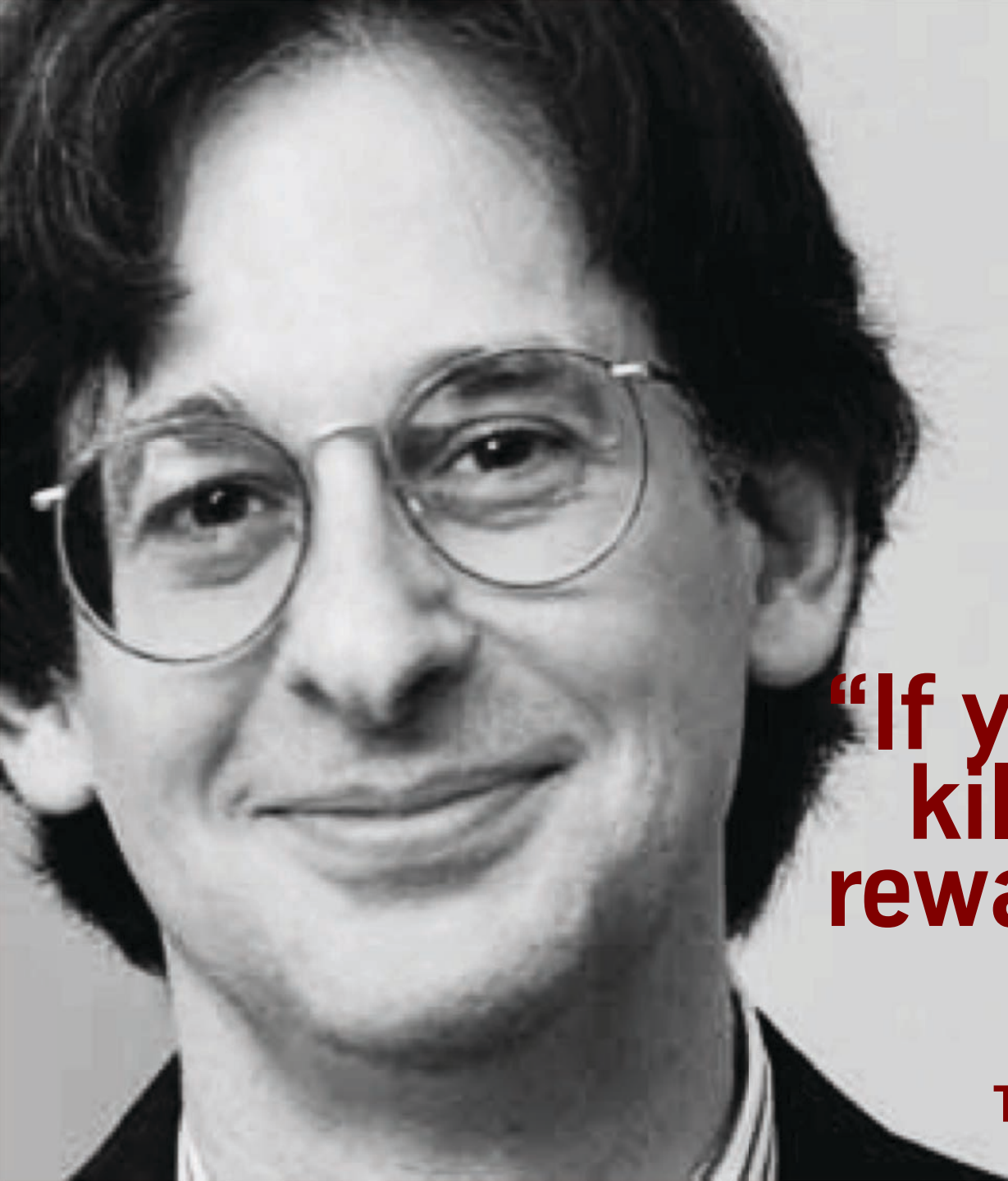
**Sumantra Ghoshal.
The Academic Rebel**



Sumantra Ghoshal's early academic work focused on matrix structures in multinational organizations, and the "conflict and confusion" that reporting along both geographical and functional lines created. His later work grew more ambitious, and hence more important: the idea that it is necessary to halt flawed economic theory from contaminating organizations. This, he theorized, is important since firms do not play on the periphery of human life today, but have taken a central role.


His understanding of organizational issues led him to conclude that "*all management theory focusing on the economic aspects of man to the exclusion of all others*" is incorrect at best. "*A theory that assumes that managers cannot be relied upon by shareholders can make managers less reliable.*" Such theory, he warned, would be a self-fulfilling prophecy - a particularly stinging critique of the output of a majority of his colleagues in business schools that made this popular and gentle man controversial.

To his death, Ghoshal's fight was against the "*narrow idea*" that led to today's management theory being "*under-socialized and one-dimensional, a parody of the human condition more appropriate to a prison or a madhouse than an institution which should be a force for good.*"



**“If you want to
kill innovation,
reward it”**

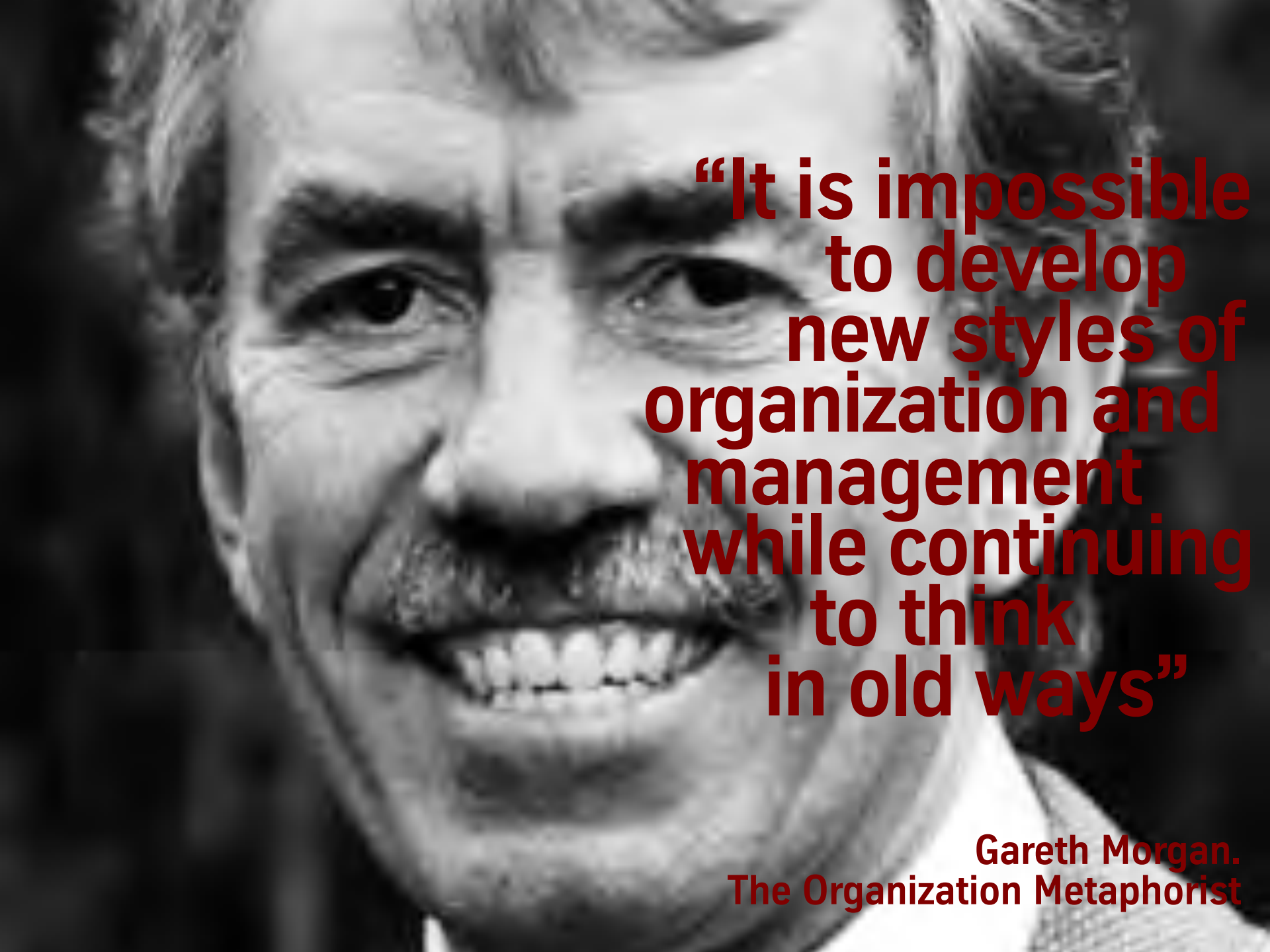
**Alfie Kohn.
The Educated Sociologist**



Alfie Kohn has been a leading voice in education for more than two decades. He is author of 11 books, among them *Punished by Rewards*, in which he addressed competition and "pop behaviorism" in workplaces - as well as in families and schools.

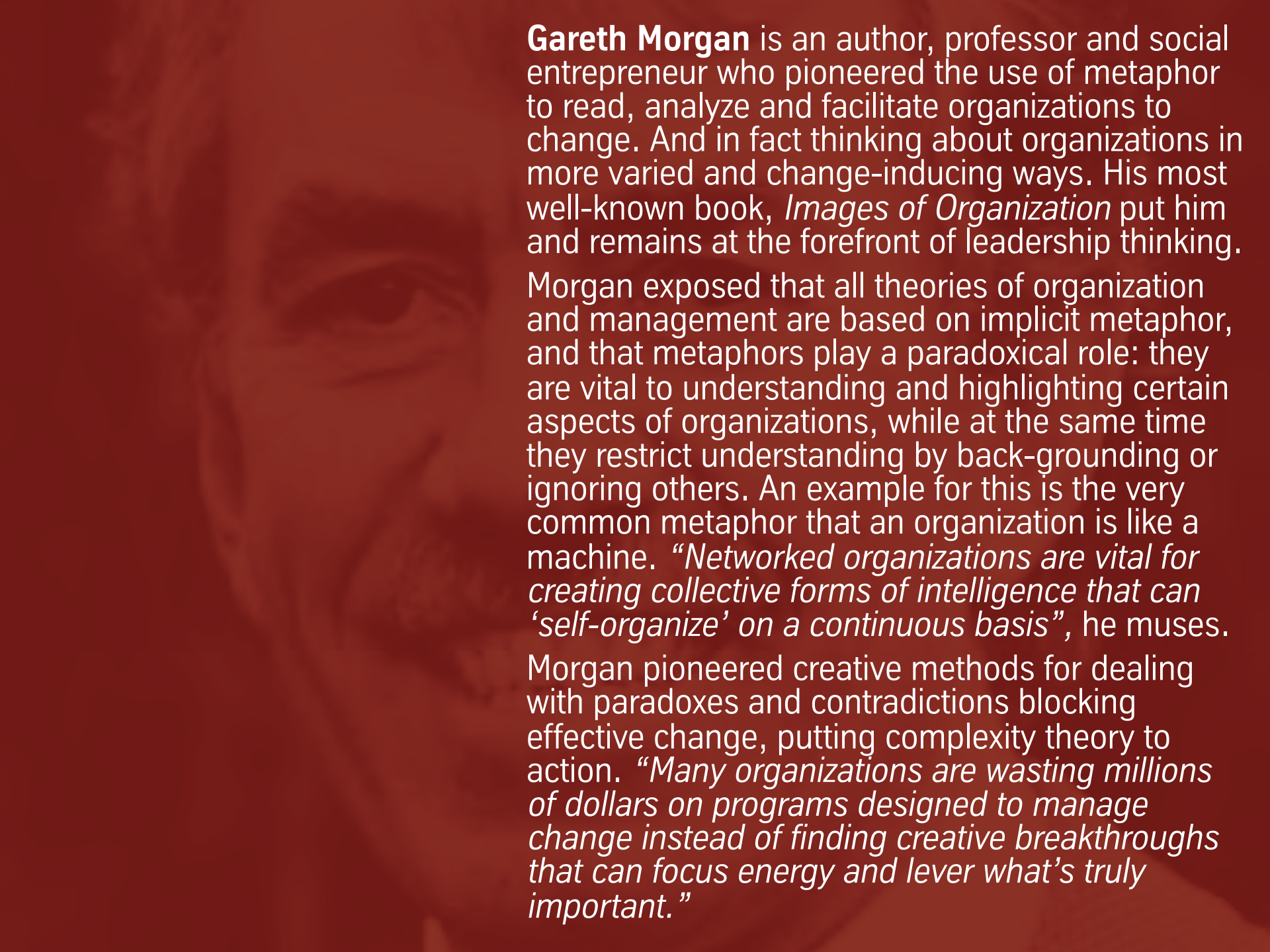
Kohn calls into question practices such as the use of internal competition, incentive programs and rewards, conventional discipline, standardized testing, grades, homework, and traditional schooling. In his conviction, learning should be organized around *"problems, projects, and questions -- rather than around lists of facts, skills, and separate disciplines"* in schools and in organizations.

"Punishment and reward proceed from basically the same psychological model, one that conceives of motivation as nothing more than the manipulation of behavior."

A black and white close-up portrait of Gareth Morgan, a man with a mustache, smiling broadly. The image is the background for the text.

**“It is impossible
to develop
new styles of
organization and
management
while continuing
to think
in old ways”**

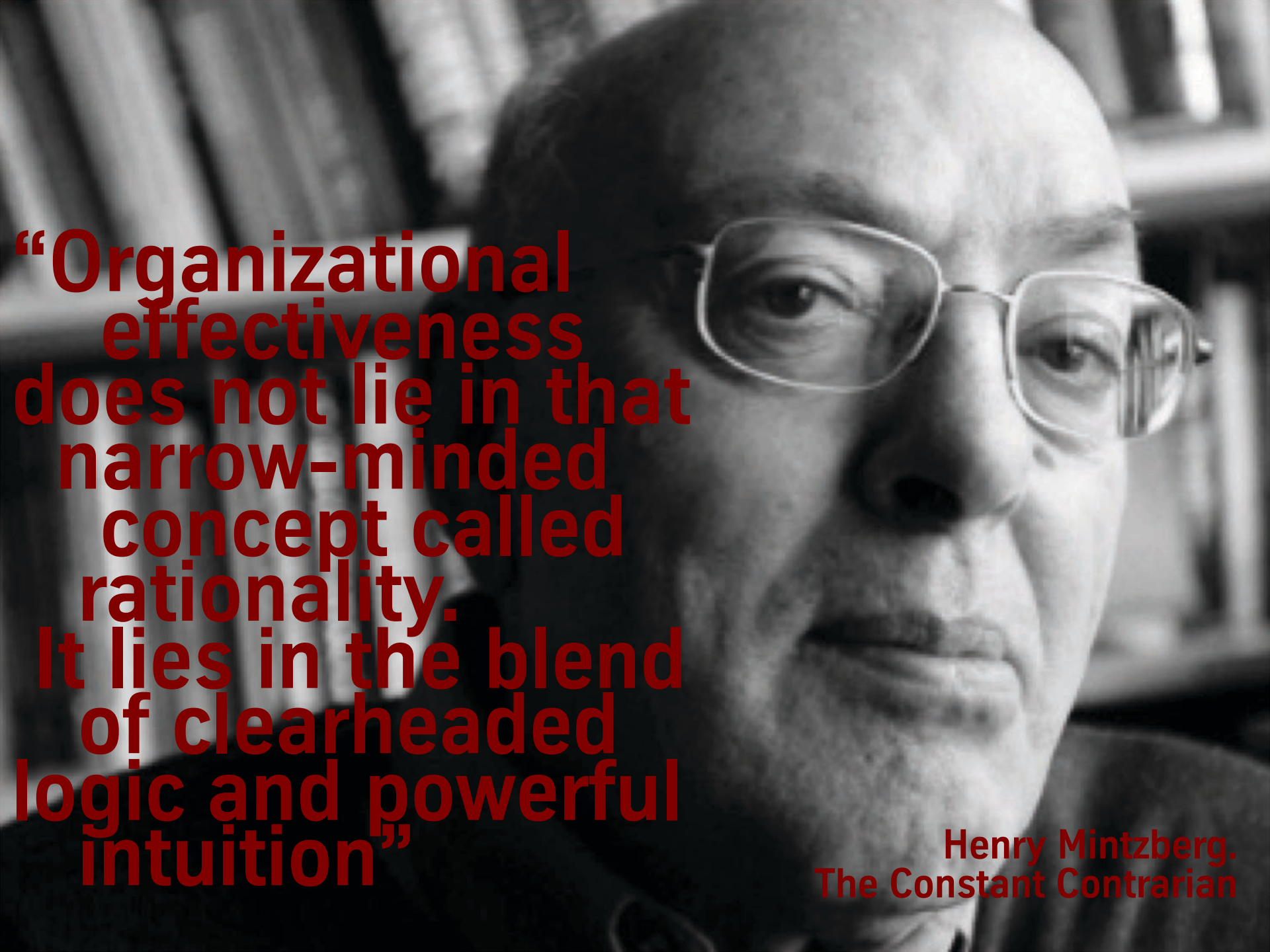
**Gareth Morgan.
The Organization Metaphorist**



Gareth Morgan is an author, professor and social entrepreneur who pioneered the use of metaphor to read, analyze and facilitate organizations to change. And in fact thinking about organizations in more varied and change-inducing ways. His most well-known book, *Images of Organization* put him and remains at the forefront of leadership thinking.

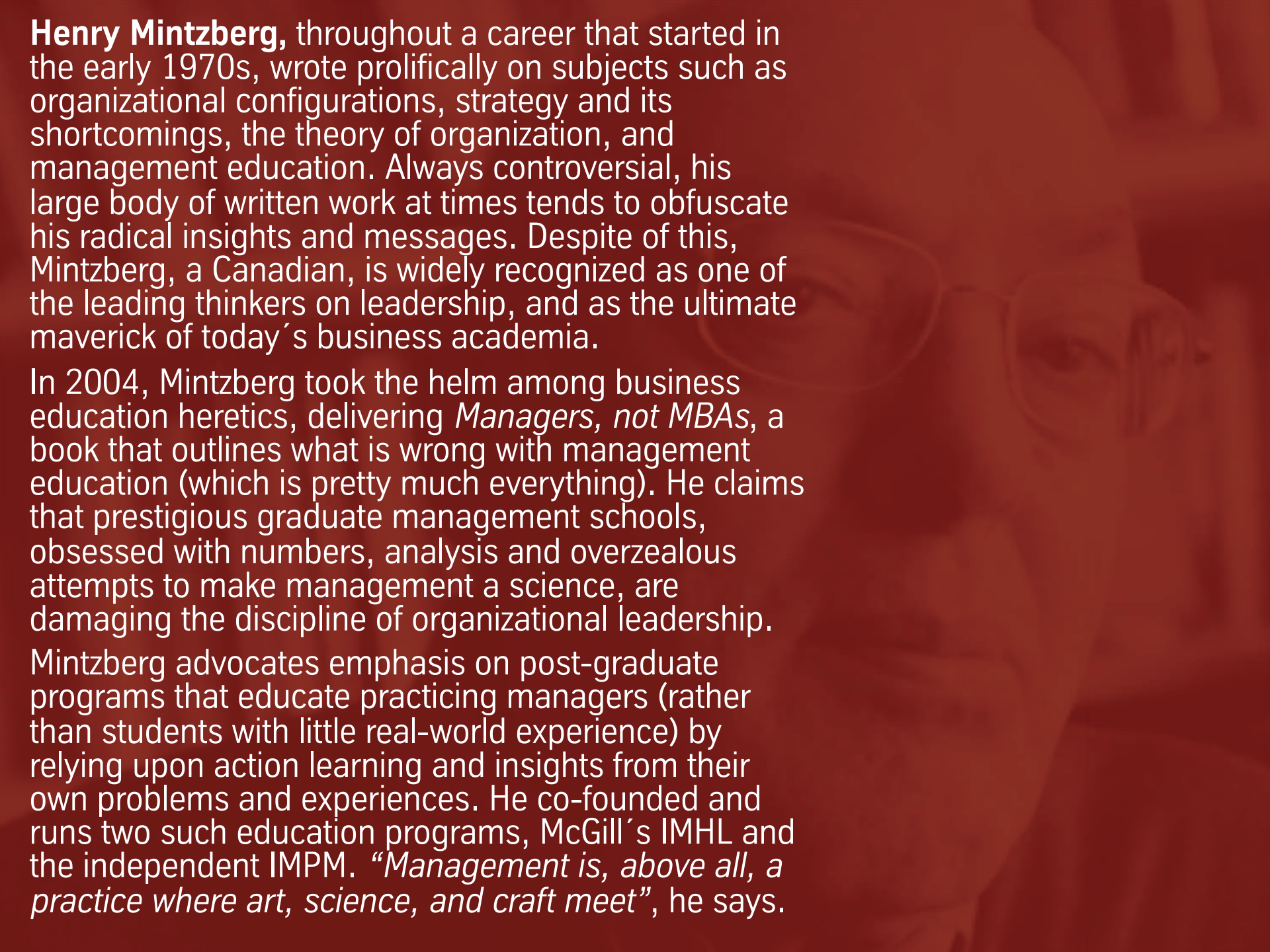
Morgan exposed that all theories of organization and management are based on implicit metaphor, and that metaphors play a paradoxical role: they are vital to understanding and highlighting certain aspects of organizations, while at the same time they restrict understanding by back-grounding or ignoring others. An example for this is the very common metaphor that an organization is like a machine. “*Networked organizations are vital for creating collective forms of intelligence that can ‘self-organize’ on a continuous basis*”, he muses.

Morgan pioneered creative methods for dealing with paradoxes and contradictions blocking effective change, putting complexity theory to action. “*Many organizations are wasting millions of dollars on programs designed to manage change instead of finding creative breakthroughs that can focus energy and lever what’s truly important.*”

A black and white close-up portrait of Henry Mintzberg, a man with glasses, looking slightly to the right. The background is blurred, showing what appears to be a bookshelf.

“Organizational effectiveness does not lie in that narrow-minded concept called rationality. It lies in the blend of clearheaded logic and powerful intuition”

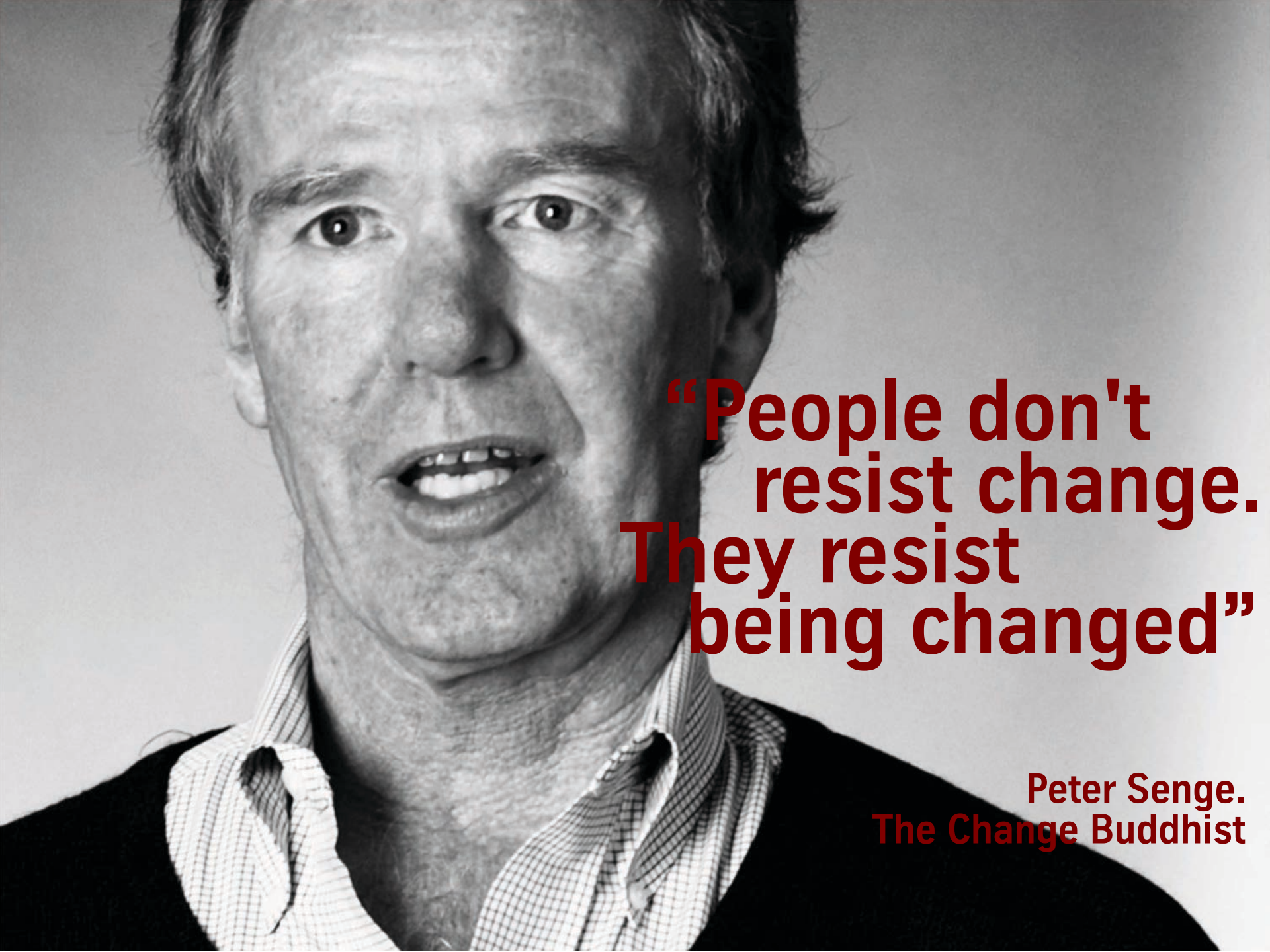
**Henry Mintzberg.
The Constant Contrarian**



Henry Mintzberg, throughout a career that started in the early 1970s, wrote prolifically on subjects such as organizational configurations, strategy and its shortcomings, the theory of organization, and management education. Always controversial, his large body of written work at times tends to obfuscate his radical insights and messages. Despite of this, Mintzberg, a Canadian, is widely recognized as one of the leading thinkers on leadership, and as the ultimate maverick of today's business academia.

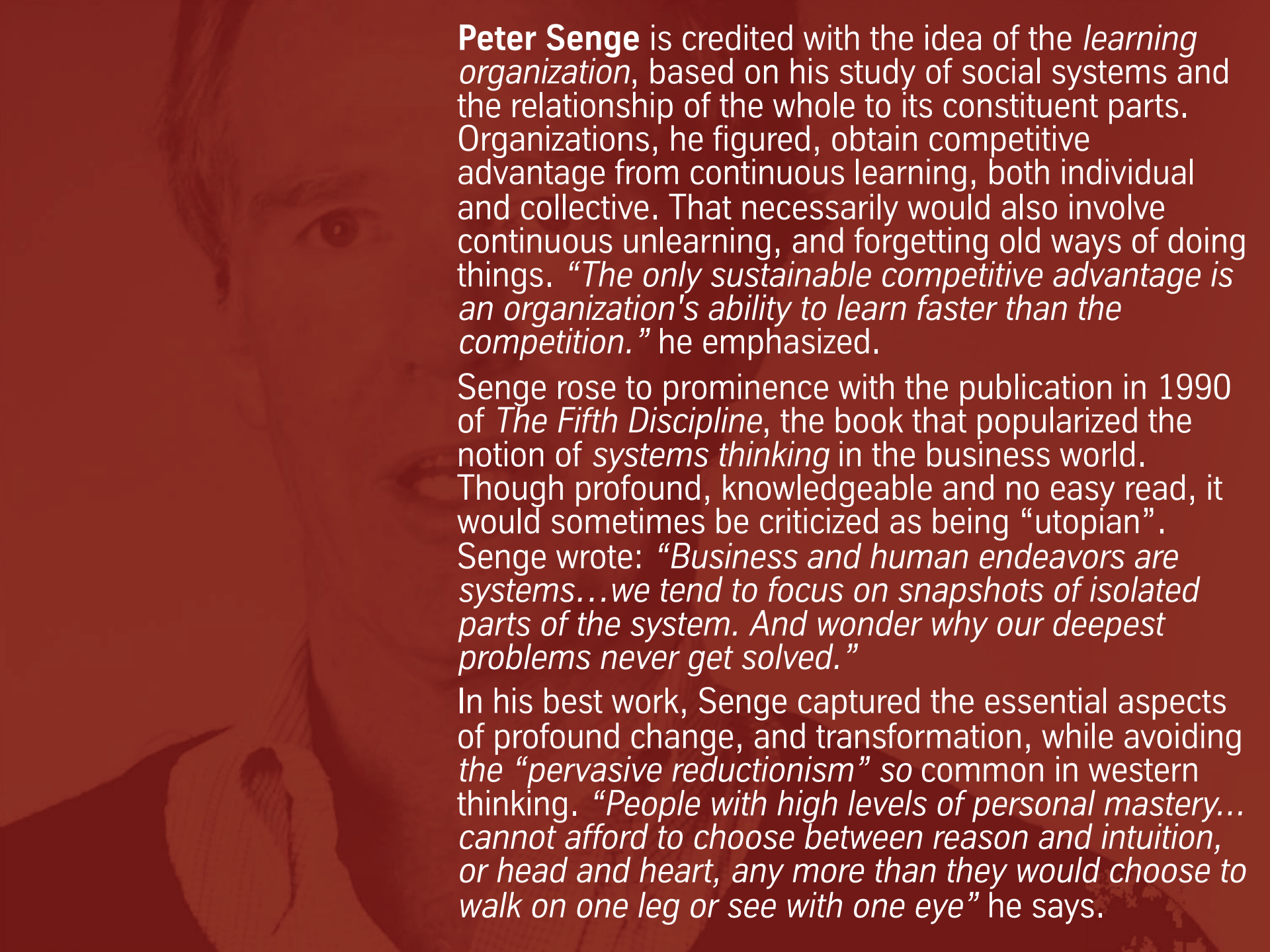
In 2004, Mintzberg took the helm among business education heretics, delivering *Managers, not MBAs*, a book that outlines what is wrong with management education (which is pretty much everything). He claims that prestigious graduate management schools, obsessed with numbers, analysis and overzealous attempts to make management a science, are damaging the discipline of organizational leadership.

Mintzberg advocates emphasis on post-graduate programs that educate practicing managers (rather than students with little real-world experience) by relying upon action learning and insights from their own problems and experiences. He co-founded and runs two such education programs, McGill's IMHL and the independent IMPM. "*Management is, above all, a practice where art, science, and craft meet*", he says.

A black and white close-up portrait of Peter Senge, a middle-aged man with short, slightly wavy hair, looking directly at the camera with a slight smile. He is wearing a dark sweater over a light-colored, checkered button-down shirt. The background is a plain, light-colored wall.

**“People don't
resist change.
They resist
being changed”**

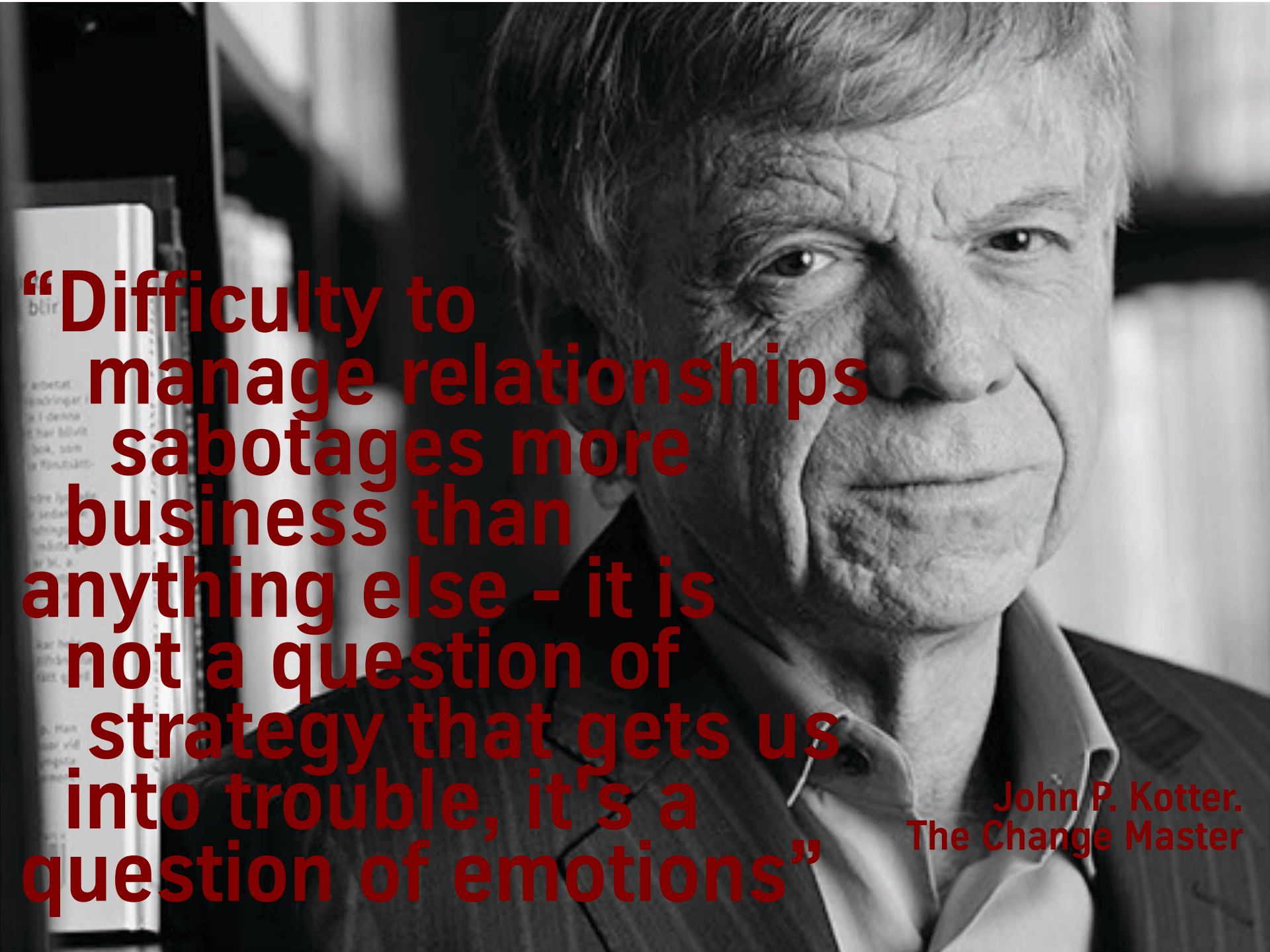
**Peter Senge.
The Change Buddhist**



Peter Senge is credited with the idea of the *learning organization*, based on his study of social systems and the relationship of the whole to its constituent parts. Organizations, he figured, obtain competitive advantage from continuous learning, both individual and collective. That necessarily would also involve continuous unlearning, and forgetting old ways of doing things. *“The only sustainable competitive advantage is an organization’s ability to learn faster than the competition.”* he emphasized.

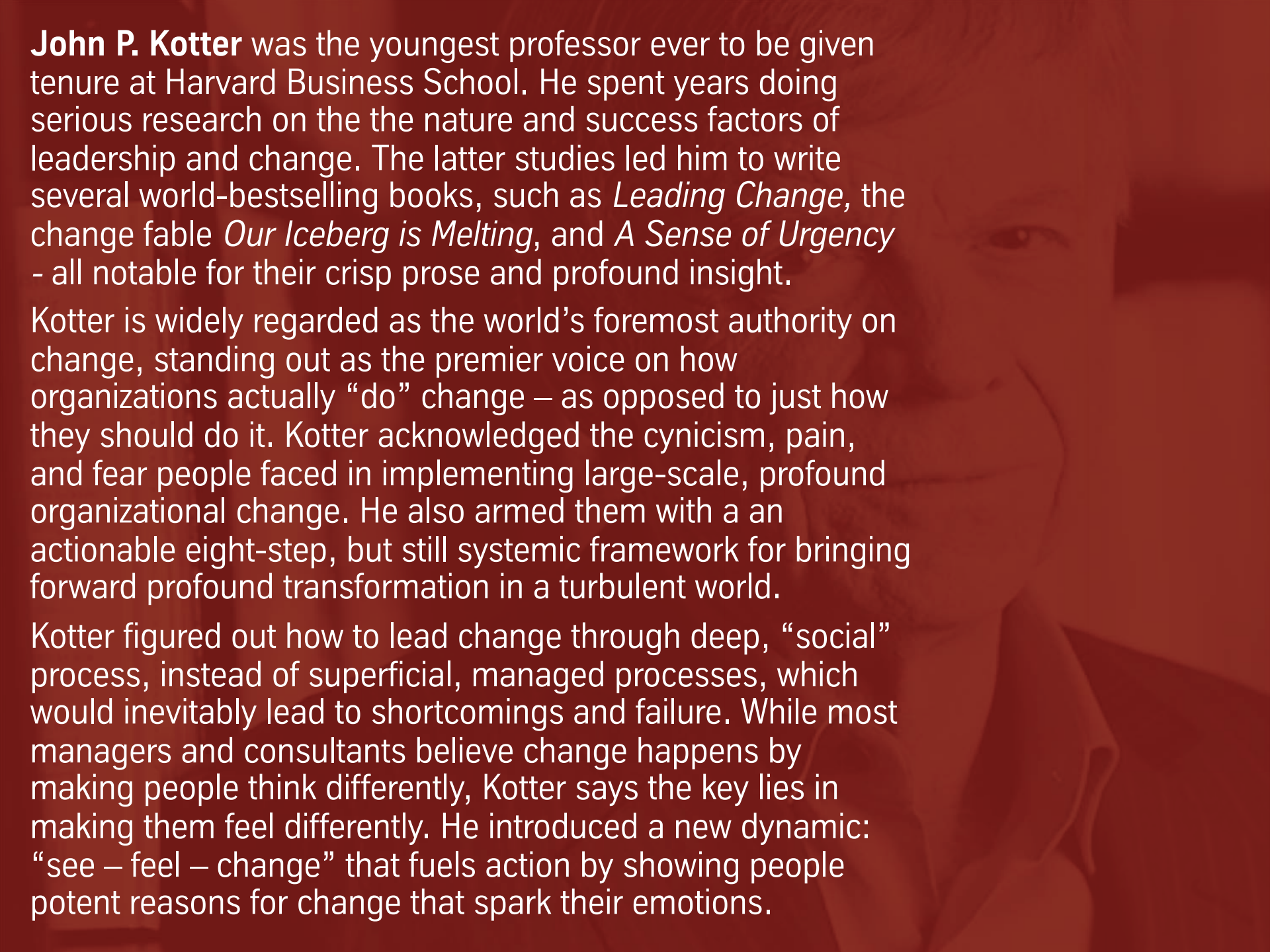
Senge rose to prominence with the publication in 1990 of *The Fifth Discipline*, the book that popularized the notion of *systems thinking* in the business world. Though profound, knowledgeable and no easy read, it would sometimes be criticized as being “utopian”. Senge wrote: *“Business and human endeavors are systems...we tend to focus on snapshots of isolated parts of the system. And wonder why our deepest problems never get solved.”*

In his best work, Senge captured the essential aspects of profound change, and transformation, while avoiding the *“pervasive reductionism”* so common in western thinking. *“People with high levels of personal mastery... cannot afford to choose between reason and intuition, or head and heart, any more than they would choose to walk on one leg or see with one eye”* he says.

A black and white close-up portrait of John P. Kotter, an older man with short, light-colored hair, looking directly at the camera with a serious expression. He is wearing a dark suit jacket over a light-colored collared shirt. The background is blurred, showing what appears to be a bookshelf with several books. The lighting is dramatic, highlighting the texture of his skin and the details of his clothing.

**“Difficulty to
manage relationships
sabotages more
business than
anything else - it is
not a question of
strategy that gets us
into trouble, it's a
question of emotions”**

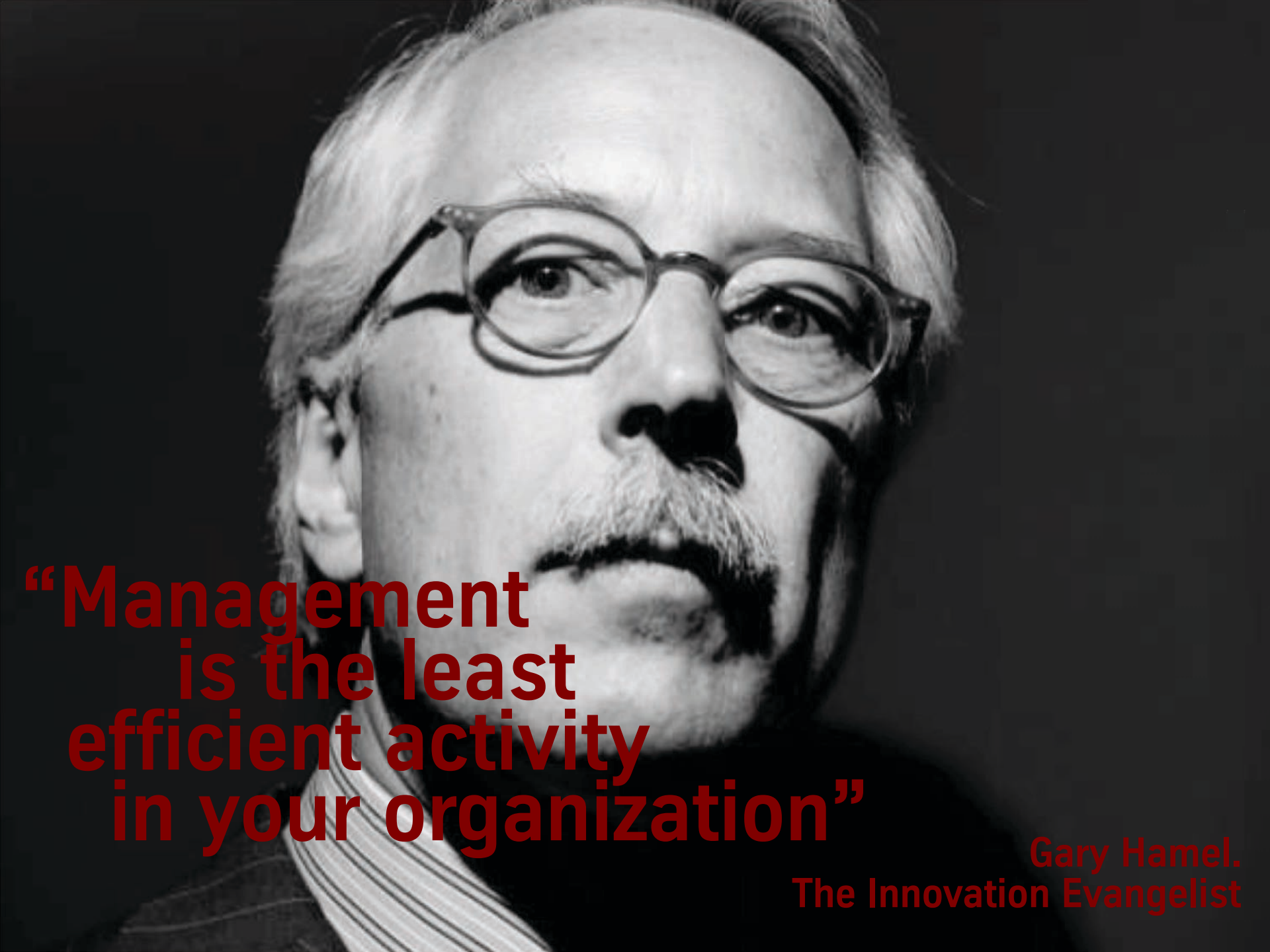
**John P. Kotter.
The Change Master**



John P. Kotter was the youngest professor ever to be given tenure at Harvard Business School. He spent years doing serious research on the the nature and success factors of leadership and change. The latter studies led him to write several world-bestselling books, such as *Leading Change*, the change fable *Our Iceberg is Melting*, and *A Sense of Urgency* - all notable for their crisp prose and profound insight.

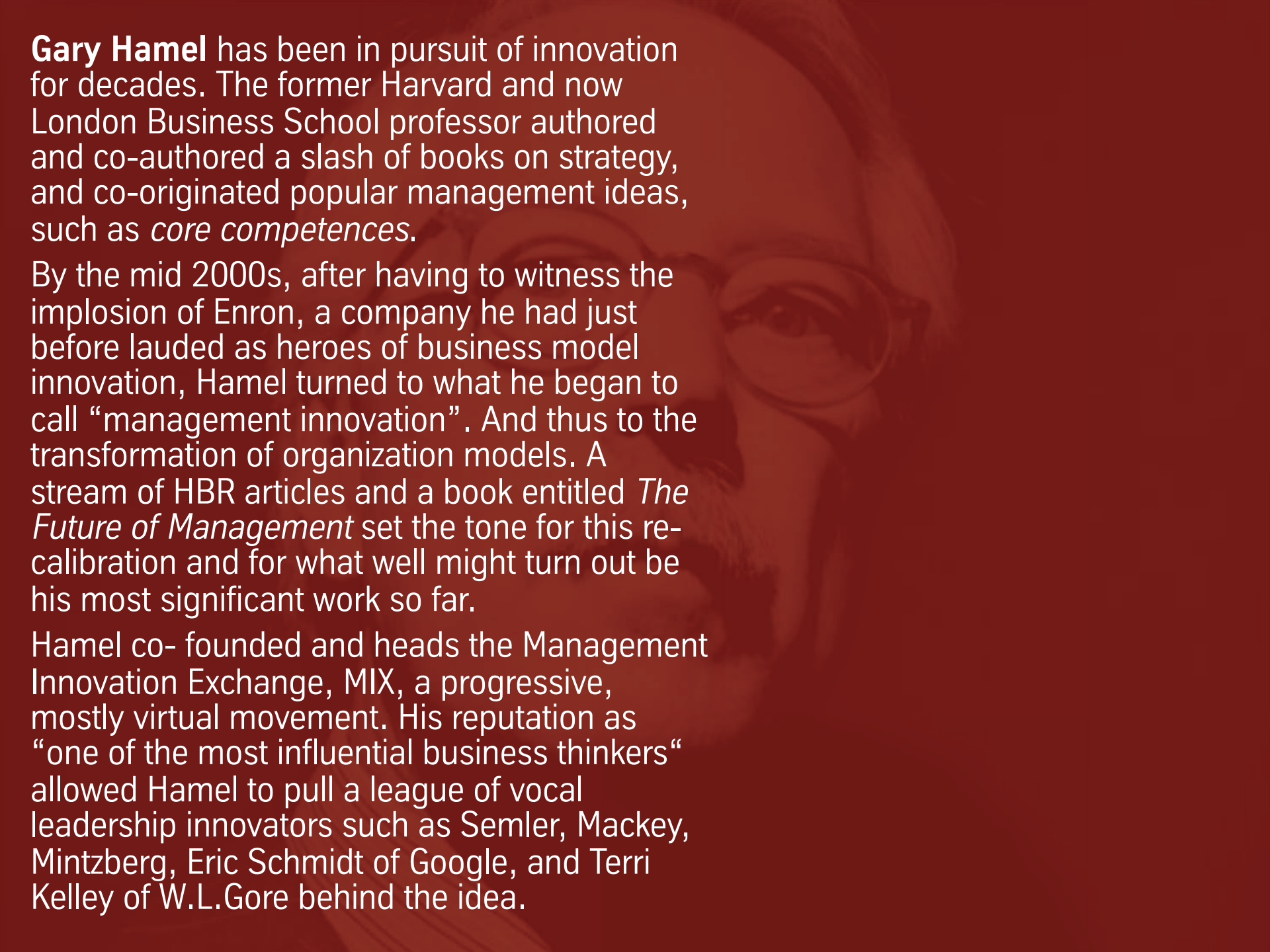
Kotter is widely regarded as the world's foremost authority on change, standing out as the premier voice on how organizations actually “do” change – as opposed to just how they should do it. Kotter acknowledged the cynicism, pain, and fear people faced in implementing large-scale, profound organizational change. He also armed them with a an actionable eight-step, but still systemic framework for bringing forward profound transformation in a turbulent world.

Kotter figured out how to lead change through deep, “social” process, instead of superficial, managed processes, which would inevitably lead to shortcomings and failure. While most managers and consultants believe change happens by making people think differently, Kotter says the key lies in making them feel differently. He introduced a new dynamic: “see – feel – change” that fuels action by showing people potent reasons for change that spark their emotions.



**“Management
is the least
efficient activity
in your organization”**

**Gary Hamel.
The Innovation Evangelist**



Gary Hamel has been in pursuit of innovation for decades. The former Harvard and now London Business School professor authored and co-authored a slash of books on strategy, and co-originated popular management ideas, such as *core competences*.

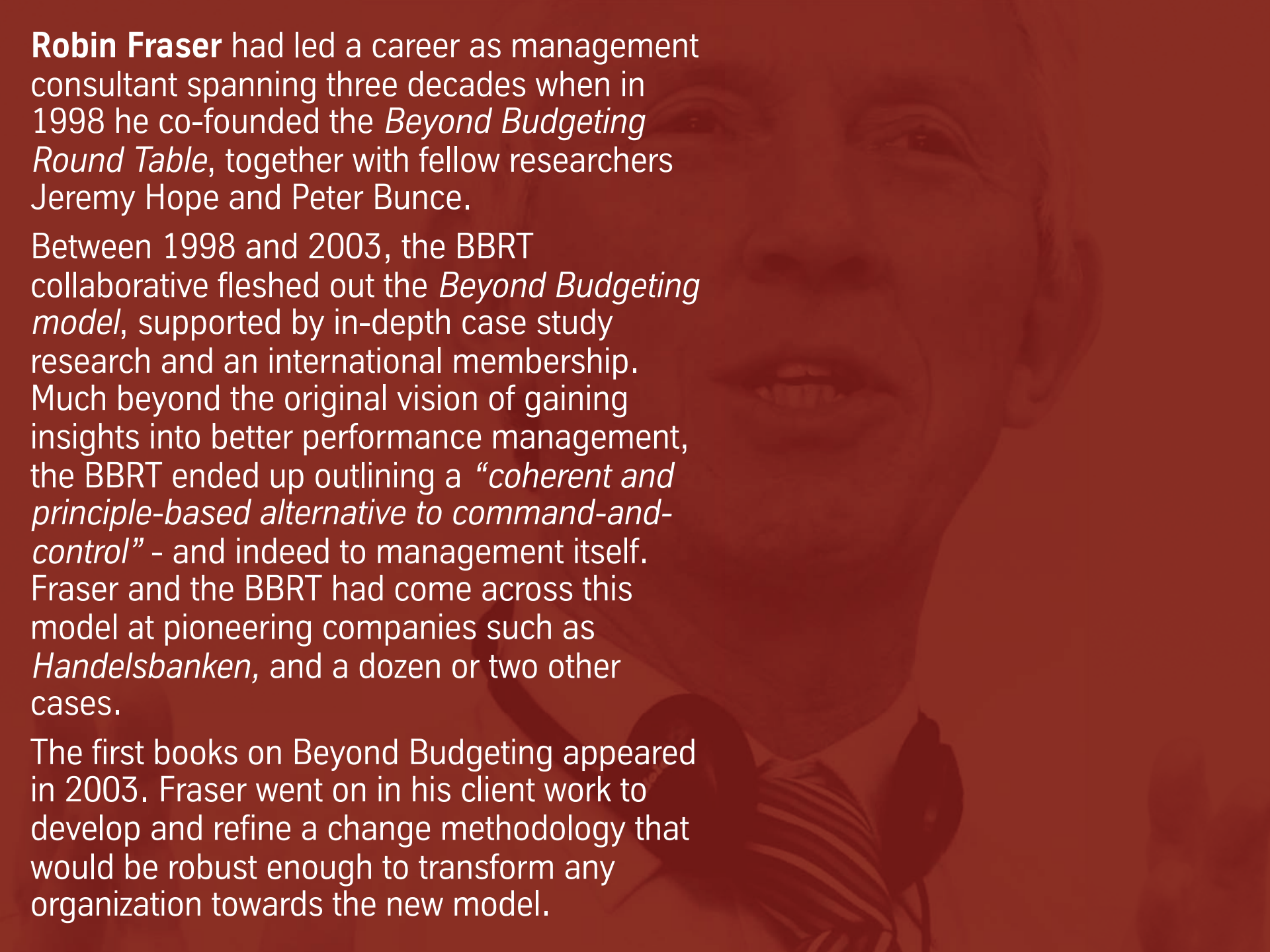
By the mid 2000s, after having to witness the implosion of Enron, a company he had just before lauded as heroes of business model innovation, Hamel turned to what he began to call “management innovation”. And thus to the transformation of organization models. A stream of HBR articles and a book entitled *The Future of Management* set the tone for this re-calibration and for what well might turn out be his most significant work so far.

Hamel co- founded and heads the Management Innovation Exchange, MIX, a progressive, mostly virtual movement. His reputation as “one of the most influential business thinkers“ allowed Hamel to pull a league of vocal leadership innovators such as Semler, Mackey, Mintzberg, Eric Schmidt of Google, and Terri Kelley of W.L.Gore behind the idea.

A black and white photograph of Robin Fraser, an older man with white hair, wearing a white shirt and a striped tie. He is speaking and has his hands raised in a gesture. The background is a plain, light color.

“There is an alternative to command-and-control. Its underpinning is decentralization”


**Robin Fraser.
The Transformation Maverick**



Robin Fraser had led a career as management consultant spanning three decades when in 1998 he co-founded the *Beyond Budgeting Round Table*, together with fellow researchers Jeremy Hope and Peter Bunce.

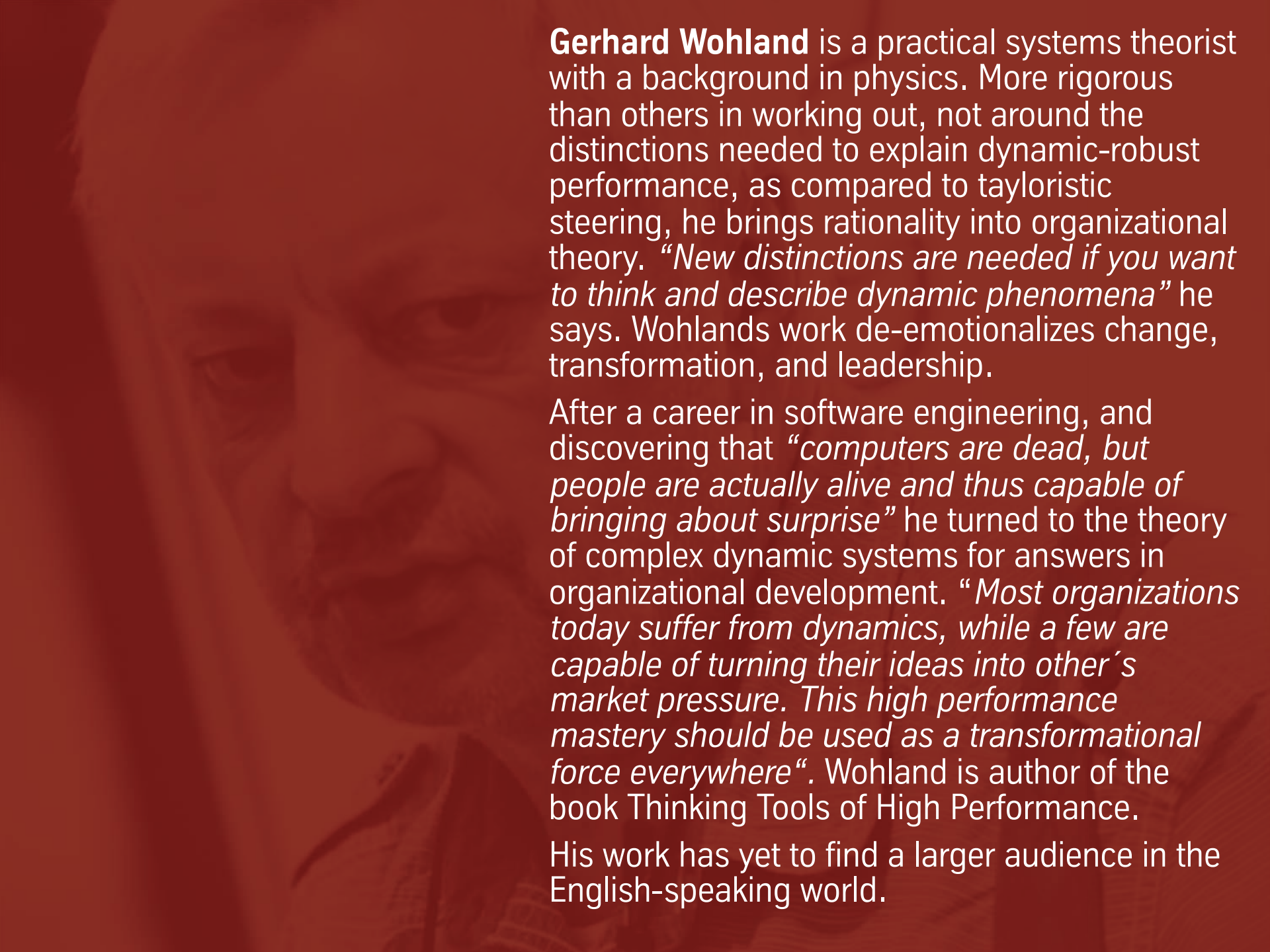
Between 1998 and 2003, the BBRT collaborative fleshed out the *Beyond Budgeting model*, supported by in-depth case study research and an international membership. Much beyond the original vision of gaining insights into better performance management, the BBRT ended up outlining a “*coherent and principle-based alternative to command-and-control*” - and indeed to management itself. Fraser and the BBRT had come across this model at pioneering companies such as *Handelsbanken*, and a dozen or two other cases.

The first books on Beyond Budgeting appeared in 2003. Fraser went on in his client work to develop and refine a change methodology that would be robust enough to transform any organization towards the new model.

A black and white close-up portrait of Gerhard Wohland, a middle-aged man with short, light-colored hair and a slight beard. He is looking downwards and to the left with a serious expression. He is wearing a light-colored, vertically striped button-down shirt. The background is blurred, showing some vertical lines.

“In dynamic markets, the center loses its knowledge superiority, and steering collapses.”

**Gerhard Wohland.
The Systems Surveyor**



Gerhard Wohland is a practical systems theorist with a background in physics. More rigorous than others in working out, not around the distinctions needed to explain dynamic-robust performance, as compared to Tayloristic steering, he brings rationality into organizational theory. *“New distinctions are needed if you want to think and describe dynamic phenomena”* he says. Wohland's work de-emotionalizes change, transformation, and leadership.

After a career in software engineering, and discovering that *“computers are dead, but people are actually alive and thus capable of bringing about surprise”* he turned to the theory of complex dynamic systems for answers in organizational development. *“Most organizations today suffer from dynamics, while a few are capable of turning their ideas into other's market pressure. This high performance mastery should be used as a transformational force everywhere”*. Wohland is author of the book *Thinking Tools of High Performance*.

His work has yet to find a larger audience in the English-speaking world.

This paper is work in progress - you can contribute to its evolution. Your comments, feedback and hints for improvement are welcome, and indeed desired. Please also let us know if you think some hero might be missing from the list. You may include citations, texts, and photos, if you like.

You want to use this material for teaching, or for educational purposes? Feel free to do so. And please let us know about it. We make the PowerPoint file to this paper available on demand.

Recommended reading to appreciate the linkages between our heroes further are the books *Productive Workplaces* by Marvin Weisbord, *The Age of Heretics* by Art Kleiner, *False Prophets* by James Hoopes, and Sumantra Ghoshals paper *Bad Management Theories*.

Significant work contributions to this paper were made by Silke Hermann and Valérya Carvalho.

This is a not-for-profit research paper published for learning purposes. It was published by the not-for-profit outfit betacodex.org under the CC-BY-SA license from Creative Commons betacodex.org/license.

Hero index:

1. Alfie Kohn
2. Bill & Vieve Gore
3. Carl Gustav Jung
4. Charles Handy
5. Chris Argyris
6. Douglas McGregor
7. Eric Trist
8. Frederick Taylor
9. Gareth Morgan
10. Gary Hamel
11. Gerhard Wohland
12. Goetz Werner
13. Henry Mintzberg
14. Herb Kelleher
15. Jan Wallander
16. John Kotter
17. Kurt Lewin
18. Larry Page & Sergey Brin
19. Mary Parker Follett
20. Niklas Luhmann
21. Peter Drucker
22. Peter Senge
23. Ricardo Semler
24. Robin Fraser
25. Russell Ackoff
26. Sumantra Ghoshal
27. Taiichi Ohno
28. Tom Peters
29. Tony Hsieh
30. Virginia Satir
31. Warren Bennis
32. W. Edwards Deming



the
betacodex
network

since 2008

Get in touch with
the authors of this paper:



Niels Pflaeging
niels.pflaeging@redforty2.com



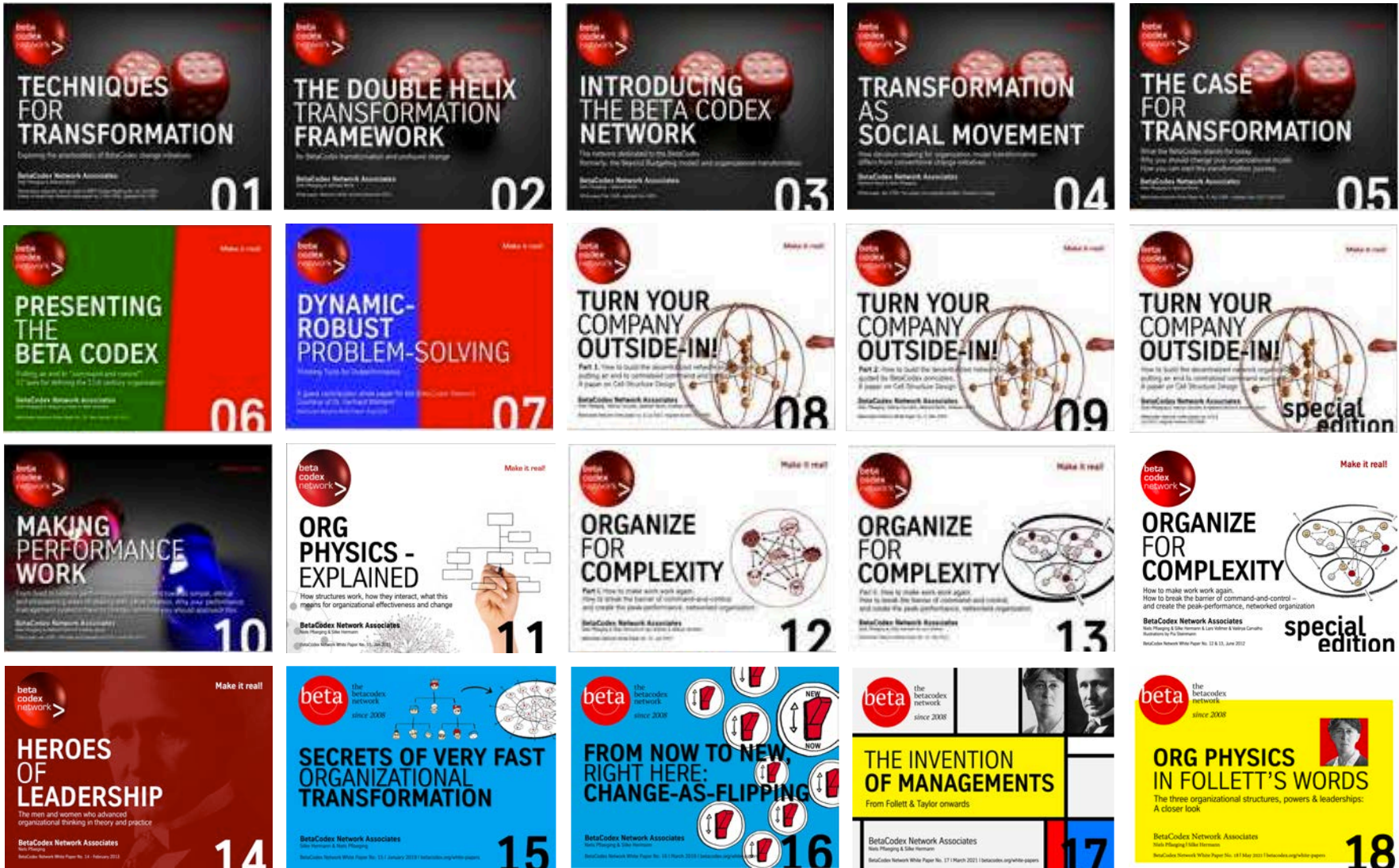
Silke Hermann
silke.hermann@redforty2.com

Paper concept & design: Niels Pflaeging

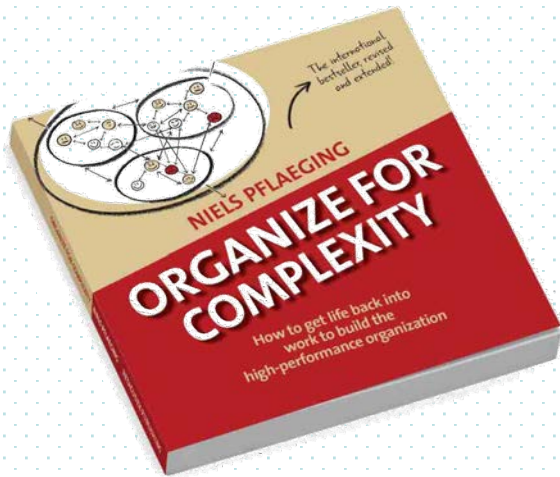
You are free to use this paper, or parts of it, under the condition that you quote and/or mention the source, appropriately. Visit www.betacodex.org and contact us for more about Beta and about how to bring about Beta transformation.

The BetaCodex Network white papers

Find all our white papers on betacodex.org/white-papers and on Slideshare.



Related books from Follett Publishing

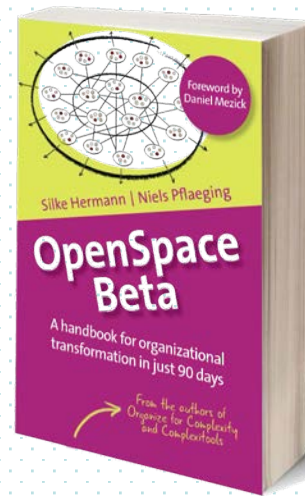


Organize for Complexity. How to get life back into work to build the high-performance organization

Niels Pflaeging

2015, 5th edition 2020

Also available in German, Portuguese, Turkish

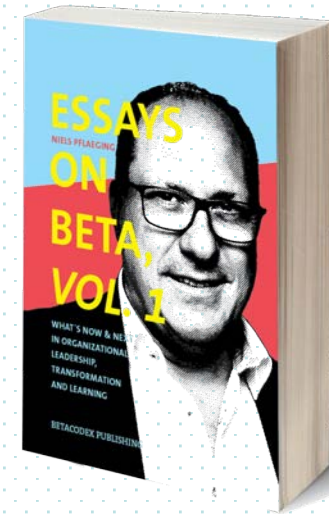


OpenSpace Beta. A handbook for organizational transformation in just 90 days

Silke Hermann | Niels Pflaeging

2018, 2nd edition 2020

Also available in German and Korean



Essays on Beta, Vol. 1. What's now and new in organizational leadership, transformation and learning

Niels Pflaeging

2020

Nominated for the UK Business Book Award 2021