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The Entrepreneurial Two-Step

When Giants Learn To Dance: Mastering the Challenges of Strategy, Management, and Careers in the 1990s, by Rosabeth Moss Kanter.

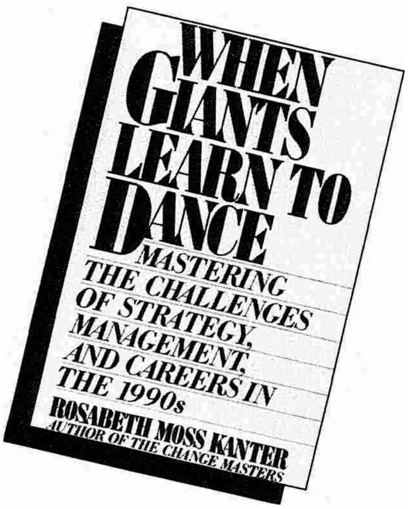
Has "winning" in the corporate world become an end in itself? Have bottom-line absolutes and ideal performance standards lost their meaning in the quest for corporate synergy? Must the old corporate "giants" die off to make room for the new blood of younger, smaller entrepreneurial start-ups? In *When Giants Learn To Dance*, Rosabeth Moss Kanter says it's no wonder that American business managers are confused; they're confronted with nothing but contradictory messages from above:

■ "Be entrepreneurial and take risks—but don't cost the business anything by failing."

■ "Continue to do everything you're currently doing even better—and spend more time communicating with employees, serving on teams, and launching new projects."

■ "Become passionately dedicated to 'visions' and fanatically committed to carrying them out—but be flexible, responsive, and able to change direction quickly."

No longer, says Kanter, is there a guaranteed formula for business success. "The traditional large, hierarchical corporation is not innovative or responsive enough; it becomes set in its ways, riddled with pecking-order politics, and closed to new ideas or outside influences. But the pure entrepreneurial firm—the fast-growing start-up—is not the answer either; it is not always disciplined or cooperative enough to move from heady, spend-anything invention to cost-effective production, and it can become closed in its own way, too confident and too dependent on the magic of individual stars. Something new is required, something that marries the entrepreneurial spirit to discipline and teamwork, something



that helps loosely managed companies get a little tighter and tightly controlled companies loosen up—a *post*-entrepreneurial response."

At the macroeconomic level, Kanter contends that even though American companies are increasing their productivity and outputs, the "squeezing" of global markets is lessening net gains, increasing debts and costs, raising standards, and threatening to undermine traditional corporate security. "[T]here appear to be more transactions, more paperwork, more complexity, more competition, and more balls in the air."

Are there, then, any viable solutions to our competition woes? Yes, says Kanter, and her book discusses the observations she and her research team made of more than 80 American companies and industries. They studied specific business functions as well as broad management practices and philosophies. Some of the examples she cites will surely become classic entrepreneurial experiments—such as the business posturing of such opposites as Eastman Kodak and Apple Computer—"the venerable old corporation nearly left behind by change and the young high-tech company nearly destroyed by its own success."

Kanter says that American corporations, "desperately seeking synergy," should carefully think through their revamping strategies so that creative destruction is not the result. Thus, along with the success stories, she includes corporate mistakes and business ventures that have yet to flop or fly. She cautions, "while some restructuring is purely defensive—cost-cutting in response to market downturns, shedding assets in response to takeover threats—most involves not simply reducing and not simply asset-shuffling but something more: an effort to find the form that will permit doing more with less. Spending less but creating more value. Focus without fat."

Other efforts to increase competition can backfire because they create new, sometimes larger, problems. Research, she says, disputes the common assumption that competition always induces people to do their best. "If winning is the goal, those determined to win develop a preference for incompetent rivals . . . because it enhances their own chances to win. Highly competitive managers may then be tempted to advance the careers of weaker rather than stronger people, to give subtle boosts to the less talented in rival areas—to the detriment of overall company performance."

She discusses the differences between mainstream thinking and "newstream" thinking. "It is the nature of newstreams to be uncertain, bumpy, boat-rocking, controversial, knowledge-intense, and independent—seeking their own course. These characteristics make them vulnerable to unique dangers. And in addition to the problems all start-ups share, newstream activities face additional vulnerabilities when they are carried out in the midst of a powerful mainstream."

"Overall, effective management depends on knowing which stream you're swimming in. What it takes to develop and launch the new is very different from what is acceptable and appropriate for managing the already-established. The two streams have very different logics."

The chapters powerfully convey Kanter's belief that the new model organization will be leaner, smarter, more responsive to change, and more receptive to external directions and influences. The section headings are

- Competing in the Corporate Olympics;
- Doing More With Less: Strategies for Post-Entrepreneurial Management;
- Jobs, Money, People: Consequences of the Post-Entrepreneurial Revolution;
- Beyond the Cowboy and the Corpocrat: A Call to Action.

When Giants Learn To Dance is not a quick read. For one thing, the pages are terribly gray, right down to the extensive endnotes. There are no illustrations, tables, or graphs. Yet perhaps the grayness is by design. This book requires thought and deliberation on the part of the reader. Kanter has already done both. Without providing right or wrong answers, she asks tough-minded, perceptive questions about many of today's most critical issues.

In essence, she has studied the future by examining the present, along with its conditions and implications. She clearly and succinctly presents the linear thinking of many corporate decision makers, as well as the less-directed, more-creative "visioning" of innovative change-masters. Her discussions may help organizational decision makers tie together some of the fragmented thoughts floating around their own boardrooms. When is enough too much? When should push come to shove? When is it the wisest move just to get out?

Likening the task of "managing change" to a series of balancing acts, Kanter writes, "We must juggle contradictions, we must make tradeoffs between contrasting goals, and we must steer a course that does not go too far in any one direction lest events require an about-face. We are perched on a pendulum that is swinging back and forth faster and faster."

Rosabeth Moss Kanter is the author of several books and is also a public speaker. She is the founder of the Boston consulting firm Goodmeasure Inc. and a professor of business administration at the Harvard Business School.

When Giants Learn To Dance: Mastering the Challenges of Strategy, Management, and Careers in the 1990s. 415 pp. New York, NY: **Simon and Schuster**, 212/245-6400, $21.95.

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Empowered Change

The Worth Ethic: How To Profit from the Changing Values of the New Work Force, by Kate Ludeman.

"People in the new workforce tend to live alone for longer periods of their lives and willingly move far from home to pursue their work. They are demanding, but committed. They expect their jobs to give a sense of identity and personal fulfillment. They expect their company [where they spend more than 50 percent of their waking hours] to be their community. These expectations are, at best, an uncomfortable fit with how most managers work."

Kate Ludeman, author of *The Worth Ethic*, believes that companies that fail to support their employees as they would family members, fail to inform their people about future plans, or fail to affirm their employees' feelings of value and self-worth, may pay a jarringly steep price. Lost productivity, use of the workplace for personal business, excessive turnover, absenteeism, and other factors, she warns, may cost a company thousands, even millions, of dollars.

Ludeman cites a Public Agenda Foundation survey of working Americans, which reports that "fewer than one out of four say they work at full potential, and nearly 50 percent say they do not work any harder than they must to meet basic job requirements. Seventy-five percent say they could significantly increase their performance, and nearly six in 10 workers believe people do not work as hard as they used to."

Ludeman strongly believes that more than ever, today's workers look to their companies to become extended families that affirm, coach, and support their genuine worth as human beings. She urges companies to embrace that challenge by radically shifting their management paradigm—by adopting a "Worth Ethic" management strategy.

The Worth Ethic is a belief in one's own "indelible self-worth and the fundamental and potential worth of others. People who live by the Worth Ethic don't follow directions without thought or interest. Worth Ethic employees take responsibility at work and put forth their best efforts. Worth Ethic managers commit themselves to help employees develop and use their skills and talents. The result is a multitude of personal contributions that create broad corporate success."

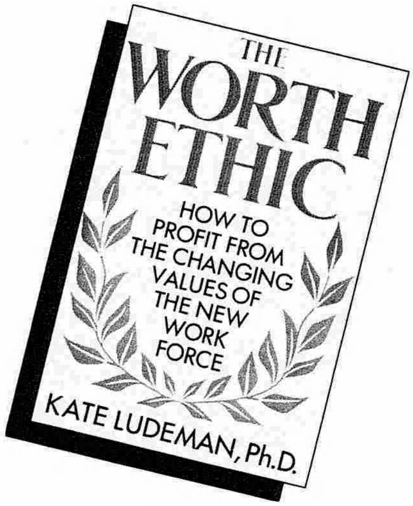
Ludeman outlines the difference between managers who have a Worth Ethic and managers who don't. "In the workplace, managers with a Worth Ethic take a new approach to leading people. They recognize that everyone in the company wants to be capable and powerful. They empower their employees to make significant personal contributions at work by training every person to maximize potential, offering challenges at each level of responsibility, and managing every employee with a flexible organization and caring systems."

She does not advocate turning business meetings into emotional group-therapy sessions. But she does say that as managers, "if we learn the intuitive and interpersonal skills necessary to get in touch with our employees' emotional needs, we will build their self-worth and empower them to drive toward outstanding results and to work like star performers."

"We need to be leaders of people, not just managers of projects. The hard-nosed, extract-everything-you-can-from-employees approach to project management is counterproductive. . . . Exquisite number-crunching and analytical controls don't create excellence nor do they motivate employees to produce extraordinary results. The passion goes out of performance when the expectation that people should be self-controlled and rational at work is interpreted by workers as a requirement to leave their hearts at home."

She urges managers to be intuitive, to use their talents, to get to know themselves first and then their employees, and to use that insight to live a more balanced and emotionally stable life—at home and at work. While accounting for the changes in today's families, personal values, and lifestyles, she says "wellness" must become a corporate priority. "Home is where the heart is, and the heart must come to work if we are to meet the expectations of the new workforce."

She supports her convictions with the experiences of dozens of companies who have made caring programs pay off big. Such programs range from employee-assistance programs, to regular work reviews, to company information exchanges. Other measures involve going beyond traditional employer-employee relations and identifying less tangible, psychological linkages between "people and profit," "intuition and innovation," "mind and body," "health and wealth." One company's pay-off for its attention to employee needs, she says, was an impressive "73 percent decrease in hourly workers' sick leave, a 120 percent increase in sales, a 520 percent increase in profits."



In addition to developing programs and more holistic attitudes, Ludeman outlines specific processes that progressive companies can adopt to boost worker productivity and motivation. One is an eight-step process to motivate personal change from the inside out (the main requirement of the Worth Ethic). Each step corresponds to a letter of the word "changing":

C—create a concrete description of the desired change;
H—honestly examine your motivation to change;
A—abandon the old behavior in your imagination;
N—name the change positively;
G—give attention to payoffs;
I—imagine the past and see how you behaved;
N—nail down the new behavior by using mental rehearsal;
G—graduate to the new behavior.

Above all, *The Worth Ethic* communicates a message of corporate well-being and personal health. The author advocates a balanced, proactive, meaningful lifestyle and workstyle. The writing is clearly focused and uncluttered.

Kate Ludeman is a former vice-president of human resources and corporate officer of KLA Instruments and is currently president of the Worth Ethic Training Company, a management consulting firm in Los Altos Hills, Calif.

The Worth Ethic: How To Profit from the Changing Values of the New Work Force. 240 pp. New York, NY: **E.P. Dutton**, 212/725-1818, $18.95.
Circle 181 on reader service card.

As Visions Lay Dying, or Turning the Malodorous Tide

The Cynical Americans: Living and Working in an Age of Discontent and Disillusion, by Donald L. Kanter and Philip H. Mirvis.

What's happened to the good old American dream? Lack of meaningful and challenging work, limited advancement opportunities, and vision-killing management styles have led to widespread disillusionment and disappointment among the American workforce, say authors Donald Kanter and Philip Mirvis in their eye-opening new book, *The Cynical Americans.*

In disturbing detail, they highlight the corrosive spread and implications of cynicism, which "diminishes country and community, and, in business, shrinks the fabric of organization life." Some 43 percent of the American populace are affected by cynicism, they claim. In the workforce, a cynic can be anyone who mistrusts management, is disparaging of co-workers, or has a predilection for rumor-mongering or an ingrained resistance to change. Three causes of the malaise are

- unrealistically high expectations of oneself and other people;
- disappointing experiences and consequent feelings of frustration and defeat;
- disillusioned feelings of being deceived, betrayed, or used by others.

Drawing from nearly a decade of their own research and from various other polls and opinions that

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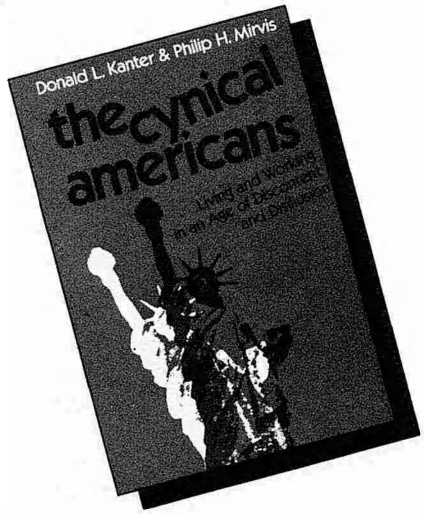
underscore the growing disbelief in people's and companies' inherent goodness, the authors compare cynicism across age groups, genders, races, socioeconomic groups, lifestyles, regions, occupations, companies, and industries.

Part One reveals some interesting findings:

- Workers under the age of 24 comprise the most cynical age group. In a world where many young people see their families, their role models, their government, and their environment falling apart, money is viewed as the only constant, and they are determined to "get theirs."
- Men tend to be more cynical than women (47 percent versus 39 percent). Culturally, men are taught that they can be cynical both visibly and vocally, whereas women are still expected to be "sunnier and more generous-minded." Yet studies show that media tend to portray cynical men as being "aggressive and hostile in their attitudes and behavior," seldom triumphing against the system. Cynical women, however, who tend to be depicted initially as naive or as victims of their environment, are more often shown to be able to overcome their victimization and their negativism.
- People living in western, northwestern, and mountain states generally are not as "hard-bitten" with the "cynic bug" as are the rest of Americans.

Other less surprising evidence shows that minorities are more cynical than whites, and that the poor and the poorly educated are more cynical than those on higher socioeconomic rungs, as are blue-collar workers and people whose work is hindered by bureaucratic red tape. "People adapt to their environments in many ways in order to sustain their personal equilibrium and maintain their self-picture and self-esteem. Cynicism is but one means of adapting to life's vicissitudes."

Part Two explores the historical roots of cynicism and the whys and



whens of Americans' discontent. The authors consider why employees are cynical toward management and corporate philosophy. They discuss the growing gap between what people want and what they get from their jobs, and the failings of human resource management.

During their research, Kanter and Mirvis perceived a sharp distinction between the values of cynical versus upbeat companies. In cynical companies, employees described their workplaces as "dominated by a grim, narrow, and gritty view of things." Their descriptions of company life "revolved primarily around money and machinery, rather than around purpose and people. Accounts of how things 'really got done' were rife with politics, positioning, self-promotion, and backstabbing. No one was to be trusted; everybody seemed to be out for him- or herself. What's more, this was accepted as the way things are—as though such conduct was par for the course—and no better or worse than what could be expected.

"By contrast, people in upbeat companies talked unabashedly about corporate ideals. High-minded purpose seemed to mark these companies' cultures, and people said they were proud of what they were trying to accomplish on the job. These were work-hard/play-hard companies, places where people contributed their best efforts on the job and socialized quite freely with peers, superiors, and subordinates, without regard to rank or social status. Management was described as open and honest; co-workers were seen as trustworthy and caring. People's accounts of life in the upbeat companies seemed to us to be neither Pollyannaish nor pious. Certainly these companies emphasize finance, technology, and bottom-line results, but in doing so they also push 'people development.' "

Another modern dichotomy is what the authors call "expeditious fatalism" versus "can-do determinism." Fatalism "marks the culture of many seemingly successful companies that have obtained a dominant market share and built bloated bureaucracies to ensure that nobody rocks the boat. Such cultures breed caution, conformity, and blind obedience. Risk taking is frowned on, and new ideas are taboo. Bureaucratic companies do not completely drive out people's entrepreneurial spirit. Instead, that spirit is channeled into 'creative' forms of self-protection. When problems arise, finger-pointing becomes the operative norm, and people learn to keep their mouths shut and look the other way."

Surely, the authors say, "this is the antithesis of American values that encourage entrepreneurism and individuality." They implore readers to take another look around, to open their eyes and recognize that change is possible—and imperative—to turn the corrosive tide of cynicism that is reinforced throughout our society, in television shows, song lyrics, and media hype. Against all odds, they do believe that the tide can gradually be turned, and that it starts in the workplace.

While claiming not to be determinists or pessimists, they acknowledge that "personal cynicism may be leavened and . . . transformed into

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a more generous view of humankind." They also believe that "cynical forces in society can be managed or, at minimum, offset by high-minded political and corporate leadership and by credible and humanly responsive public and private institutions."

Parts Three and Four highlight a number of case studies of companies that have successfully identified causes of cynicism and have implemented programs to counter it in the workplace. Among those companies are Ben & Jerry's Ice Cream, Unisys, IBM, and Caterpillar Tractor. The authors detail a number of communication strategies, evaluation procedures, quality-of-worklife programs, and ways to promote among employees a positive outlook and a renewed sense of community and workplace values.

One chapter offers hints on creating a work culture that regains trust and restores credibility:

- fix what's broken or problematic;
- manage expectations and avoid inflating hopes;
- give people realistic job previews;
- make people responsible for their work environment;
- channel ambition to desirable and ethical ends;
- make the pay system fair and public;
- make hard truths testable;
- bring community to the workplace;
- give people more control over their time.

The findings and the tone of *Cynical Americans* are depressing (even more so as Kanter and Mirvis describe the detached, depersonalized attitudes that many of us have experienced, even if we don't quite embrace them). But the message is not one of despair. The authors clearly state that it's not too late for the American workforce.

The book is not a "how-to," but it does offer methods for gauging one's own view of reality. Some of the helpful "reality checks" include a self-scoring questionnaire, a life-attitudes survey, and a guide to predicting employee work attitudes. Overall, the book encourages risk taking and entrepreneurial initiatives that will bring corporate culture back to a manageable, more human scale.

Donald Kanter is a professor of marketing at Boston University and a former vice-president of marketing services in several advertising agencies. Philip Mirvis is a private researcher and consultant and a former associate professor of organizational behavior at Boston University.
The Cynical Americans: Living and Working in an Age of Discontent and Disillusion. 329 pp. San Francisco: **Jossey-Bass**, 415/433-1767, $22.95.
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Additional Reading

Network Your Way to Job and Career Success: Your Complete Guide to Creating New Opportunities, by Ronald L. Krannich and Caryl Rae Krannich. 147 pp. Manassas, VA: **Impact Publications**, 301/459-8696, $11.95.
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Understanding Training: Perspectives and Practices, by Frederic H. Margolis and Chip R. Bell. 160 pp., San Diego, CA: **University Associates**, 619/578-5900, $17.95.
Circle 184 on reader service card.

Beyond Winning, by Keshavan Nair. 85 pp. Phoenix, AZ: **Paradox Press**, 602/234-1153, $14.95.
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Corporate Lifecycles: How and Why Corporations Grow and Die and What To Do About It, by Ichak Adizes. 361 pp. Englewood Cliffs, NJ: **Prentice-Hall**, 201/767-5937, $22.95.
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Benchmarking: The Search for Industry Best Practices that Lead to Superior Performance, by Robert C. Camp. 299 pp. White Plains, NY: **Quality Resources**, 800/247-8519, $32.95.
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Mintzberg on Management: Inside Our Strange World of Organizations, by Henry Mintzberg. 418 pp. New York, NY: **The Free Press**, 212/702-5577, $24.95.
Circle 188 on reader service card.

The Whole Manager: How To Increase Your Professional and Personal Effectiveness, by Dennis P. Slevin. 422 pp. New York, NY: **Amacom**, 518/891-5510, $22.95.
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