

# TODAY'S MANAGER

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## CREATING AN AFFORDABLE AND BRIGHTER TOMORROW



Improve Teamwork \ **Use Group Dynamics**

The Owen Perspective \ **Lead Your Boss**



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TODAY!



A close-up portrait of Dr. Richard Straub, an older man with glasses, wearing a dark suit, a striped shirt, and a red tie. He is looking slightly to the left of the camera with a thoughtful expression. The background is a warm, out-of-focus interior with wooden paneling and a lamp.

## Viewpoints from a Leader: Dr Richard Straub

*Today's Manager speaks to Dr Richard Straub to get his insights on management. (PHOTOS: L HANDY)*

*by Sadie-Jane Nunis*

**D**r Richard Straub is a fount of knowledge. There, I said it. During our interview, I picked up many interesting tidbits from a man with several high-profile portfolios.

Dr Straub is the founder and president of the Peter Drucker Society Europe and of the Global Peter Drucker Forum. He is also associate director of the European Foundation for Management Development (EFMD), a leading network of business schools and corporations whose mission is to improve the quality and effectiveness of management education and development.

Dr Straub worked for IBM for some 32 years, holding various key international executive positions ranging from deputy general manager for PC Europe to global

chief learning officer. Although he retired in 2005, he retains close links with the company, serving as a senior advisor to its global education industry unit.

In 2016, the theme for the 8<sup>th</sup> Global Peter Drucker Forum 2016 to be held in Vienna, Austria, is 'The Entrepreneurial Society—Moving Beyond a Society of Employees'. Prominent speakers such as Professor Clayton Christensen make up the distinguished panel that will discuss topics ranging from 'will organisations become networks of smaller, entrepreneurial entities enabled by digital technology?' to 'what will the new social compact be?' So when I say Dr Straub is a fount of knowledge, I am not exaggerating.

**Today's Manager (TM): There is a constant debate that management and leadership are different. What are your thoughts?**

**Dr Richard Straub (RS):** There is a tendency to separate leadership and management. Professor Peter Drucker never saw them as separate but as a continuum, and the differences are contingent on the job one

has. There are some jobs that require more leadership capabilities and less specific management capabilities and vice versa. The relationship has to be understood as such or it becomes quite misleading. It is as if the leader is up in the clouds while the manager is the one working down in the trenches. What we often see today is leaders who are disconnected from reality and do not know how to make things happen, thus holding their team back. I feel that leadership gives teams a compass, whereas management helps you establish the map which guides you to where you need to go.

**TM: What is your management or leadership style like?**

**RS:** In my years at IBM, I learnt that the company was becoming interconnected and complex. I find that people who appear to be great leaders because they make quick decisions, often end up confronted with problems because they have made those decisions without grasping their full complexity. What I prefer are the ideas that come about when you feel your way to the right direction to take. You do not just decide it and then broadcast it—you explore your way with your team to find the right direction. Increasingly, there are new techniques to do this—for example, the design thinking philosophy using experimentation and fast cycles. One can fail and learn fast to find what works. When you make fast decisions in complex settings, even when they look right on paper, the unintended consequences often outweigh the intended ones.

**TM: What do you think are some of the strengths an effective leader should have?**

**RS:** I like this quote that is aligned with Professor Drucker's philosophy: "The best way to predict the future is to create it." An effective leader needs the awareness and consciousness that in what we do, we are creating the future. Having this in mind makes a big difference in how we lead and manage. Professor Drucker always said that a key feature of a leader is that they have followers, but this of course, is true for toxic leaders too. We are really talking about ethical leadership aiming to achieve results that create value without damaging others.

An effective and ethical leader tends to have a value framework that their team can subscribe to and in that way brings out the best in them. The effective, ethical leaders tends to put people in positions that build on their strengths—which also means having the empathy to understand those strengths. An effective leader is able to

transmit a purpose and create a meaningful narrative for their followers.

**TM: How do you manage and motivate your team?**

**RS:** As a leader, I need to give them direction so that they can function and carry out their day-to-day work. Management and leadership is not about micro-management. We need to remember that many a time, the typical knowledge worker (Professor Drucker coined this term in the sixties) will know more about the specific subject matter than the manager. A good manager understands that professionals need a degree of autonomy—of course they need to know what the objective, but to a certain degree how to best get there is up to them. At the same time, the manager/leader has to be ready to intervene when needed.

**TM: How do you motivate yourself?**

**RS:** I feel a strong passion for the purpose that we derived from Professor Drucker i.e. to have an impact on the world of management given the fact that management is a key role to make modern societies tick. It is particularly rewarding to have eminent thinkers and extraordinary human beings such as Professor Clayton Christensen, Professor Charles Handy, Professor Lynda Gratton, Professor Henry Mintzberg, Professor Philip Kotler, Mr Paul Polman, Professor Herminia Ibarra, and Professor Sherry Turkle involved in this endeavour and contributing to Drucker Forums and to our wider purpose.

**TM: What are some of your most memorable experiences as President of the Peter Drucker Society of Europe?**

**RS:** Getting to know Mrs Doris Drucker, Professor Peter Drucker's widow, who passed away at the age of 103 in 2014, was an unforgettable experience. She was actively interested and very supportive of us. She actually attended the first forum, although not the later ones as she got older. My friendship with Mrs Doris Drucker is a treasure for me.

To have world-class media active involved in the Forum is another great satisfaction. So in 2014 the Forum was chaired by Mr Adi Ignatius, the editor-in-chief of *Harvard Business Review*, and in 2015 by Mr Andrew Hill, Management editor of *the Financial Times*.

I would have never dreamt that such important media would commit themselves to the Forum and support what we are trying to achieve.

**TM: Do you believe that the entrepreneurial spirit can exist within large organisations?**

**RS:** I think it is difficult, since there is a tendency to become bureaucratic and rigid as companies grow in size. That is almost a natural law, and many people have written about it. Is there a way to address this issue? One way is to decentralise and to create entrepreneurial platforms using technology within the enterprise—as the Haier Group did. One of the high points of the 2015 Forum was the contribution of Haier President and chief executive officer (CEO) Mr Zhang Ruimin, who described his vision and how he is going to implement it. It is still early days, but Mr Zhang is a remarkably innovative CEO who has transformed Haier several times over, making it the leading white good company in the world in the process. So I think you can assume he will personally stay on top of this latest transformation.

Another way is a more traditional approach to delegation of authority and decentralisation by managing a federation of smaller companies rather than a traditional corporate behemoth. The Vinci Construction group is a great example—Vinci CEO Dr Xavier Huillard is deeply inspired by Professor Peter Drucker in his approach to leadership and management. The group has hundreds of independent companies, and it has found a way of keeping the entrepreneurial spirit alive and well within them.

**TM: How has the digital revolution changed the face of business for the past 30 years or so?**

**RS:** This is a huge question. I think that 30 years ago, when the digital revolution came about, the tendency was to try to use it to improve the current models—to increase the efficiency of what was already out there. We tried to do things better and faster, but not differently. This is changing: now it is about business transformation, new business designs, and new business models.

“How do I digitally transform my organisation by creating something new and not just improving or lowering cost?” and “how can we prevent ourselves from being Uberised?” are questions that are on most CEOs’ minds at night these days. Technology forces organisations to think out of the box and be more innovative. Using technology to get the best from their teams who are the constituents of the organisation—that’s the CEO’s big challenge.

**TM: What are the pros and cons, in your opinion, when it comes to employing full-time employees versus freelancers?**

**RS:** There is no easy answer. When you look at Europe traditional employment is causing significant rigidity in the labour market. In turbulent times, it is very risky for companies to take on board employees as it is difficult and very expensive to reduce the employed workforce in case of need. On the side of the worker it may be a trade-off between personal flexibility and the opportunity to engage in projects of their choice and increased job-security with some social benefits—but embedded in the straight-jacket of a large organisation. For sure, the old social contract with lifelong employment and significant social benefits provided by the corporation is largely gone. We do not see the new one yet. The discussion about the “Driver-Partners” of Uber that may be seen as a new type of employee (through an industrial age lens) or as a flexible on demand workforce show the dilemma. But then of course the questions about social protection, security, and competitive playing field (for the competing companies) must be discussed and resolved. Policies are needed to provide a framework for the economic actors to evolve—this is one of the challenges in the coming years.

**TM: What advice do you have for Millennials, otherwise known as Generation Y?**

**RS:** I found it difficult in my various roles in business to look beyond the immediate demands of the job and perceive the reality of what was going on in the world, not merely what your competitors were doing. Many people get caught up in day-to-day duties. Yet, if you want to take a leadership role in an organisation in today’s world, you have to understand much more than the immediate, short-term business requirements. So my advice would be to take the time to look beyond what you are doing right now. Acquiring knowledge and skills across disciplines is vital. It is notable that some companies have started to recruit new employees from outside the usual technical and business school circuit. They increasingly look for people with a liberal arts education. Historians, sociologists, or anthropologists can bring perspectives that transcend the narrow instrumental views that we all too often get from the Business Schools.

Even if you have not studied it—read economics, psychology, sociology, history, and philosophy. That’s what Professor Drucker did, and it provides the basis for a “Druckerian” mindset—that is to say, an attitude that sees managers and leaders not just as “business technicians” but as well-rounded human beings who care about the business as well as the other human beings they have a responsibility for. 