

# Third-Generation Management Development

Managers are not created in a classroom, but practicing managers in a classroom can step back from work pressures and learn profoundly from their own experience. The International Master's Program in Practicing Management at McGill University in Canada and around the world is truly in-practice learning and an alternative to the MBA.

By Henry Mintzberg

**M**anagement development programs have long relied on lecture and discussion of cases—in other words, on learning from other people's experience. We can call that first-generation management development. It has been fine, as far as it went; it just didn't go far enough. Learners aren't vessels into which knowledge can simply be poured—or, perhaps closer to the case study method, horses led to water in the hope they drink. People must be actively engaged in their learning, which means it should relate to their personal experience.

Accordingly, a second-generation of programs arose to create experiences for learning, dating back to Reg Revans's early work in Europe on action learning. This has had a resurgence in the United States in recent years—stimulated by General Electric's Work-Out programs. Managers have come into programs to be sent promptly back to their workplace, or to that of others, to engage in projects to improve things and thereby to learn. That seems fine too, though there have been problems. One, many of those programs have involved more action than learning; in other words, they have become organization development in the name of management development. T.S. Elliot wrote a poem about having the experience but missing the meaning. Management development is about getting the meaning.

Two, managers are busy people, busier than ever. Do they need programs that create more work for them back at work? Do they need artificial experiences when they're already overwhelmed with natural experience?

It is time for a third generation of management development. What managers need now, above all else, is to slow down, step back, and reflect thoughtfully on their natural experience. A motto for Work-Out at GE is, "Need to do, not nice to do." The motto for third-generation management development is, "Use work, don't make work."

## A new approach

In 1996, a group of colleagues and I brought this idea to life in the International Master's Program in Practicing Management. I'd long been a critic of conventional MBA education, which I argued is business education that leaves a distorted impression of management, as too analytic, too removed from context—theories, cases, and techniques in mid air, so to speak. In fact, I wrote a book about this and its consequences for management, *Managers Not MBAs*, being published by Berrett-Koehler in April.

You can't create a manager in a classroom.

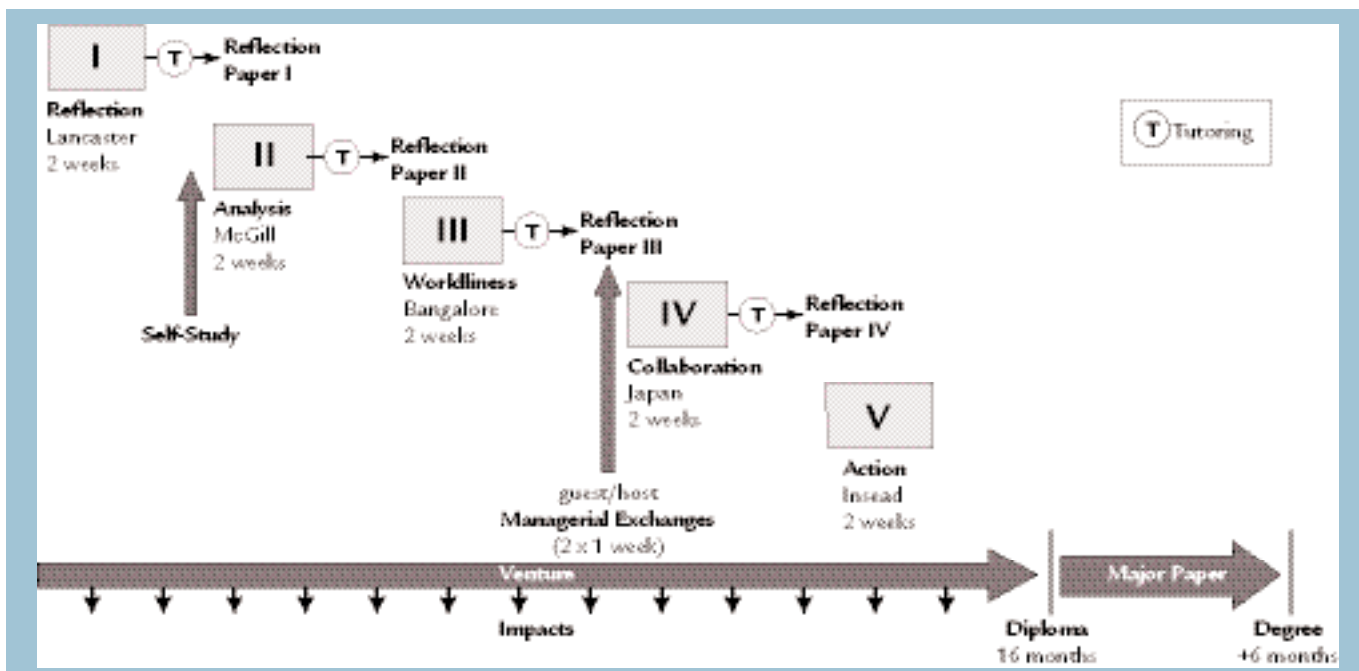
Management is a practice that has to combine a good deal of craft, namely experience, with a certain amount of art, as vision and insight, and some science, particularly in the form of analysis and technique. But students without managerial experience lack the craft and have little basis for the art, and so programs to train them have relied on the science, and that's what leaves a distorted impression of management.

Of course, the classroom can be an appropriate place to improve the capabilities of people already practicing management. Unfortunately, however, most degree programs for such people—so-called executive MBA programs (I've never met an executive in these programs)—simply do what regular MBA programs do with inexperienced students, namely rely on the first generation of other people's experience and the second generation of artificial experience, while mostly ignoring the managers' own natural experience.

Goaded by people asking what I was doing about all of this, I teamed up with colleagues from McGill University in Montreal, Lancaster Management School in England, the Indian Institute of Management in Bangalore, Insead in France, and several uni-

versities in Japan to create the International Master's Program in Practicing Management (IMPM). We rethought the concept of management education from top to bottom. For starters, we realized it had to be combined with management development. So, we accepted only practicing managers in the program, sent by their companies, preferably in groups so they could work together. And we wanted these managers to stay on the job while having significant time to learn, by going back and forth in order to carry their living experience of the workplace into the classroom and their newfound learning of the classroom back to the workplace. We developed five modules of two weeks each, held in each of our five locations around the world, spread over 16 months.

It made no sense to us to rely on the conventional framework that has dominated MBA and many management development programs—namely, the functions of marketing, finance, accounting, and so forth, even strategy treated as the function of strategic management and organization behavior treated as the function of human resource management. Add those up and you get business, not management. Besides, most of the managers in our program, in the 35 to 45 age range, were coming out of those functional silos; why push them back in? So, we cre-



ated a framework of five managerial mindsets, one for each of our modules:

- Reflective (about self)
- Worldly (about context)
- Analytical (about organization)
- Collaborative (about relationships)
- Action (about change).

We also had to rethink the whole approach to the classroom—to bring this third generation alive by encouraging managers to learn from their own experience, by reflecting on it alone and with their colleagues. We call this approach “experienced reflection.” This reflection in the classroom had to be reinforced by activities on the job that as much as possible use natural work there to extend the learning—not only for the participating managers, but into their organizations. This we call IMPact.

This master’s program has been running for eight years now, with great success. Some of the companies that have been actively involved are, from Asia, Matsushita, Fujitsu, and LG; from Europe, Lufthansa, Electricité and Gaz de France, BT, Zeneca, and the Federation of Red Cross and Red Crescent Societies; and from North America, Alcan, Motorola, and the Royal Bank of Canada. <a href="http://imp.org">imp.org

The IMPM was the first such partnership among business schools, still perhaps the most ambitious, and it remains stable. It has become a remarkable learning laboratory, pointing the way not only to management education, but also to improved management development. And it has inspired other programs: one for voluntary sector leaders, another being developed, also at McGill, for health-care managers, an in-house program for senior managers at BAE systems, and another called From Analysis to Action that has run for 150 senior managers at the Royal Bank of Canada. <a href="http://imhl.ca">imhl.ca

Recently, we took a good look at the popular advanced management camp programs and decided that, like the MBA, they needed a thorough rethinking. Can senior managers today comfortably take four to nine weeks off from work? Do they need a “boot camp” in school when they live it every day at

work? Again, why organize around the business functions? Because managers in such programs enjoy sharing their experiences, why can’t that be the focus of the classroom instead of being left to the coffee breaks? Above all, if an executive program is meant to develop insight and innovation, shouldn’t its design be insightful and innovative? Accordingly, we are extending our own learning from the IMPM to create a truly advanced leadership program (ALP).

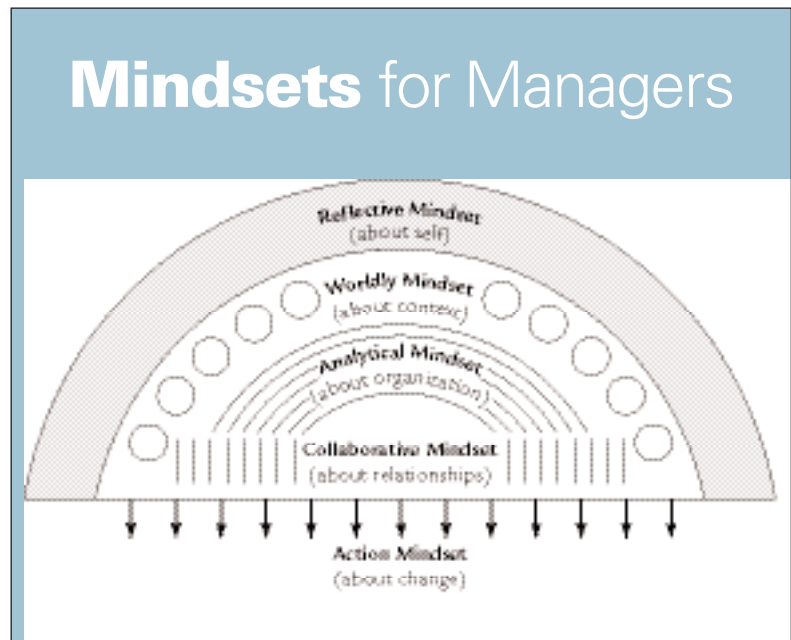
We now look more closely at the mindsets of the nature of reflection, learning on the job, and the ALP.

### Mindsets

Every program needs an organizing framework; management development programs need an organizing managerial framework. We developed ours around the nature of a manager’s work, as a set of five subjects, each with a dominant mindset.

Everything that every effective manager does is sandwiched between action on the ground and reflection in the abstract. Action without reflection is thoughtless; reflection without action is passive. All managers have to find ways to combine those two mindsets—to function at the point at which reflective thinking meets practical doing.

But acting and reflecting about what? For one, about collaboration—getting things done coopera-



# Stories From the Mindsets

## Reflective Stories

During the good-byes at the end of the first module on reflection after someone said, "It was great meeting you," one manager retorted, "It was great meeting myself!"

A graduate of the IMPM told colleagues at Luftansa how much he'd learned at the start of the program and about sharing that with his wife. She told him she was relieved that at last he was beginning to see what had been so obvious to her, and she became supportive of his commitment to the program.

## Analytic Stories

"It took [the module at] Lancaster for me to understand Marx after five years at a Soviet University." (a Red Cross participant)

A Japanese participant and an Indian participant, in different classes, told remarkably similar stories. Both were being forced into obvious decisions by shallow analyses in their companies: Close the plant in one case, speed up a slow project in the other. After the module on the analytic mindset in Montreal, each went back and analyzed more deeply. For example, they analyzed the analyses of others, where those people were coming from, what data and assumptions they were using. They dug out other sorts of information that didn't make it into the conventional analyses; they found limitations in the techniques used. Most important, they recognized biases in their own thinking. As a result, they saw things differently, changed course, and helped resolve the problems.

## Worldly Story

During an outdoor exercise at the very beginning of the program when a Korean participant moved in quietly to solve a puzzle after an American and a German colleague had failed, the American, in her words, "lashed into him for not letting them know up front that he could do it and having them waste all that time. He just looked at me calmly and said, 'In my culture, we don't do that because that's called bragging.'" The American said, "Ouch. That was a crystal moment for me."

What impressed the person who interviewed her about this, however, was not the incident so much as her ability to articulate it: "Somehow, the IMPM makes the abstract knowledge real. This appears to be one of the secrets of the IMPM. It teaches us what we think we already know."

## Collaboration Story

In India, the class went to an ashram for two days. During a free moment, several participants turned some sticks and a wad of paper into a floor hockey game. They competed viciously; in fact, two were slightly injured. At the next module in Japan, a professor from Insead reviewed the plan for the final module. When he suggested there'd be a "competition" for presentation of some of their papers, the class exploded. Speaking for his colleagues, one of the fiercest competitors at the hockey game declared, "We don't compete with each other!"

## Action Story

A Royal Bank manager wrote to me: "Henry, I'm not sure we spent much time talking about your comment [asking] my opinion on whether IMPM provided confidence to the participants. Speaking strictly from my point of view, there are two separate forces. I've always been confident in the organization and with my value and worth within it, so my organizational confidence was high. I wasn't as confident or possibly aware of the broader perspective of management and the potential impact we can have on society as well as the organization. I'd call this confidence 'outside the world of [the Royal Bank]'. Now after the first four modules, I feel I'm much better prepared to lead and contribute to society through the organization. My awareness of broad management concepts has increased, as has my confidence outside the organization. This has had a unique effect on my level of confidence within the organization." **TD**

tively with other people—in negotiations, for example. For another, action, reflection, and collaboration have to be rooted in a deep appreciation of reality in all its facets: a mindset we call *worldly*, which the *Oxford Dictionary* defines as “experienced in life, sophisticated, practical.” Finally, action, reflection, and collaboration as well as worldliness must subscribe to a certain rationality or order; they need to rely on an analytic mindset, too.

Each of those sets of the managerial mind has a dominant subject of its own.

**Self.** For reflection, the subject is the self: There can be no insight without self-knowledge.

**Relationships.** Collaboration takes the subject beyond the self into the manager’s network of relationships.

**Organization.** Analysis goes a step beyond relationships to the organization. Organizations depend on the systematic decomposition of activities that analysis is all about.

**Context.** Beyond the organization lies the subject of the worldly mindset, context—the worlds around the organization.

**Change.** The action mindset pulls everything together through the process of change—in self, relationships, organization, and context.

Thus, third-generation management development can be organized around the following framework:

- managing self—the reflective mindset
- managing organizations—the analytic mindset
- managing context—the worldly mindset
- managing relationships—the collaborative mindset
- managing change—the action mindset.

If you are a manager, that is your world.

Devoting each of the IMPM’s five two-week modules to one of those mindsets has enabled us to reframe the developmental process in the classroom. For example, two weeks on the reflective mindset related to self opens managers up to learning from their own experience, also to looking more deeply into the nature of managerial work and their own particular styles of managing. And two weeks of the action mindset on the subject of change focuses attention on changing self, changing the organization, and dealing with change in the external environment.

Our intention has been not only to present material about these mindsets, but also to bring them to life at the module. For example, in India, where we do the worldly mindset on context, we have topics about con-

text in the classroom—the economic, social, political, and legal environment of the firm—but being in India enables the managers to live context on the streets, in the software companies, plus everything encountered in-between, to attain greater worldliness. A deeper understanding of other people’s worlds enables us all to see more deeply into our own world. And so it is in each of our five modules, blending the five novel mindsets into a single developmental experience.

### Experienced reflection

How can we create classrooms truly conducive to managers sharing reflections on their experience?

Certainly not by sitting them in nice, neat rows facing an instructor. Nancy Badore, who created a major executive development program at Ford, once described such U-shaped classrooms as “obstetric stirrups.” So, we use a different architecture: About 40 participating managers sit at seven or eight round tables in a flat classroom. That way, they can go in and out of workshops without having to “break out.” Even asking for just five minutes, “Are there any table questions?” can stimulate thoughtful discussion.

As shown in the figure, the faculty bring their concepts—ideas in the form of lectures, cases, exercises, whatever—and the participants bring their experiences. Where these concepts and experiences meet is where the learning takes place, in the process of thoughtful reflection—individually, in groups around the tables, and in plenary discussions. Our 50:50 rule says that half of the time the material introduced by the presenters should be turned over to the participating managers around the tables on their agendas: What does this mean for you, in your situation?

Moreover, when an interesting question arises about a managerial competency, for example, How can you manage around structure? or How best to collaborate with partners in a joint venture? the class can engage in “competency sharing,”—not how could or should a competency be practiced, but how have the people in this room done it, what is their own experience, what has worked for them. In a room of 40 middle managers, there can be almost half a millennium of managerial experience. Give them a chance to share it and it’s remarkable what can come out, and how that can raise consciousness about using these competencies back at work.

We also use what we call “morning reflections,” with great success. At the start of the day, everyone takes a

few minutes to write thoughts about the preceding learning in his or her “insight book.” Then discussion ensues around each table to share these insights. After about 15 minutes, this flows naturally into plenary discussion, which often turns out to be the most interesting part of the day.

None of this is to say that the faculty is supposed to cede the responsibility for teaching. Not quite. Rather, it’s to say that they join the managers in the learning, by ceding exclusive control over the curriculum. They engage them in the best of their ideas, while the managers engage the faculty in the most interesting of their experiences.

We think of that as true customization—not the more common customization of adapting standardized components to particular groups, similar to the assembly of a stereo system, in which the user gets certain lectures, cases, and a project or two assembled according to the needs in question. True customization is more like what we do in our own houses: Furnish the interior to the needs of every inhabitant—to his or her “here and now.” That means backing off the tight, specified curriculum—having to “cover” everything, even in a case discussion carefully orchestrated to reach a foregone conclusion—so that the interesting material introduced by the faculty together with the unexpected ideas coming from the managers can be

taken in the direction most beneficial for all involved.

No one can know in advance where that will be, so such a class resembles a jazz ensemble more than a symphony orchestra. Of course, the orchestra conductor metaphor has been a popular one for managerial work. But it’s a false one. No manager can orchestrate his or her organization like that, with the employees obediently playing strategies like scores from Mozart while the customers sit in orderly rows clapping. If the metaphor of the conductor applies at all, it is during the messiness of rehearsals, not the order of performance. (For more on that, see my article “Covet Leadership: The Art of Managing Professionals” in the November-December 1998 issue of the *Harvard Business Review*.)

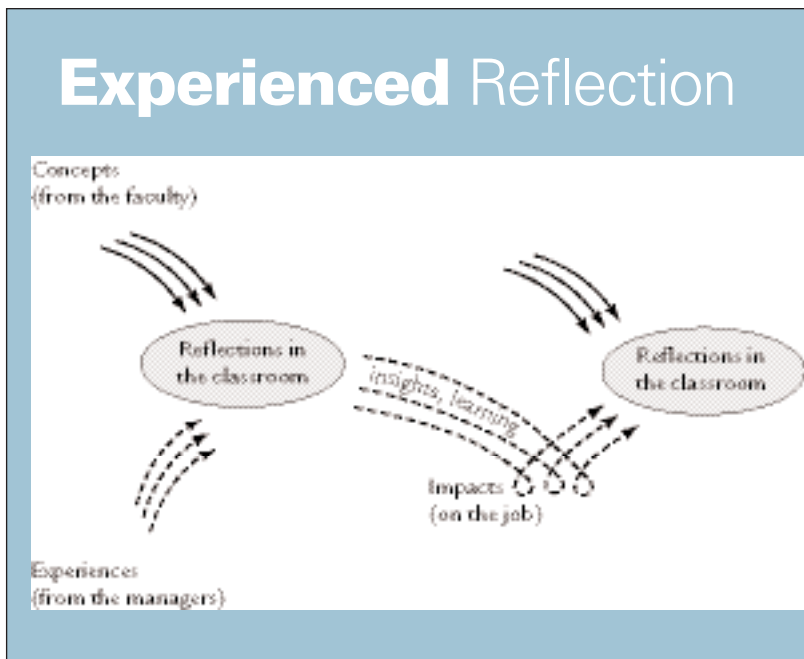
### Learning on the job

Learning obviously doesn’t end with the goodbyes in the classroom, though that’s where many programs stop. We decided to devote a good deal of effort to extending the learning of our program into the workplace in two respects: by introducing activities there as part of the program and by encouraging, together with the companies, informal applications of the learning on the job, namely IMPacts.

Among the workplace activities introduced as part of the program, most powerful has been what we call

Reflection Papers. Several weeks after each module, when the managers have settled back at work, we ask them to revisit all of the material of the module—notes, readings, overheads—and write a paper connecting whatever parts of it they find relevant to themselves, their jobs, and their companies. The material, quickly reviewed, springs back to life in the place where it has to be relevant, and links can be made.

These papers surprised us. We expected them to be short, but many are often very long, as the managers really get into it. One manager went into his office on a Sunday morning to work on his paper, expecting to be home by noon. He worked until 4 a.m! These papers can be insightful, sometimes startlingly. The assign-



ment is simple, the learning is often profound. And that means that the companies sponsoring the managers are better served.

Our Managerial Exchanges have likewise proved popular. This is a kind of bus driver's holiday, and they love it. Here, managers pair up across companies and countries, and spend a week at each other's workplace. The guests are observers, not consultants, but are expected to feed helpful comments to their hosts at the end of the week about how they manage and so on. After completing both weeks, the managers write a paper on their experience of being both guest and host.

The Managerial Exchange opens managers' eyes to their own concerns reflected in a different setting. This works well even in places of another language—say, a Toronto banker at an Osaka research lab. The guests focus on things not usually considered, such as who speaks at meetings or what gestures people use, and so find themselves learning in wholly different ways. Sometimes, colleagues of the host have been so impressed with the experience—“Why don't we ask ourselves those questions?” they often ask—that a whole bunch of them have picked up and returned the visit.

### IMPact

IMPact is our label for how the managers of our program apply what they learn directly in their organizations. The most obvious form is when they change something for the better as a result of the learning. We call that “action impact.” Sometimes, that just happens naturally. For example, a manager exposed to some new technique comes back and applies it at work. Like all such programs, we have no shortage of stories about such things happening. But we encourage them too, with two activities in particular. In the Venture part of the program, working alone or with other participants from their company, managers engage in some change activity and report on the experience. Participants who wish to get the master's degree in practicing management write a major paper, which often takes them deeper into some key issue facing their company.

To reiterate a point made earlier, change is fine, and important, but the object of management development is learning. Our belief is that third-generation management development must extend the learning of the classroom well into the organization. We call that “teaching impact.”

We all know that managers have to be coaches and mentors. Every manager has to be a teacher, to help

improve the performance of those around him or her. It's our belief, however, that managers granted the privilege of attending a serious development program have a special obligation in that regard: Learners in the classroom must be teachers on the job. That way, the learning of the program can be leveraged in the company. We also have no shortage of stories about teaching impacts—from sharing an interesting reading with colleagues to replicating parts of a module with one's staff to seeking a reframing of the company's world view as a result of some profound classroom insight.

Some of that happens naturally, but that's not enough. In third-generation management development, it has to be encouraged by the faculty and by the companies. In the IMPM classroom, we raise consciousness about teaching impact by having managers share experiences in what they've done to help others learn about what they've learned. In some of the participating companies, there have been corresponding efforts to encourage teaching impacts. For example, Zeneca assigned a mentor from the executive committee to each of its participating managers, and Matsushita has held “Friday Forums,” in which managers on the IMPM share the learning of the modules. Lufthansa has designated a Venture team to follow and support each of the managers on their ventures.

Management development will become that much more powerful when company and classroom work together to extend the learning beyond the participating managers.

### On to the ALP

Our Advanced Leadership Program, which we're now introducing, seeks to extend this third generation significantly. In overall format, the ALP looks much like the IMPM, though shorter. It consists of three one-week modules spaced over several months, on Reflective Leadership (in Europe), Connected Leadership (in Asia), and Catalytic Leadership (in North America). We use the same method of seating and classroom dynamic: reflecting on natural experience in the light of interesting concepts. But the ALP makes two key additions that push third-generation management development further.

One, this program is open only to teams of senior managers sent by their companies. In other words, we sell tables in the ALP, not chairs. Two, each team brings in a key issue that the company is grappling

with—a thorny problem that has eluded resolution or a major opportunity that hasn't been seized upon. The object is to use the classroom to accomplish what other efforts have so far failed to do. So, the ALP brings natural work into the classroom; it does not make more work back at work.

Usually, efforts to deal with thorny issues take one of two forms: either an internal taskforce or an external consulting contract. The ALP design seeks to combine the best of both: Knowledgeable company teams get outside advice but from “friendly consultants” with no ax to grind. The key to the design is that *all* of the company teams will have experience in the issues that each brings. For example, possible issues mentioned by companies interested in the ALP have included stimulating greater innovation, shifting a leadership culture, and retirement in a world of downsizing (how you keep the knowledge base from walking out the door). Special ALP programs will also be devoted to single issues, such as how to manage information technology.

What has proved so powerful in the IMPM—the sharing of natural experience—is extended in the ALP by focusing on issues of key concern to the participating companies. ALP devotes about half of class time to such issues, the other half to materials introduced on the themes of reflective, connected, and catalytic leadership as related to the issues under discussion. <img alt="ALP-IMPM logo" data-bbox="225 568 245 580"/> [alp-imp.com](http://alp-imp.com)

If the IMPM has been able to marry manage-

ment education with management development, then the ALP marries management development with organization development. Together, they suggest that the potential for third-generation management development is enormous.

### The bargain of expensive education

Why should a company pay a lot of money to send its managers to a degree program? What if they leave? And how much can a training budget take anyway?

Each of those questions should be turned around. Managers are far more expensive than any development program; failed managers are far, far more expensive than that. The IMPM fee is now US\$45,000. That amounts to about 10 to 20 percent of the cost of a manager over the two-year duration of the program. Seen against a training budget, that may be a sizable expenditure. Seen against the cost of a manager, it's relatively small. So the problem is the budget, not the cost-management development treated as an expense instead of the investment it is. Indeed, the real cost is a manager's time.

Is that investment worth it? It obviously depends on the effectiveness of the program. Can that be measured? In a word, no, just like all sorts of other things we do. For example, reading this article is costing you a certain amount of time. Can you measure the benefits? How about senior management? Can you measure the benefits of that? (If you think share price does, read the newspapers.) In fact, who has ever measured the benefits of measuring?

My point is not to avoid assessing the benefits of activities, management education and development, and many other efforts. Rather, it's that measurement often has to be done judgmentally more than numerically.

Let's consider the judgments of the companies that have sent groups of their managers on our third-generation experience. The IMPM requires no commitment from companies for more than one year. So, I did an assessment of how often they came back. Over the eight years of our program, companies with several participants had 61 such decisions to make; 51 times, they came back the next year. Counting companies that skipped a year or more and then came back, the figure rises to 56 times.

Comments from company representatives,

## Ten Rules for Professors Who Want to Educate Real Managers

- 1, 2, 3. Don't pack it. Don't pack it. Don't pack it.
4. Schedule an extra hour for each session, but don't tell the instructors until they arrive so they will have more time to turn the discussion over to the managers.
5. Profess less. Participants have at least as much to learn from each other as from the professors. (This is about what they learn, not about what we teach.)
6. Let participants run with the material on their agendas.
7. Be flexible. Let good discussion go on. If necessary, cut what has to be “covered.”
- 8, 9, 10. Listen. Listen. Listen.



in a paper written by one on behalf of her colleagues, suggest that this retention rate has to do with the program's "intense influence" on the participants. Frank McAuley of the Royal Bank of Canada told a *Fast Company* reporter (in the November 2000 issue) that the IMPM "changes people more than any program I have ever seen—ever. It brings them to a different place." In the paper referred to above, he elaborates, "To learn about a mindset and then literally walk in that mindset along the streets of Bangalore is invaluable.... [People] become more reflective, more open, more understanding of change. It turns down their volume but increases the richness of their music." Sue Purvis from Zeneca, who drew the paper together for her colleagues, described such changes in her company's participants as "profound and subtle." The paper concluded that "all of the organizations and individuals recognized the enormous personal growth that was achieved during this program." The IMPM "represents a giant step forward in executive education."

But what if those investments walk out the door? First, it must be recognized that many managers already walk out the door, with an awful lot more investment than a single program. So, perhaps the better question is, Might such a program dissuade managers from walking out the door? That could be a real payback. The IMPM has been designed to strengthen the bond between the managers and their companies. The managers are sponsored by their organizations and work throughout the program to carry their learning back.

Matsushita used to send some of its managers to American MBA programs. About 9 percent subsequently left the company, a figure that Matsushita (if not American companies) found unacceptable. It joined the IMPM at the outset and has sent managers to all eight classes—28 people in all. Not a single one has left the company so far. Japan may be exceptional in that regard, but overall of our first three groups that began the program in 1996 to 1998, 18 of the 108 participants have left their companies as of late 2003—few by current turnover rates. On September 20, 1999, *Business Week* ran a cover story on the "brain drain—what smart companies are doing to keep senior stars on the job." Sending them to third-generation management development programs could be one of them. If an MBA is used to *get* a better job, then the IMPM is designed to *do* a better job. *En-*

*agement* is an important word for us—in the classroom, in the workplace, and especially in the style of managing we promote: managers who are deeply engaged in their jobs and their companies engage the people around them.

Should companies be supporting programs of such duration? The answer is that management isn't a superficial practice. In this world of hype, angst, and confusion, people need to stop and take stock; they need to consider the broad perspective. Management development is too important to leave to short, easy, strobe-light courses or longer boot camps. Those only reinforce some of the negative tendencies in the current practice of management. We don't need to replicate the problems of management in the classroom; we need to correct them. In a world of superficiality, there's a need for substance; in a world of pressure, there's a need for reflection.

Put all this together, and it makes sense to support serious management programs—as soon as a company gets past the budgets of management development and the focus on share price in the next few quarters. For those companies that take the broad view, third generation isn't disconnected management education but integrated management and organization development. **TD**

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