

Managerial Intelligence

“Aaron Buchko has amazing insight into the intricacies of managing and leading a business. He was instrumental in helping our firm restructure and made us think way outside of our collective comfort zone. I found this book to be a very compelling read and would recommend it to anyone who is or will be in a management position within their organization.”

—*Art Anliker, CEO, Heinold Banwart, Ltd.*

“In this book, Dr. Buchko has artfully taken the big-picture principles of management theory and infused them with the wisdom of an insider. Science-based management models may work well in predictable controlled environments, but the real world is anything but that. A manager’s charge to “get things done through other people” is perhaps one of the most challenging genres in the performing arts. If the key to managerial success is less sheet music and more orchestral immersion, the concepts contained in this book are a huge step in that direction.”

—*Andrew Honegger, CEO and President, Morton Community Bank*

“If you take nothing else from this book, breathe in deeply the fundamental premise that management is more of an art form than science. This may very well be the most relevant work on the topic of management since Marcus Buckingham’s, *First, Break all the Rules*. This book will serve as a tool for self analysis as well as tool for those that are tasked with providing direction and guidance to aspiring managers.”

—*Alan Sadler, CEO, Triple S Holdings, Inc.*

Managerial Intelligence:

A Clinical Perspective

By

Aaron Buchko

Cambridge
Scholars
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For Gene
Professor, Teacher, Colleague, Friend

and for Dad and Mom
Et iterum autem videbo vos

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Many authors begin their acknowledgements by saying something like “this book could not have been written without the help and support of...” and then list the persons who were involved in the development and production of the manuscript. In the case of this particular text, though, this statement is particularly true. There is no way I could have ever written what follows without the influence, efforts, and guidance of several key individuals.

First and foremost is my friend, colleague, teacher, and professor, the late Dr. Eugene Emerson Jennings. Gene was Professor of Management at Michigan State University in 1984 when I arrived as a doctoral student, and he became Professor Emeritus upon his retirement in 1989 when I graduated from the program. (He said we were going to leave MSU together, and he was as good as his word.) After I began my career as an academic at Bradley University (based on Gene’s recommendation), we remained colleagues. I spent many afternoons at his home in Okemos, Michigan, and my wife and I visited Gene and his wonderful wife Marilyn at their home on Washington Island in Wisconsin while working on an initial draft of this manuscript. We spoke regularly on the phone. Gene died in 2016, and I miss his tutelage, his insights, his creativity, and his genius.

Gene developed the models and concepts that are the basis of this book early in his professional career and continued his work throughout his lifetime. From 1984 through 1989 I had the privilege of serving as his course manager for his graduate and undergraduate management courses at Michigan State. It was during that time that I became entranced by the ideas and concepts Gene shared with students and practicing managers, and we began to work together to develop the ideas. In 1989, as I was leaving MSU, Gene asked me to give him a dollar. In exchange for that, Gene gave me the right (and the responsibility) to use the materials and to continue to develop the concepts based on my own professional activities. It was the best dollar I ever spent.

I have tried my best to take the ideas that Gene created and to develop those, modify where appropriate, and apply the concepts in my nearly 4 decades of managerial practice and clinical work with executives. The ideas remain as valid today as they did when Gene developed them in the 1950s and 1960s, when we worked together to apply the concepts in the 1980s and 1990s, and they remain in force today with countless executives in

numerous organizations who have benefitted from the insights of Eugene Jennings. I promised Gene that, when he was no longer active in the field, I would take the time to write our ideas down in a book form for other managers and professionals to benefit. This book is in no small part my fulfillment of that commitment. A promise kept.

This book would absolutely not have been possible without the literally thousands of managers with whom I have had the privilege of interacting over the last nearly 40 years of my professional and academic life. I have learned from each and every one of them. Sometimes our interactions provided new insights that have refined and improved the ideas in this book. Other times the concepts presented here were able to help a manager with a difficult situation, to resolve a problem, or enhance a career. Whether the benefit was primarily mine or theirs, in the end this book is a testament to the thousands of managers who have allowed me to become part of their world, to peer inside their sphere of activity, and to take the knowledge and insights gleaned from my own clinical practice and share those with others so that they in turn can be more effective in their own managerial practice.

It would not be possible for me to name all of these executives individually, so I trust that you will know who you are based on our interactions over the past years. However, there are several I would like to recognize simply because they have had a major influence on my own development of these ideas and concepts. In alphabetic order, they include: Martin Abegg, Art Anliker, Rob Baer, Glen Barton, John Brazil, Bill Cirone, Ken Crutcher, Jim DeSpain, Rich DeVos, Bob Ditmer, Sister Judith Ann Duvall, Butch Ellis, Steve Fairbanks, Ty Fennell, Eric Flinton, Tom Foster, Patty Fuchs, Bob Haley, Andy Honegger, Gordon Honegger, Jean Ann Honegger, John Horne, John Kerby, Bruce Janvey, Bob Jenkins, Linda Maricle, Elaina Molina, Doug Oberhelman, Jim Owens, Paul “Dutch” Owens, Jim Radke, Don Rager, A. J. Rassi, Dirk Roecker, Alan Sadler, Tom Spurgeon, Jack Stack, Doug Stewart, John Treat, Don Ullman, Jay VanAndel, Matt Vonachen, Jay Vonachen, and Chuck Weaver. This list is far from complete and I’m sure I’ve failed to mention many who deserve recognition; I hope they will forgive me for my oversight. However, were I to mention all of the managers with whom I have had the distinct pleasure to work over the past four decades, the list would number in the thousands.

All of these people shared their time, thoughts, and energy with me and through our interactions I have been able to observe managers at their best (and sometimes at their not-so-best) engaged in the fundamental act of “getting things done through people.” Each interaction is a data point on the journey to understanding, and without these interactions it would not have been possible to have developed as a management clinician. I am indebted

to them for opening up to me about their management practices and, in many cases, their personal lives. A clinician is only as good as the opportunities to learn, and I have been blessed to have had some wonderful opportunities courtesy of these managers. I trust that I have been able to assist them in their own personal development and career success as a result of our work together.

As a university faculty member, I get the opportunity to work with students every day. My first exposure to the material in this book came when I tried to teach the concepts to undergraduate students at Michigan State as one of Gene's Teaching Assistants in 1984. That was when I became enthralled with teaching and with the value of the ideas in this book, and that enthusiasm is fed regularly by the students of the material. Gene and I developed the concepts into a program we called the Corporate Intelligence Program, and for 4 years I worked with Gene to share it with graduate students at MSU. I have continued to develop the program over the decades since, teaching it to graduate MBA students at Bradley and sharing the ideas with corporate groups when requested. The continual enthusiasm of students for the material and ideas in this book give me the energy to keep refining the ideas, and when they say to me, "you know, I saw an example of this just the other day at work," it reinforces in me the universality of many of these concepts and the need to share these insights with practicing managers.

I would also like to thank and acknowledge the staff at Cambridge Scholars Publishing in bringing this offering to press. Adam Rummens demonstrated an enthusiasm for the manuscript early in the process, and Victoria Carruthers was most prompt and professional in her activities to shepherd the manuscript through to publication. Every author owes a huge debt of gratitude to the countless people who work tirelessly on our behalf to give our ideas a written, professional voice.

Every writer has habitual flaws and errors in writing style. I have been very blessed to have a daughter, Alex, who (as a former English major) has extraordinary skills and abilities to read Dad's work and make the necessary corrections and editorial suggestions. This is the second book I've done for which Alex has been the lead editor, and I would not sound nearly as good without her. She has a wonderful ability to find the mistakes and correct the problems, as well as to critique the ideas when I get off course. She has been an invaluable part of my writing and publication efforts. I am grateful that she has been willing to take her time to assist me. In addition, she is just simply a wonderful daughter, one any father would be proud to have in their family. Her intellect, personality, and beauty are a constant source of joy for her Dad.

My parents, Walter and Blanche Buchko, were the foundation of my life. They gave me a home with love, nurturing, authority, discipline when needed, and support. They always encouraged me to work hard, do my best, and leave the rest up to God. They encouraged me to pursue a doctoral degree; they always said, “someday maybe you’ll write a book.” This is the third one with my name on it, and my first as a solo author. I think they would be proud of me; I know I’m proud to be their son.

Finally, my family. I’ve already mentioned my daughter Alex, who is part of my professional “team.” My son Andrej is a key part of my life as well. We spent years together as he pursued his interest in hockey, traveling all over the midwestern United States in furtherance of his desire to play at the highest levels of the game, and I treasure the time we spent together. Of late he is my golfing companion, and we have enjoyed many hours on the links together. There is a natural ease between us, bonded by the love we share, that lets us tease one another unmercifully while thoroughly enjoying every minute of the repartee. We golf and fly fish together; as some have said, that’s when you really get to know a person, and I’ve come to know him as the finest young man I’ve ever met. My wife, Dr. Kathy Buchko, is a counseling psychologist, university faculty member, as well as the most incredible mother I’ve ever seen. She has been part of my life for over 40 years as I write this, and whatever success I have achieved is due in no small part to her constant love and support. She was with me when I made the decision to leave a successful career in management and pursue a PhD. She then did me better and obtained two Master’s degrees and a PhD on her own and in about the same amount of time. Kathy was willing to let me teach at Bradley and to develop her own career while continually supporting my efforts. We have seen each other through good times and bad and we remain committed to one another in so many ways. I could not have had the life experiences that made this book possible without her by my side. I will love her forever.

PREFACE

THE MAKING OF A MANAGEMENT CLINICIAN

In August of 1984, after spending 7 years in sales and marketing functions, I decided to change careers and become an academic—a university professor. The decision was somewhat difficult; as an adolescent I knew I wanted to study business and be a manager, and I'd pursued that goal diligently ever since. In a sense, I was “living my dream.” But I enjoyed learning, decided to get my MBA, and realized that I was having more fun studying business and management than I was doing it. So, with my wife's agreement, I left industry and became a PhD student at Michigan State University in the Management Department. It wasn't an easy decision; after 7 years, I was the senior marketing officer for a multi-magazine publishing company (at age 29!) and my future career was promising. But I decided to follow my passion and pursue the doctoral degree.

As it turned out, 1984 was a wonderful time to be at MSU in the doctoral program. The faculty were some of the leading up-and-coming professors in the field, and I had a chance to learn research and theory-building from some of the finest professors in the field. But I also had to earn my keep, and so I was assigned as a Teaching Assistant (TA) for Dr. Eugene Jennings' MGT302, Principles of Management class. I didn't know anything about Gene or teaching, but figured I'd had enough classes with teachers that I could figure it out based on what I liked and didn't like, and how hard could a Principles class be? I'd already been teaching part-time for a local community college (Sales Management), so I was sure I could handle the course.

Every Tuesday morning the class met in a huge lecture room in Wells Hall in the shadow of Spartan Stadium, and there Gene would lecture for over an hour to about 600 undergraduate students at a time. Then, they were broken out into recitation of 40 students each, and each of us TAs got 2 sections to cover on Thursday or Friday of the same week. It was a pretty good gig, and I enjoyed the classroom environment a lot.

What really fascinated me, though, were Gene's lectures. He wasn't talking to the students about the usual Principles of Management stuff. Instead, he was sharing with them insights on the practical aspects of management. He was telling them about the real world problems that

managers encounter and how they deal with these issues. He was using models, ideas, and concepts I'd never seen or heard of before. And the ideas made sense—a lot of sense, given that I'd just come from the business environment. I realized that Gene was describing managers I'd known and situations I'd observed while a practicing executive.

Then he started to describe me. And I got really, really fascinated. How did he know what I'd done and what I'd gone through? How was he able to describe my career development? How was this possible?

Gene met with us for a half hour before each lecture, and I started to use that time to pepper him with questions. I wanted to learn about these models he was sharing—where did the ideas come from? How were these concepts developed? What were the theoretical underpinnings that the models were based on? He patiently and carefully taught me, and I found myself entranced with the material. Why hadn't I known about this when I was a manager? The ideas and concepts would have helped me so much, would have made me more effective. Why didn't more people use these insights?

Gene explained to me that—unlike the empirical, research-based methods I was learning as a PhD student—the principles and concepts came from his work as an advisor to organizations and managers. It was based on his training as a clinical psychologist at the University of Iowa. He had adopted those same techniques as a clinician and applied them to the world of management and organization life. He explained that a clinician is engaged in the practice, works with practicing managers, and looks for patterns in behaviors, situations, and outcomes that can be used to develop generalized principles of concepts. It was the essence of theory development but in a practical way. As a PhD student I was learning empirical methodology—theory development, hypotheses formulation, research design, data analysis. These were important and useful skills, especially in an academic career. However, if I wanted to really impact managers, I would have to get involved with real managers working on real problems in real organizations. I would have to adopt a clinical approach.

I've been blessed to have been the inheritor of Gene's work and legacy. Over the past 30 plus years I have worked with thousands of managers in their organizations and in executive sessions where I've been able to observe first hand managerial practice at work. I've found that some of the concepts I learned from Gene are timeless; managers and organizations are doing many of the same things they were doing 60 years ago when Gene began his work. Other concepts have been modified to reflect the constantly changing and evolving world of work and organizations. During that time, I've had the privilege of assisting hundreds of managers and organizations to improve their performance. I've watched some executives fail, and my

inability to help them is a regret I'll carry for a long time. I think I've left a legacy of management thoughts and ideas with these managers as well as with my students, but none of us are perfect people, so I accept my limitations as a clinician as well. The credit for the success is with the managers; I've just had the awesome opportunity to play a small part in their development.

Based on those years of work as a clinician (I use the term "Advisor" rather than "Consultant"), I've been able to identify some common ideas that seem to be useful for understanding the practice of management. Many of these ideas started with Gene; some are my own contributions. At the end of the day, what you have in your hands is the result of over 60 years of clinical experience in thousands of organizations with tens of thousands of managers. Not all of the ideas will apply all of the time. But the overall models and concepts are well grounded in the real world of the manager, not in theories borrowed from the social sciences like psychology and sociology and tested in lab experiments. Managers don't have time for a lot of theory and experimentation. Organizations need results now, and managers are tasked with providing those results. As a clinician, my role is to assist in that process and at the same time to learn from those interactions so that future managers will benefit from those experiences.

That is the basis for this book. It's not a management theory book except in the sense that the theory represents observed phenomena in organizations. Nor is it a "principles" or "how to" book. My intention isn't to find another "7 S Framework" or help managers move from "Good to Great." As a clinician, my objective is to describe what effective managers do in ways that will enable others to learn and improve their own performance. If that is your interest, then I welcome you to an understanding of managerial intelligence-a clinical perspective.

*Aaron A. Buchko, Ph.D.
Peoria, Illinois
January 2019*

CHAPTER ONE

MANAGEMENT: A CLINICAL PERSPECTIVE

Why do we need another management book?

The short answer would seem to be, “we don’t.” Amazon.com says there are over 80,000 books on management available today. If executives cannot find the information needed to successfully run their businesses in one of those 80,000 titles, it would seem doubtful that the information exists at all. Couple this with the fact that, according to Google Scholar, there are over 6,480,000 articles in academic journals and publications on the subject of management. Never in the history of humanity has there been more knowledge and information available on managing people and organizations.

Yet despite all of this knowledge and information, around 80% of small businesses will fail within two years of opening. In fact, only 10% of the firms that were on the Fortune 500 list in 1955 remained on the list in 2015. More than 170,000 small businesses closed during the Great Recession of 2008-2009, and over 4,000 Internet-based companies disappeared when the dot-com bubble burst in 2000. With all of this knowledge and all of this information available, the evidence would seem to suggest that we are not learning very much about how to successfully manage people and run organizations.

You might question whether or not the problem lies in how we teach management. After all, there are more students studying business today-and more managers with a business education-than ever before. More undergraduate business degrees are generally conferred on students than any other academic discipline, and all of those degrees included some instruction in the practice of management. Graduate business degrees, particularly the MBA, continue to grow in popularity, with the availability of online and executive programs. More people have had more exposure to management principles and ideas in their education than in any other time in human history, and even those who have no formal training at the college or university level have probably had some exposure to management

development programs in their organizations. But despite the growth in management education, organization results do not seem to indicate any benefit from this increase in management knowledge.

Does management really matter?

What is “management?”

Before going too far in trying to answer this question, it would be useful to define key terms and be sure that we share a common understanding of the concept of management. The dictionary defines management as the act of managing; which means we first have to look at the definition of the word “manage.” “Manage,” we are told, is a verb meaning “to bring about or succeed in accomplishing.” It is derived from the Italian *maneggiare*, meaning to handle or train (usually horses). To manage, therefore, means to bring about or accomplish some end goal or result.

Perhaps the best definition of management is one of the oldest, attributed to Mary Parker Follet: “Management is the art of getting things done through people.” While elegant in its simplicity, there are three key elements to this definition.

1. **Art.** It is interesting that in its earliest inception, management was classified as an art. This conceptualization of management as an art form has largely been overlooked in an era of science, Big Data, information technology, and analytics. It is suggested that a scientific approach to the study and practice of management can address numerous problems and challenges in organizations. However, as already noted, contemporary organizations seem to fare no better than those of a century ago, despite over 120 years of scientific methodology in management.

Viewing management as an art form shifts attention from rigorous analyses and methodologies to examining the practice of management as a creative enterprise. To be sure, there are principles, frameworks, and guidelines that are inherent in the practice of management just as with any other art form, such as music, dance, film, and the visual arts. What this definition suggests, though, is that management in practice is not simply a set of tools or techniques to be applied consistently and rigorously based upon a set of theories or hypotheses; rather, it is the act of combining these techniques in a unique way to achieve a desired outcome.

2. **Getting things done.** Management is not about random behavior. It assumes that there are “things” that need to be done, that there is a goal, an

outcome, or an objective. As many writers have noted, the determination of the things that need to be done is often a function of management. However, like most forms of human activity, management presumes some desired end result. In most cases, these goals or objectives are determined by the nature of the organization. For instance, the business/corporation seeks to generate a profit, whereas the charitable organization may seek some social or moral outcome. No matter the nature of the enterprise, the essential point is that management seeks to achieve some organizationally-relevant result by guiding and directing actions.

This should not be surprising, since the purpose of any organization is to produce outcomes collectively that are not possible to be achieved individually. The reason human beings form organizations is to work together to accomplish tasks more efficiently or effectively than can be done by one person alone. Hence the bias of any organization is action; organizations exist to do things. The purpose of management is to plan, implement, execute, and control those actions in order to achieve the desired results. While the practice of management can and does influence the determination of the organizational outcomes, it is important to note that, in many instances, the “things” that management seeks to get done are independent of the individual actors who populate the organization. The outcomes may be socially constructed or mandated, or they may arise from institutional requirements. Regardless of the origin, the purpose of management is to accomplish the “things” that the organization requires.

3. *Through people.* It's this third element of the definition that distinguishes management from all other activities that occur within an organization. The first rule of management is this: if you're doing the work, you're not managing. The essence of the managerial role is to enable other people to do the work of the organization. While it is true that many managers do have their own individual work tasks, duties, and responsibilities to complete, the distinguishing feature of the managerial role is the necessity to get *other* people in the organization to perform the work that gets things done.

It's the “people” part of the definition of management that causes management to be far more art than science. The inherent individuality of each person and the fact that every situation in an organization is fundamentally unique means that it is extremely difficult to create general theories of managerial practice. In fact, it might be said that the essence of management is the constant creative act of configuring the various resources available to the manager in a way that produces the desired organizational outcomes.

One of the things that makes this particularly challenging is that the skills required to get other individuals to do the work of the organization are not necessarily the same skills that get a person hired into the organization. Typically, organizations hire individuals because they possess the knowledge, skills, and abilities necessary to produce the desired organizational outcomes. Most people enter an organization based upon their technical skills or competencies, but those skills and competencies that are necessary to get other people to perform the tasks of the organization are not necessarily the same technical skills and abilities that were important in the hiring decision.

What generally happens is something like this: a person enters the organization in an entry-level position as a worker, charged with performing certain tasks and duties. Over time, the individual demonstrates a measure of success in performing those tasks and generally is perceived as having some skills at interpersonal relationships and at working effectively with others. The organization assumes that this combination of technical skills and interpersonal competencies will enable the person to be effective at managing others, and so the worker is promoted to a first-level managerial position. The moment that occurs, however, the rules for success immediately change. For every managerial position in an organization, from the first line supervisor to the CEO, the primary criteria for success is the individual's ability to get other people to perform.

Management: Art Versus Science

One of the fundamental elements that separates art from science is the concept of practice. Science (including the social sciences) is subject to the scientific methodology of theory, hypotheses, data, and verification. Such methodology can be performed in a laboratory or controlled conditions; alternatively, data analytic techniques can be used to minimize error. However, art requires performance—that is, that one actually practices the form. It is this element of managerial practice/performance that is consistent with the definition of management and emphasizes the necessity of viewing management as an art.

As an art, the practice of management requires knowledge of the context and the basic principles of the craft, awareness of the unique individuals and circumstances, and the ability to align the elements in such a way as to produce an intentional outcome—one that, by its nature, can never be repeated. Like all creative tasks, management involves emotions, those of both the manager and the subordinates. It requires sensitivity to cultural norms and values, including those of the organization as well as the larger society.

Like art, management involves the process of *preemption*: once an action has been taken, it cannot be withdrawn, and all future actions must consider the sequence of events which precede action. Once the manager makes a decision, communicates with a subordinate, establishes a new organizational practice, or engages in any of the myriad activities associated with a managerial role, the act cannot be undone. Like the musician who plays the note, the artist who applies the paint, the sculptor who breaks the rock, or the actor who utters the line, the manager's reality is that actions are always occurring as part of a live managerial "performance." The practice of management is an ongoing creative act in which the manager acts both as an agent within the existing context while simultaneously seeking to influence the future state of the organization through those actions. While the manager may have a vision or intention of a desired future state, management in practice more closely resembles the creative process.

There are many who will take exception to this view of management as a creative act or performance, preferring to view management as a social science. While management incorporates many practices and elements of the scientific perspective, the nature of managerial action must, out of necessity, mean that the scientific approach has limitations. Consider for a moment the necessary prerequisites of a science. All science is based upon the scientific method of theory, hypothesis, data, and verification. Certainly, we have many theories that are relevant to the practice of management, and frequently, these theories are presented in the form of testable hypotheses, which are then framed in experimental or quasi-experimental settings. Data is gathered and analyzed, and as a social science, the data is frequently analyzed using statistical methodologies intended to reduce potential error and arrive at some conclusion *vis a vis* those hypotheses.

This is obviously attractive to many, given our modern society's bias toward the scientific. However, it conflicts with a proper understanding of management. A scientific approach to management suggests that there are general theories that guide managerial behavior. But, in reality, the managerial role does not lend itself to general theories or approaches. The reason for this is that each situation or circumstance in an organization is fundamentally unique. From day to day, the actors differ; we have knowledge or know something today that we did not know yesterday. We have one more day's worth of experience. The conditions of managerial work are constantly changing.

The suggestion that the methods of social science are an appropriate way to understand the reality of managerial work has two fundamental flaws. The first arises from the structure of social science research. The overwhelming majority of the research in the social sciences uses surveys

and/or experimentation in settings that allow for a measure of control. For survey research to be even marginally effective, it is necessary to survey entire populations. Since this cannot be done, research methods use randomization in order to address the error from a smaller sampling. However, it is not possible to have a random “sample” of organizations. For sampling theory to be effective, there are two requirements: the first is that every unit in the population has an equal probability of being selected into the sample, and this can be done through a random selection process. But the second requirement is that any unit in the population can be substituted for any unit in the sample without materially changing the composition of the sample. When we consider organizations as the base for such research, sampling theory quickly breaks down; it is simply not realistic to suggest that managers from Boeing Corporation can be substituted for managers in Apple Corporation or Bank of America or Harvard University without materially affecting the sample. The environments and circumstances for these organizations at any moment in time can be radically different, requiring significant differences in managerial behavior.

The second problem with most approaches to gathering knowledge about managerial work is the use of experimentation, most often involving the use of undergraduate or graduate students (the reason for the use of students in such research is the difficulty of getting managers in organizations to agree to operating an organization in experimentally-controlled conditions!). Research about managerial practice in experimental, controlled settings is therefore limited in its generalization ability by the artificiality of the research setting itself. Research on group behavior, motivation, teams, etc., arising from experimentation in laboratory conditions, may tell us something about how students behave in controlled environments. However, it may not tell us very much about how practicing managers with years of experience in complex environments behave.

Like the old saying, “you never put your foot in the same river twice,” the manager is never in the same organizational situation twice. Each moment of managerial work requires constant awareness and assessment of the situation, as well as an ability to combine resources in such a way as to produce the desired organizational outcome in an environment that constantly varies. Just as any work of art is a one-time event that happens in the moment, so too management is an art that is continuously being performed in real time. Therefore, the scientific approach is limited in its utility for understanding the managerial role. Scientific models can suggest to us ways of thinking about or evaluating our circumstances, but the actual decision process in the formulation of a program of action to achieve the desired goals requires a different perspective; and in this manner, the

practice of management has been and will continue to be far more art than science.

This understanding of the nature of management is inherent in the concept of the professional school. Any college or university can possess only a limited number of professional schools; every other program of study is considered one of the arts or sciences. A profession however, by definition is a practice or vocation requiring mastery of a complex set of knowledge and skills through formal education and/or practical experience. Or as one colleague defined it, a profession is a combination of disciplines, the practice of which is an art. The most common professional schools are medicine, law, business, engineering, and education. Management as a discipline is most often housed within the business school. This is appropriate, given the nature of most managerial work. Management is therefore one of the disciplines within the business school and along with other disciplines such as finance, marketing, and accounting, forms the basis of a professional business education.

What separates the professional school from the arts and sciences, though, is the *practice*; the reason for professional education is to enable students to practice medicine, law, business, etc., with a high degree of proficiency. It is expected, then, that students will receive an education in the basic disciplines of the profession. For example, medical students receive education in anatomy, chemistry, biology, and many other scientific disciplines. But it is not enough to merely have knowledge of the disciplines; it is the ability to combine one's knowledge from these disciplines and apply the knowledge to a specific patient, client, or organization that distinguishes professional behavior. It is at this point of practice that the art of medicine, law, and business management becomes paramount; and the scientific approach becomes limited in its usefulness for understanding the nature of managerial work.

What Happened to Management?

To figure out how we got here—what happened to the concept of management—let's take a brief tour through the history of management thought. The concept of management is not new in human history; in fact, it might be said that management is one of the oldest professions known to human beings. We see evidence of managerial practice in the building of the pyramids in ancient Egypt. One of the earliest recorded efforts at a managerial reorganization is in the book of Exodus in the Jewish *Torah* or in the Christian Bible, where Moses records a conversation with his father-in-law, Jethro, suggesting that he restructure the children of Israel to enable

Moses to more efficiently manage the people's affairs. Further evidence for the practice of management might be found in the military and political structures of ancient Babylon, Persia, Greece and Rome, the building of the Great Wall of China, and the rise of numerous civilizations.

Initial efforts to understand the practice of management were bound up with political, military, and/or theological organizations. Prior to the 19th century, there were very few large-scale business organizations. The largest organizations known to most individuals were governments, armies, and churches; so, early work at understanding organizational management focused on the administration of these large organizations.

The industrial revolution in the 19th century became the genesis for large business organizations. Drawing on existing knowledge regarding administrative functions, early management writing concentrated on developing the policies, procedures, and processes necessary for the efficient and effective functioning of these companies. This began to change in the late 19th century, due primarily to the efforts of Frederick W. Taylor and creation of what became known as Scientific Management. Riding on the wave of late 19th-century fascination with the principles of science that were impacting the physical and natural sciences, Taylor sought to apply these same techniques to the operations of industrial organizations. Through experimentation, observation, and analysis of data, Taylor was able to improve worker performance and achieve greater levels of industrial output. Therefore, the first formal approach to the study of business management had its roots in scientific thought—perhaps creating an initial bias in favor of management as science.

The first formal text on the subject of business management is generally thought to be Chester Barnard's *The Functions of the Executive* (1938)¹. Barnard, as the president of AT&T, concentrated on the administrative role in operating a large complex business organization. This might still be viewed, however, as a continuation of the scientific approach to management, since Barnard provided an initial structure for analyzing the administrative functions of the enterprise. Business education concentrated primarily on technical training in certain necessary skills, such as bookkeeping, manufacturing (an offshoot of industrial engineering), and contract law. Managers were, as noted previously, chosen primarily for their technical competencies, and there was little in the way of research, writing, or education on management.

¹ Barnard, Chester Irving, and Kenneth R. Andrews. *The functions of the executive*. Vol. 11. Harvard University Press, 1968.

It was not until Elton Mayo's work in the 1930s at the Western Electric Hawthorne Plant that executives began to recognize the significance of the human element in the workplace. The advent of World War II increased the emphasis on organizational effectiveness and efficiency in order to support the war effort in the 1940s. This gave rise to what is now known as the Humanistic approach to management; executives began to realize that they must pay attention to the people in the organizations, viewing them as more than just a component of the means of production.

After the war, two foundational books on management were published. The first was Peter Drucker's *The Concept of the Corporation* (1946)². Drucker, an Austrian social scientist, examined General Motors, the largest corporation at the time, treating the organization as a social phenomenon, almost as an anthropological study. At approximately the same time, William Whyte's *The Organization Man* (1956)³ incorporated the growing academic disciplines of sociology and psychology to examine life in organizations and emphasized the effect of organizations on the human component of businesses.

The growth in the study of management had its roots in scientific principles and methodology, so it's not surprising that initial efforts to understand the managerial practice were rooted in scientific activity. But after World War II, there was one other factor that had a significant impact on the understanding of management, and that was the growth and development of business schools within universities and colleges, primarily in the United States.

The initial impetus for the rise of business schools was the need to staff the large-scale enterprises that were created during World War II and subsequently supported by the explosive growth in the U.S. economy in the 1950s. The demand for managers to work in these organizations was so large that universities, seeing the need and the availability of government funding through the G.I. Bill, established business schools as a means of providing skilled employees for these organizations. Business and engineering became the most popular fields of studies at American universities and, by extension, throughout the world.

At the close of the decade of the 1950s, two reports, both published in 1959, brought about transformational change in business schools. The Gordon-Howell report, funded by the Ford Foundation⁴, and the Carnegie

² Drucker, Peter F. *Concept of the Corporation*. Transaction Publishers, 1993.

³ Whyte, William Hollingsworth, and Joseph Nocera. *The organization man*. Vol. 342. New York: Simon and Schuster, 1956.

⁴ Gordon, Robert A., and James E. Howell. "Higher education for business." *The Journal of Business Education* 35, no. 3 (1959): 115-117.

Foundation's study titled *The Education of American Businessmen*, by Frank Pierson,⁵ criticized what was viewed as the weak scientific foundation of business education. These reports suggested that the business curriculum was too narrow and simple, focusing too much on cases in practice with little theory or scientific rigor. As a result of these reports, business schools engaged in a process to increase the academic stature of business within the university. Using the research techniques of the natural and social sciences, business faculty adopted the practices and routines of their academic colleagues. Tenure and promotion decisions, based upon the "publish or perish" approach, encouraged professors to develop theories and produce empirical research in peer-reviewed journals. While this increased the academic legitimacy of the business school, it had the additional effect of driving business schools more towards the scientific approach and methodology.

But as noted at the outset of this chapter, despite nearly 6 decades of "business as science" and empirical research, there has been relatively little improvement in managerial performance and organizational outcomes. If management is truly "the art of getting things done through people," then there is relatively little to show for all of the scientific research efforts. Several years ago, the then-president of the Academy of Management (probably the preeminent association of management scholars in the world) challenged these academicians by asking them, "what if the Academy really mattered?" He observed that, despite decades of research, thousands of studies, numerous books, classroom and training exercises, and years of effort, the impact of most academic managerial research on actual management performance and organizational outcomes seemed minimal. He challenged the members of the Academy to examine the need to make their research more relevant to organizations. Even leading academicians are aware that their research has had little effect on managers in organizations. So why has there been such a lack of positive impact of managerial research on practicing managers?

A Clinical Approach to Management

There are several possible reasons for the lack of meaningful impact of academic research on management, of course, but perhaps one of the more significant issues lies in the proper understanding of management. If, in fact, management is indeed an art, then scientific methods are perhaps limited in

⁵ Pierson, Frank Cook. *The education of American businessmen: A study of university-college programs in business administration*. McGraw-Hill, 1959.