

True But Useless: Why So Much Management Advice Sucks (and what to do about it).

Published on January 22, 2020

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Why does so much management advice sound reasonable but turn out to be of little value? Most readers will know what I mean. Take the following guidance on how companies can ‘accelerate their agile transformation’:

1. Create a C-suite with an agile mindset
2. Hire and develop the right mix of talent
3. Foster an agile-friendly culture and organizational structure

What’s not to like? Well that’s the problem. The first test of any management advice is to ask, “Is the opposite also true?” If not, then the statement is a simple truism like each of those above. Clearly one wouldn’t want a C-suite with an anti-agile mindset nor a firm with the wrong mix of talent and so on.

Nevertheless, some truisms bear restating because they emphasize items of particular importance that should be priorities - necessary conditions, without which change efforts may fail. So we should look at this advice more closely. The problem is that each of the three sentences is a linguistic trick. It starts with a verb, which makes it sound like an action, but it's really an achievement, a desirable outcome. This is why one can't disagree with them. They are abstract 'what-to-achieves' that sound like 'dos' and whose abstraction makes them seem generic to all organizations. They are synonyms for success, outputs masquerading as inputs. To be truly helpful these generic 'whats' will have to be turned into specific 'hows' - how to 'create a C-suite with an agile mindset' in *this* organization, in *our* situation, with *these* people, right *here*, right *now*. And that's where things get difficult. There are no facts about the future and every organization is different: history and context matter. Priorities will differ and what works in one situation may not work in another. And in the end it will likely turn out that the cluster of attitudes we call an 'agile mindset', like so many other 'success factors', is itself an emergent property, a *consequence* of a successful change effort, *not its cause*.

Organizations as Actors

Many management writers (especially consultants) gloss over these problems by writing about corporations as if they were rational decision-makers, actors in their own right, with clear goals and identifiable preferences for outcomes. Companies are said to have 'found ways to infuse a higher-purpose calling into their culture', they 'leverage their core capabilities to enter new growth markets' and 'unleash the creative abilities of their people'. Personifying corporations as actors in their own right may be a useful for headlines but it's unhelpful when we are trying to understand cause-and-effect in complex systems. When *The New York Times* publishes a report that "Boeing Fired Its Leader" its journalists are using writers' shorthand to report the outcome of a complex process, not to describe the decision of a lone actor.

Sometimes these corporate actors are represented as mechanically applying external rules or 'principles'. Now change simply becomes a matter of swapping out the old principles for new ones and all will be well. Calling abstract features of successful agile organizations 'laws' or 'principles' and even 'imperatives' makes them sound like critical inputs but they are really outputs, usually the results of virtuous habits that have been developed over long periods of time. American Supreme Court Justice, Oliver Wendell Holmes once wrote,

“The life of the law has not been logic, it has been experience”. Civil and criminal laws embody the experience of a society; most of us obey them because we are raised to do so in a law-abiding community, not because we read about the laws and ‘apply’ them.

Management laws and principles are really desirable outcomes, abstract goals perhaps, but reducing them to rules and treating corporations as actors makes their achievement seem a whole lot easier; the critical management task of enabling people within the organization to work together cooperatively simply disappears. Indeed, the very definition of an ‘agile mindset’ might be when an enterprise begins to act as if it were a coherent whole, with what some have called a “shared consciousness” (See General Stanley McChrystal's *Team of Teams: New Rules of Engagement in a Complex World*).

Decision-making as Conscious and Deliberate

Another way that management writers make ‘implementation’ sound easier is to imply that all decision-making in organizations either is or should be conscious and deliberate. The role of our unconscious minds as well as habits and competencies acquired over time and from hard experience are slighted in favour of premeditated choices and strategies. This downplays the fact that when we are talking about change in an established organization, we need to understand its history and its existing technologies, habits and competencies. We need to appreciate how they help or hinder what we are trying to do and think about what is involved in changing them. This, in turn, widens our focus from just what we should *start* doing to what we should also *stop* doing.

For example, in my experience, one of the biggest obstacles to trust and cooperation in established organizations is the yoking together of the annual budgeting process and the performance management system. Many readers will be familiar with the ritual torture of preparing budgets that are linked to individual compensation. The corporate head office tries to push the numbers as high as possible, arguing for ‘stretch’ goals, while operating managers try to get them as low as possible, theoretically to maximize their income but often just to make organizational life bearable. The resulting bad-tempered, adversarial process and the accompanying zero-sum game-playing perpetuates top-down, command-and-control management cultures. It wastes a prodigious amount of time and prolongs destructive competition within the organization, damaging trust and cooperation. One of the first things to do is to separate financial forecasting from performance management

and make the latter retrospective, dependent on a comparison between our actuals and those of the competition or against what was available in the marketplace.

Similar problems exist with other tyrannical relics of the Industrial Era like manipulative Management by Objectives (MBO) schemes, mechanically applied Balanced Scorecards (BSC), and cults of RONA (Return on Net Assets). These usually focus on short-term individual performance at the expense of the long run and team learning. They typically distinguish strategy formulation from implementation, precluding the emergence of novelty. At the same time, they trail behind them constellations of oppressive Key Performance Indicators (KPIs) that breed like rabbits. Peter Drucker never said or wrote anything like “If you can’t measure it, you can’t manage it.” He argued that there were many important results in organizations that were tangible but nonmeasurable – like their ability to attract and hold able people. Most importantly, it was these nonmeasurable events that dealt with the future, whereas measurements are always about the past.

The Mirage of ‘Mindset’

All of these tricks of language come together in the pervasive use of the concept of ‘mindset’, whose use has burgeoned over the last few years. I have already suggested that ‘mindset’ is an emergent property of an organization but instead it is treated as the concrete possession of an individual. It’s as if there was a rational actor, a Cartesian “I”, who can choose “my” mindset, like an engineer picking welded connections to use in a bridge instead of bolted ones. This too makes change sound much easier. It also implies that individual mindsets can be managed by rewards and sanctions, just like individual performances in the industrial era. It perpetuates an approach to ‘change management’ where people are being told to change by those who themselves do not have to change. All of this ignores the importance of the organizational culture and the daily contexts that can either inhibit or promote creativity.

For ‘mindset’ is a multi-layered concept. It can be as shallow as the selection of an explicit mental model or as broad as a worldview and as deep as a philosophy of life and religious faith. At its most superficial level context may not play much of a role but as one goes deeper, context become more and more important. Somewhere along the continuum from modes of doing through modes of knowing to modes of being the process of abstraction breaks down. Knowledge becomes wisdom and the Cartesian ‘I’ becomes incapable of standing outside of itself. From this point on a ‘change in mindset’ demands a change in

identity, an existential change in a way of being. Changes at this deep level take compelling experiences, not intellectual choices. We can no longer think our ways into better ways of acting; we have to be placed in situations where we have to *act* our way into better ways of thinking. The outcome of this process is a deeper sense of identity and a new narrative, for both individuals and organizations.

An example from the lean movement illustrates this. When Lean or the Toyota Way first became well known in the West through the 1990 book *The Machine that Changed the World* (Womack, Jones and Roos) many firms tried to apply it mechanically by implementing its artifacts like quality circles and suggestion schemes. These attempts failed. In a 1993 article, 'Y'Gotta Believe: Lessons from American and Japanese-Run U.S. Factories', Thomas Mahoney and John Deckop concluded unless management believed in their people's capacity to make the lean system work the practices alone were ineffective. Jim Womack, a founder of the lean movement put it to me this way, "Without an extended sensei-deshi (master-apprentice) experience to embed it in habit, any effort to propound a Toyota Way is certain to become an abstract, high-level flop". Today true practitioners of lean, like believers in other radical management approaches like the open book and beyond budgeting movements, show the same fervour as members of religious cults.

What to Do About It

I have been critical of management advice, suggesting that much of it consists of 'verbal wands', synonyms for success, with achievements phrased to sound like actions. One can't disagree with the advice, but neither can one implement it. It is a form of management that can be described but not practiced.

The roots of the problem are political, ethical and philosophical. When the North American business schools were reformed in the late 1950s the hope was that management could become a science. A hallmark of the 1950s view of science was its aim for a unified, values-neutral search for laws of context-free, general understanding that would allow scientists to explain and predict and thus control phenomena. The atomistic approach of taking things apart had been spectacularly successful in the natural sciences; the challenge was to achieve the same results in the human sciences. Individuals were seen as the 'atoms' of society.

Ever since Newton, science's vision of the world had been that it was a giant complicated mechanism that could be understood by reducing it to its component parts. The whole universe was made of matter, nothing else. This meant that cause-and-effect was of the push-pull variety and the only causes that counted were direct ones, what Aristotle had called efficient causes. By the 1950s a new mechanical analogy had emerged – that of the computer. The brain was the hardware and the mind was the software. All activity could be stated mathematically in the form of predictive rules and laws. Thought was the manipulation of symbols that represented reality and intelligence was the ability to follow the internal rules of the human mind in the same way that physics followed the rules of the external world.

Psychologically humans were seen as rational actors, individuals pursuing their own interests, guided by the consequences of their actions. Managers were social engineers whose job was to motivate others in ways that led to the accomplishment of corporate goals, which were given from above. The manager was a detached mastermind, diagnosing situations, and issuing crisp, actionable instructions, enforced by the appropriate incentives and deterrents. People were to be treated instrumentally as a means towards an end. The overall objective was control and everything came together in the concept of grand strategy which became an existential term to describe what senior executives did – they strategized. What was not addressed was the political issues involved in getting people to do what they otherwise might not want to do and the acknowledgement that management is intimately concerned with the exercise of power.

Unfortunately, at least as far as management practitioners are concerned, the 1950s attempt at reform has been a signal failure. When it comes to the management of people there are few, if any, generalizable practices or technologies that work in any situation. Everything is context-dependent, and the number of variables is legion. As a result, in order to achieve the scientific goal of generality, management academics were forced to climb a ladder of abstraction, privileging abstract concepts over concrete practices. This development attracted to the business schools conceptually minded scholars, who often had little or no management experience. With a promotion and tenure system that favoured research over teaching, management academics tended to write for each other. This has led to a prodigious growth in the number of academic journals over the last few decades. Much of their content, however, is unintelligible to practitioners and, when teaching, academics often deliver inert ideas from functional silos.

A Closer Look at Abstraction: Thought and Action, Ends and Means

What can be done? The key to unlocking this problem is the recognition that complicated, mechanical challenges found in the material world are rarely the same as the complex predicaments faced in the human one. People can be treated like objects but they respond as subjects. Management is a moral practice, not just a technical one. In complex human systems ends and means lie at the opposite ends of a scale of abstraction and the resulting spaces have to be filled using organic rather than the traditional mechanical approaches. Don't use conventional gap analysis, which upon inspection, turns out to be more desirable outcomes e.g.

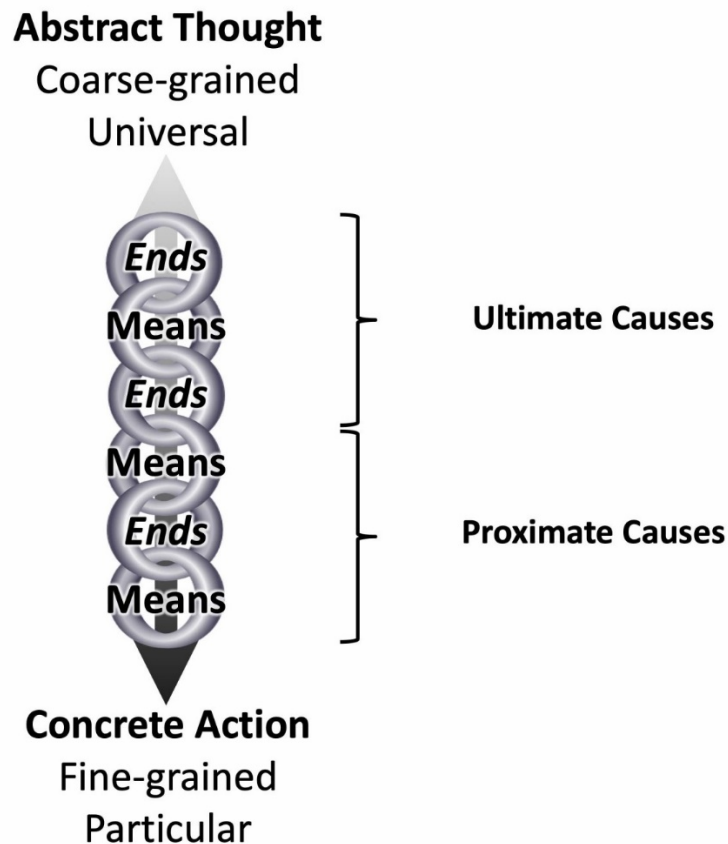
- identify the gap between where you are and where you want to be
- develop and implement an action plan to bridge the gap
- break down the complicated project into clear steps
- set SMART (Specific, Measurable, Achievable, Realistic, and Timely) goals
- delegate implementation to others
- apply the appropriate rewards and sanctions

The logic is impeccable, but it's an engineering logic, based on an engineering analogy (building a bridge across a gap) but applied to human predicaments, not roads and rivers. In a human context none of these steps is a mechanical action. For starters even understanding 'where you are' may be a huge challenge, let alone where you could be and how to get there. 'Developing an action plan' requires that one understand the road ahead, a sequence of cause-and-effect that lies in the future. Complicated problems can be decomposed into 'clear steps', but complex problems cannot. There are no pre-existing 'roadmaps' or 'blueprints'; the pathway must be discovered and can be mapped only in retrospect. Indeed, each item on the list is an outcome of a complex process. We are not navigating but wayfinding; we leave a trail behind us, building the road as we travel.

In short, the problem in complex situations is not what to do but how to do it, to understand the relationship between action and thought, and how the connections between means and ends may emerge from action, only then to be discovered by thought. For one of the major assumptions in so much management advice is that we always think our ways into better ways of acting, when precisely the opposite is often the case. Often we

have to act first to find out what we think: “How can I know what I think until I see what I say?”

The Relationship Between Thought and Action



As the diagram shows, thought and action can be conceived of as being at the opposite ends of a vertical chain of abstraction, with coarse-grained thought at the top and concrete, fine-grained action at the bottom. Thought is universal, while action, as Aristotle pointed out a long time ago, is about the particular. Or, as Whitehead put it, “We think in generalities, but we live in detail.” Thus, thought and action are connected by a long series of means-ends links that run up and down the ladder of abstraction. These means-ends links are more abstract near the top of the ladder and more concrete near the bottom. The English language reflects this in the twin meanings of the word ‘cause’. At the top of the ladder are ultimate causes, the worthy causes that we strive for, like freedom or the elimination of poverty, while at the bottom are what Aristotle called the material and efficient causes that make things happen. Ultimate causes are universal – their high level of abstraction makes them generic to many people and organizations. Proximate causes are particular and unique to every organization. I can now phrase my criticism of management advice more elegantly: too often management advisors are talking about

general, ultimate causes, when what we really need is the specific, proximate causes to achieve those grand outcomes *in our particular situations*.

We need the full spectrum of causes to understand causality in human systems: Here is a simple four-rung ladder:

- I want to do my best for my family
- I want to make our house beautiful
- I need to hang some pictures that we have
- I will need a hammer, nails and picture wire

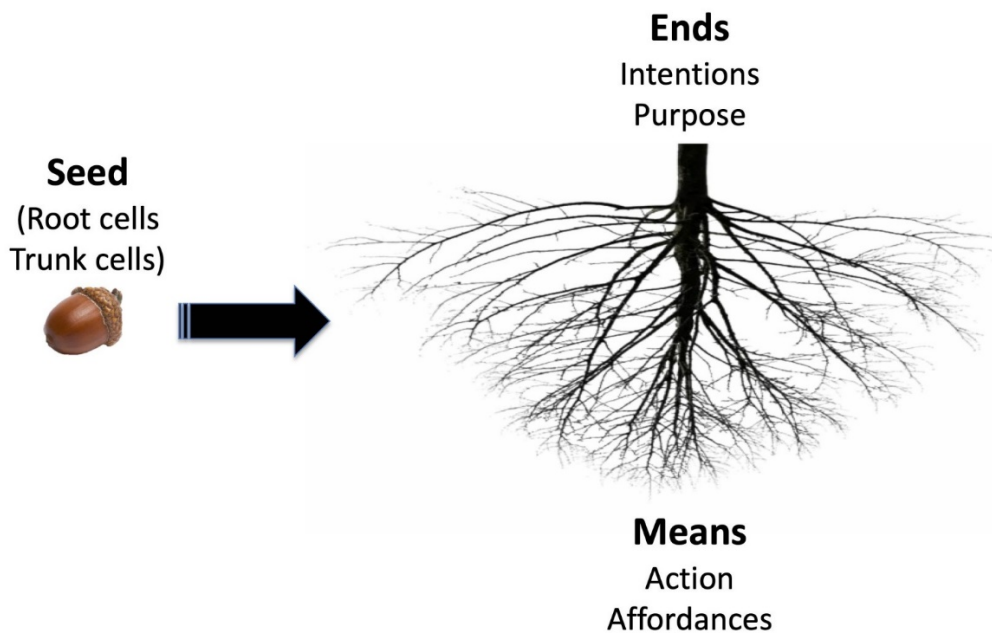
The wish to do my best for my family is the most abstract, the ultimate reason for everything I do. The desire to make our house beautiful is a little less abstract; the need to hang some pictures that we have is more concrete. The hammer, nails and picture wire are more concrete still. They are proximate, material causes. I, myself, am the efficient cause – I make it happen.

Looking at past events Toyota's root cause analysis, known as the "Five Whys" process, starts at the top and works down the ladder of abstraction to get to the bottom.

Unfortunately, we can't apply root cause analysis to the future; there are no facts there! Going forward we have to work at both ends of the ladder toward the middle, trying to connect goals or intentions at the top with our actions at the bottom. In other words, what we are planning to do has to be refined as it is connected with what we have done and what we are now actually doing. This applies right throughout the organization at all scales from individuals and the small teams where the finest-grain action is going on, up through the functional departments to the overall strategy and ultimate mission of the organization.

To tackle such challenges in complex human systems it helps to think more organically, to act like gardeners, rather than engineers and to explore the relationship between means and ends over time, the primary dimension in which we live:

The Relationship Between Means and Ends In Complex Systems Over Time



In this diagram the relationship between ends and means is shown as being like that between a tree trunk and its roots. The roots don't come before the trunk; roots and trunk germinate together from an embryonic seed that contains cells for both. The process begins once it is planted in the right environment; roots grow from root cells and trunk grows from trunk cells. As a gardener you can't compel a seed to grow; it is in its nature to grow. All you can do is select potent seeds and create and maintain the conditions in which they can grow. Applying this analogy to human organizations it is clear that *people are the seeds*. We are not born inert, awaiting 'motivation' but alive and struggling, with the potential to grow with purpose (trunk) and through action (roots). None can compel us to grow but they can help by providing a fertile environment.

Thus, the only way to close the gap between where the organization is and where it needs to be is to select people with potential and help them grow by creating the right conditions for growth. Once you have done that purpose grows from purpose and actions grow from actions.

Searching for Seeds and the Enablers of Growth: Affordances

When looking for organizational ‘seeds’ and the appropriate conditions for growth the first question to ask is “Where are people growing now? Where is the kind of behaviour we are looking for already happening in the organization and the wider ecosystem? Who is involved and what are the contexts that encourage it?” The search should extend throughout the organization’s ecosystem. Customers and suppliers are critical resources. An investigation should turn up patches of potential, patterns of innovation and people as well as an appreciation of the affordances available in the situations in which they work. The concept of an affordance may be an unfamiliar one. It comes from ecological psychology where it means the action possibilities the environment presents or ‘affords’ us to achieve our aims. The hammer, nails and wire I use to hang my pictures are affordances – proximate causes close to the bottom of the ladder of abstraction. If I have mislaid my hammer, I might have to use a brick or even the heel of a shoe. The brick and the shoe, anything ready-to-hand, are also affordances. Entrepreneurs are expert improvisors and the essence of improvisation is finding affordances, often quick-and-dirty workarounds – kludges – that allow them to get the job done. From the moment we are born all of us are on the lookout for affordances – what the environment offers us to achieve our goals. Importantly, the people, contexts and affordances you discover through this process of enquiry will be in your organization and your ecosystem, not drawn from some cherry-picked examples like Google, Apple, Facebook and Amazon, which have different ecosystems, people, technologies, histories and contexts.

The next question is to ask, “Where should these desirable activities be happening in our organization and ecosystem?” We should be particularly interested in the places and occasions where value can be either created or destroyed. These places are what the exponents of lean management call *gemba*, the actual places where value can be created. The occasions are the ‘moments of truth’ when customers or end users form their opinions of the organization. These occasions may not be readily apparent. Often customers establish their most lasting impressions of an organization when it is recovering from a failure to deliver a product or a service. Neither will all the *gemba* necessarily be well known. I recall when I was responsible for a wholesale steel distribution business occasionally getting up at 4.30 am to ride in the steel delivery trucks with the drivers. It turns out that the customer’s yard is an important *gemba*. A sharp-eyed driver can assess the state of the customer’s business, determine whether competitor’s trucks are present,

what they are loaded with, and develop relationships with the yard boss to get our load taken off as soon as possible. Looking to your drivers for this kind of intelligence and behaviour and sharing that knowledge ties them into the organization's mission in new ways.

The only way to turn abstract 'Whats' into a concrete 'Hows' is to connect the 'Whats' to individuals' experiences. When this happens, the drivers as a group can become a source of advantage to the company; they will grow in the process as they start to connect actualities with possibilities – what they see and hear with what they do. They will start talking to each other, telling new stories about themselves and their experiences. Their activities will take on new significance. Horizontal communication will increase, a sense of coherence will emerge and slowly the corporate narrative will change. In what many people think of as a commodity business, like steel distribution, the competitive edge consists in many people performing scores of mundane actions all together and a little bit better than the competition. The same is true of top performers in many fields; excellence is often mundane!

Competition and Cooperation as Organizations Grow

Sociobiology is the study of biological (especially ecological and evolutionary) aspects of social behaviour in animals and humans. It and the evolutionary social sciences are of interest to managers because they help us understand the conditions that promote both competition and cooperation and how they change over time. Sociobiology helps us comprehend altruism, the capacity of us and other animals to behave selflessly, rather than selfishly. As such, this perspective is a valuable antidote to the selfish assumptions of neoclassical economics that have so dominated management thought and practice in the Western World. Sociobiologists contend that evolutionary selection is a multi-level affair. Their essential proposition is that:

“Selfishness beats altruism within groups. Altruistic groups beat selfish groups. Everything else is commentary.” (Wilson, D.S. & Wilson, E.O., *Survival of the Selfless*, 2007)

This mantra captures the perpetual tension that exists between our lives as individuals and our lives as members of communities, like families, teams and organizations. Every organization is a complex compound of competitive and cooperative contexts. Ideally one wants a company to be cooperative internally, so that it can compete effectively

externally. This is relatively easy when it's a start-up, with a handful of people who may already be friends and who have a passionate sense of their mission. The organizational structure will be simple to non-existent and communication will be face-to-face and easy. Management will be informal and decision-making consensual. It will just 'happen'.

Everything gets more problematic with success and as the company grows. Once there are more than about 150 people in a single location, informal management becomes more difficult, as personal relationships weaken. If there is physical separation, either geographically or even on different floors of the same building, face-to-face communication becomes much harder. Despite the rise of electronic communication, when it comes to creativity and innovation, there is no substitute for face-to-face interactions. As any large-scale complex human system with functional specialties matures it must perforce become more modular and hierarchical. Depending on the technologies (it's much easier to 'flatten' a music-streaming service than an integrated steel mill), you can reduce a hierarchy, but you cannot eliminate it. There is no such thing as a large, complex 'post bureaucratic' organization! Even Amazon, a poster child for modern management, runs much of its organization using traditional methods. But hierarchy creates elites and encourages individual competition for resources and promotion within the organization. Unless the original start-up culture has been maintained (a major challenge in its own right) or there is an existential threat from outside, the organization's internal cooperation will be damaged. If the firm is insulated from external competition by oligopolistic arrangements, internal competition may become ferocious.

As managers climb the ladder of promotion, they also climb a ladder of abstraction. Whether they begin their careers as entrepreneurs or as humble workers on the shop floor, they will be familiar with the detailed proximate causes that get things done at the bottom of the ladder of abstraction. As they get promoted, they will find themselves increasingly dealing with abstractions. If they go to business school that's all they will learn! Abstraction is a form of compression that works by dropping details in the same way that image compression techniques can produce lo-res versions of high-res originals. Managers will spend more time reading and in meetings and less time on the ground. Instead of individual customers there will now be market segments to which standard processes can be applied. Organizational routines mean that there will be less need for improvisation and the search for affordances will falter. Products will be grouped into product categories to facilitate the management of scale; feedback from customizers will

become homogenized. The unmeasurable 'straws in the wind' that presage the future will become undetectable. You can compress digital images with impunity for many purposes but in management you ignore detail at your peril!

In short, an ecological perspective suggests that enterprises are conceived in passion, born in communities of trust, grow through the application of reason and mature in power. Here they often get stuck because the techniques for managing scale can easily create interpersonal competition within the enterprise that destroys the conditions for intrapreneurship, creativity and innovation. What is called for is action – the creation of contexts – to increase cooperation and flatten the hierarchy and counter the process of abstraction. This is what the search for seeds and enablers of growth accomplishes. When the upper levels of management in a large bureaucratic organization start to get back to the rough ground of experience, engaging with people in their search for *gemba* and moments of truth, this is the start of the reduction of hierarchical levels and the replacement of vertical chains of command-and-control by horizontal coordination networks.

Making Meaning: The Role of Narrative

The universe may be made of matter, but we humans live in worlds of significance, of 'what matters'. We make meaning from our experiences using narratives to connect actions with events. Narratives make sense of a disordered human world and narrative knowing is just as powerful in understanding that world as the scientific method is in understanding the material world. Stories can handle the paradoxes and contradictions that we encounter every day in our lives. A good story allows us to look at an issue in the present with a sense of the past and awareness of the future. It is fundamentally an ecological way of thinking, getting to the roots of the situation. Historian, Daniel Boorstin, said it well, "Trying to plan for the future without knowing the past is like trying to plant cut flowers." Our personal stories act as narrative 'centers of gravity'; they constitute our identity, telling us who we are and where we are headed. They can transform our lives into adventures of significance and drama. Thus stories are the most sensitive indicators of what is going on in an organization and one of the most powerful of the nonmeasurable factors that foreshadow the challenges it will face in the future.

Growing People

Corporations are a vehicle for society to accomplish collectively and sustainably what cannot be done either individually or through market mechanisms. The delegation of that job to them has significant ethical and political implications. If they are to create sustainable value for society then their role and that of their leaders must be to grow people. To do this their approach should be ecological, closer to that of a gardener than an engineer. As management pioneer Mary Parker Follett (1868-1933) wrote over a century ago:

“The skillful leader then does not rely on personal force; he (sic) controls his group not by dominating it but by expressing it. He stimulates what is best in us; he unifies and concentrates what we feel only gropingly and scatteringly, but he never gets away from the current of which we and he are both an integral part. He is a leader who gives form to the inchoate energy in every man. The person who influences me most is not he who does great deeds but he who makes me feel that I can do great deeds.” (*The New State*, 1918)

Ancient Wisdom

This article began with simple truisms so it's fitting that it should end with some profound truths. This is the wisdom from the past that, it sometimes seems, we have to keep on discovering and rediscovering through experience.

Over 1,500 years before Mary Parker Follett, Lao Tzu, the semi-legendary author of the *Tao Te Ching*, wrote something like this:

Learn from the people

Plan with the people

Begin with what they have

Build on what they know.

Of the best leaders

When their task is accomplished

The people all remark

"We have done it ourselves."

[\[1\]](#)

[\[1\]](#) There are many translations of the *Tao Te Ching*. This version of this verse is quoted in Goldstein, J. Hazy, J.K. and Lichtenstien, B.B. (2010) *Complexity and the Nexus of Leadership: Leveraging Nonlinear Science to Create Ecologies of Innovation*, Palgrave MacMillan, New York, NY. p.145