

Why do We Still Do It? The Curse of 'Panacea Mania'

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Business remains focused on the latest management panacea, hoping that their immediate problems can thus be solved. But perhaps it is this urge for quick solutions that is the problem. As an alternative, leadership transformation is offered, that is, not the latest fix but a change in learning context.

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Business as just a way of occupying the day for human beings seems to get increasing support when we see a multitude of business panaceas, such as BPR, TQM, JIT, HRM, Benchmarking, Downsizing, Rightsizing etc. get such prominence and support. Yet there is little evidence that these 'miracles' have actually made any difference, except, that is, for those who invented them (Lester: 1997).

This same argument is now current regarding the millennium bug and whether or not this was a real threat or not. If it was or if it wasn't is not the point and there will be arguments for both sides. What is the point is that organisations have manoeuvred themselves into positions where panaceas thrive. In other words there is little confidence in making one's own decisions.

For example our language has to change to reflect the emerging paradigm, that of a deep ecological paradigm, and that work is part of the system of living we call life. *Deep ecological awareness* recognises the fundamental interdependence of all phenomena and the fact that, as individuals and societies, we are embedded in (and ultimately dependent on) the *cyclical process of nature* (Capra:1997). Understanding this enables us to remove the language redundancies born of the Industrial era such as 'Industrial Relations' and supplement these with just 'relationships'. 'Business ethics' is another example. There is only ethics.

All these panaceas have evolved, in my view, as a result of inadequate leadership. That is, they were designed by clever people, usually academics in business schools or clever consultants, to prop up inadequate (underdeveloped) leaders with processes and procedures that have effectively isolated people in leadership positions from making decisions of real significance, that of ensuring sustainability and meaning for both present and future generations. If we look at some of these people now we can see that many have reached 'Guru' status and, as a result, have keen followers - even disciples.

Leadership Development

So why do we still do it?

It is my view that we still do it as the alternative, leadership development in its real sense, is too much of a paradigm shift from the way good management has been espoused and taught post WW11. This, particularly from those business schools and influential consulting firms still deeply entrenched in 'panacea mania'.

The threat to creating the required change in leadership attributes could well be seen in coming from these traditional approaches to business education. Indeed, the late futurists Robert Theobald (1999) says;

We are becoming aware that learning institutions and learning societies are necessary to future success. Unfortunately we are also discovering that effective learning does not take place in traditional schools and colleges. The real challenge is always to provide people with the interest and skills to be self-motivated learners. Regrettably, past patterns of teaching have often numbed the spirit of inquiry that children naturally have. In addition, concentration on single styles of learning excludes others who gain knowledge in other ways, such as using their hands and their bodies. It is to be hoped that current schools and universities will adapt but much of the most interesting innovation is coming outside them.

Paul Wildman's observation (Futures, 1998) in his article 'From the Monophonic University to the Polyphonic Multiversities' argues strongly the view that seeking alternatives to the one right way of knowing must become the educational imperative.

Learning must become a strategic imperative for any organisation that wishes to be part of the future. However, there clearly must be a distinction between learning and training. Training is analogous to information. Some believe, mistakenly, that we can never get enough of it.

Learning, on the other hand, is something that you can never get enough of.

In our society the recognition of talent depends largely on idealised and entrenched perceptions of academic achievement and job performance. Researchers such as Dr. Robert Sternberg (Thinking Styles: Cambridge University Press, 1997) and Malcolm Davies, (1997) reject this trend by emphasizing the method of our thought rather than its content.

Psychologists Sternberg and Davies argue that ability often goes unappreciated and uncultivated not because of lack of talent, but because of conflicting styles of thinking and learning.

Leadership development is not only about learning management practice skills, as important as these are but, more importantly, about learning about your individual self, your part in the ecosystem, and the way in which you can positively influence the future.

Recognising this still remains a problem as many of the existing

organisational leaders will still ask the question *If they know so much about it why aren't they as successful as I am?* The answer to this becomes apparent when these organisational leaders undertake experiential leadership development. From this they learn to value themselves (and others) more and that the façade of success is just that - a façade. They learn the value of learning, of different ways of knowing, as Inayatullah (1999) writes about, and the value of a more balanced life - perhaps even adapting Handy's concept of 'Portfolio Living' (1997). They then realise that those who understand leadership and practice it are successful - really successful - albeit without the need to demonstrate it materialistically!

Experiential action learning, participatory action learning (futures thinking action learning) and systems thinking start to take on more importance in leadership development particularly as we enter the end of the information age and start the knowledge era. Other ways of knowing take on significance in the knowledge era as we develop skills in using our other intelligence such as intuition, instincts and relationships to enable us to better understand and survive in chaos (order and disorder together) and increased complexity (webs rather than linear determinates).

Newton, with his linear deterministic theories, and Descartes, with his mechanistic models, have served the industrial age well but their theories are no longer sufficiently robust to serve the knowledge era. What was important with Newton and Descartes, however, was that science and philosophy developed a nexus that was mutually compatible and mutually acceptable. This is probably the reason they survive even today.

We are now seeing equal compatibility and acceptability amongst some scientist and philosophers today with the important emergence of generalists. Particularly of significance are the compatibilities described by Capra in his 1997 book *The Web of Life - a New Synthesis of Mind and Matter* (Harper, 1997) wherein Capra explains and offers reasons for the radical synthesis of breakthroughs in science, complexity theory, Gaia theory, chaos, social systems and ecosystems.

The important shift for leaders is now in the form of sustainability, purpose (meaning), people as animals, future generations and the creation of processes to enable the fundamental shift from human life as 'owners' of the planet to human life as 'custodians' of the planet. That is, all life becomes of equal importance - not just human life. This shift to an ecocentric worldview leadership has enormous consequences on the way in which human and other forms of animal, vegetation, water and air life will coexist for mutual benefit.

By shifting our emphasis in this manner humans begin to take real concern for the welfare of other species and of the environment. They realise that just as it has been possible to exterminate forever many forms of life, that possibility of extinction becomes a closer reality for human life every time a species is made extinct - which happens daily. What must become obvious is that this is the real leadership challenge humans need - that of real purpose, real meaning, real caring and real cooperation, rather than subjugating these needs to outside caring organisations, such as Greenpeace, Amnesty International and the RSPCA.

Organizational and Human Futures

So what does this shift mean for organisations and for careers for human beings?

The biggest unknown for the individual in a knowledge-based economy is how to have a career in a system where there are no careers. This is the reality of today. In overcoming this uncertainty it is necessary to become a life long learner and be constantly gaining new skills in order to be as multi-skilled as possible and therefore have greater opportunity. This implies that the traditional schools, colleges and universities must embrace the other ways of knowing as part of their curriculum. This further implies development of new leadership paradigms for our programmed knowledge institutions.

Humans are already in an age where there are no careers. That is, the concept of a job for life no longer exists, even in the Church. For example, the Anglican Church now requires its ministers to 'justify' themselves financially in order to remain employees of the Church. Are these 'good' decisions or are they a result of successful consultants taking over the leadership of these, and many other, organisations with their panaceas and 'ecorat' (economic rationalist) simplicity?

Organisational longevity is also a thing of the past. We know that 40% of the Fortune top 500 organisations of a decade ago no longer exist. Mergers and acquisitions have not generally proved to be the panacea sought as often little effort is placed on the needs of individuals other than shareholders. As a result the overwhelming influence of cultural imperatives dominate and the precious energy needed to create a successful merger or acquisition is dissipated into corrosive actions of individuals, usually those individuals in senior management roles where the corrosive content takes on mortal significance.

It is therefore illogical to think that business is logical otherwise the great majority of start-up businesses wouldn't fail as they usually proceed to start-up based on a very well prepared logical strategic plan, with embedded economic rationalism more often than not supported by a Bank secured by assets. But they do fail more often than not because they are restricted only to the intellect in their formulation and do not take into account the other ways of knowing. It is not only start-up businesses that have this problem. Remember that only 40% of the Fortune 500 companies of a decade ago still exist. Why is this?

Given these facts it is a convincing argument that current leadership practices have failed and that the espoused economic rationalist approach has created great social and organisational imbalance. Put simply, the economic rationalist simplistic approach coupled with simplistic panacea mania has failed.

Giving up Panacea Mania

So why do we still do it?

Probably because our addiction to 'panacea mania' has made it very difficult to give the habit up. Transformational Leadership Development (TLD) offers a safe and effective withdrawal from this habit.

Those involved in TLD programmes need to encompass Futures thinking (transforming communication), systems thinking (from the parts to the whole) and transformational thinking (from left to right to right to left thinking). By doing so they imply that a *synthesis of the mind with the matter* is the dramatic change in the way we look at things. This probably emanates from, amongst others, the work of Thomas Kuhn and paradigms. Kuhn defined paradigms as '*a constellation of achievements - concepts, values, techniques, etc. - shared by a scientific community and used by that community to define legitimate problems and solutions*' (Kuhn, 1962, adapted from Capra, 1997).

A new nexus is emerging that involves scientists and futurists with the emerging psychology based leadership developers such as Malcolm Davies, Phill Boas and Lynda Norman. Indeed Malcolm Davies (1999) argues that organisational outcomes are a direct response to leadership outcomes. He relates leadership and awareness of the Big 5 Factor Model that is studied in psychology (Openness [intellectance, school success etc.], Conscientiousness, Extraversion [ambition, sociability], Agreeableness, Neuroticism) or OCEAN. This goes beyond TMI,

MBTI, which are extremely useful and important tools, or whatever else have you. This is where reputation is the common theme as it is reputation that ensures success. From this come the leadership outcomes that are a result of the transformational leadership development of the leader/s, regardless of where they stand in the organisation.

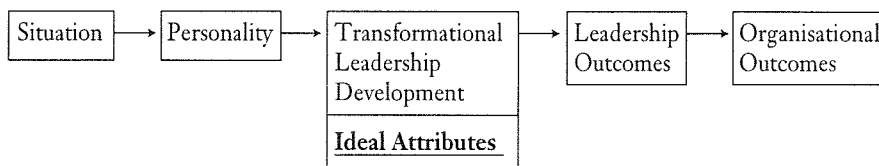
The four components to the ideal attribute are:

1. intellectual stimulation,
2. individual considerations,
3. inspirational motivation and
4. idealised behaviour.

The way in which you will treat any given situation will depend on your personality.

Your personality will be the result of whatever transformational leadership development you have had, acquired experientially, programmed learned or by your other ways of knowing (instincts, intuition, relationships etc.)

From this the leadership outcome will come. From the leadership outcome will determine the organisational outcome.



(Adapted from Davies, 1999)

Leadership and Organisational outcomes will determine the individual and the organisation reputation. Reputation and effective organisational outcomes come from how close Leaders are to the ideal leadership attributes.

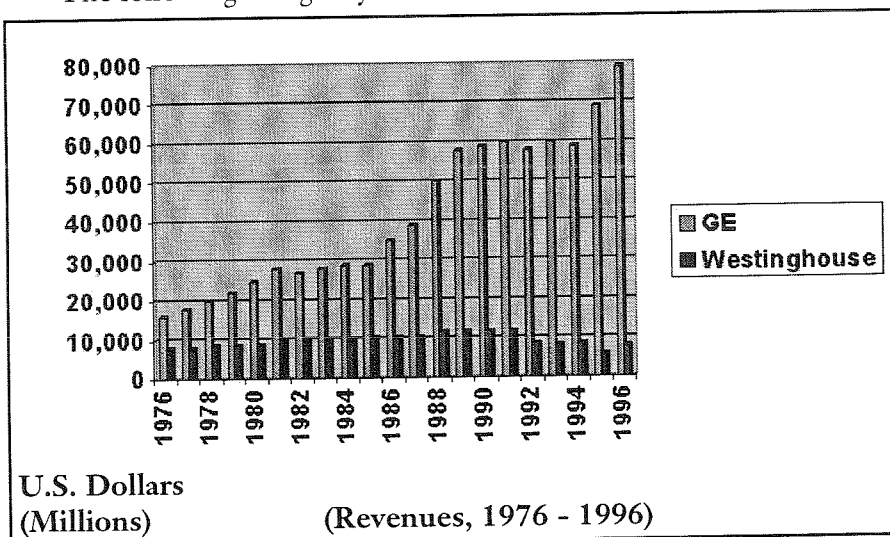
However, often leaders with a high transformational leadership development often pose a threat to those who are inculcated to the rational way of thinking, particularly those in the professions such as engineering, science, accounting, marketing etc., professions influenced strongly by Newton, Descartes and others. Often people destroy a good leader to shield their own personality disorders. Terms such as All's fair in love and war were made popular, it seems to me, to justify the means to get

the end desired. In other words our organisational culture has developed a strong movement towards perfecting the corrosive context.

Those who have developed strong transformational leadership skills have generally worked through whatever derailment factor they had/have in their personality (and to differing extents most of us do!) in order to overcome these corrosive learnings.

It is extremely important that organisational leadership strives for an ecocentric worldview and the ideal leadership attributes because of what happens when they don't. People in leadership positions such as CEOs, Boards and Senior Management, create the 'corrosive context' within organisations, when they fear personal exposure through the ideal attributes that the transformational leader is exhibiting. Their learned response is to destroy the enemy - in this case the transformational leader.

The following will give you a better illustration of this;



Source: Ghoshal & Bartlett 'The Individualized Corporation'

Figure1: Comparison of GE and Westinghouse

The bottom line of the story is stark. At the starting point of the tale, Westinghouse and GE were comparable companies, seen and spoken of as worthy rivals. At that time, Westinghouse was about 40% the size of GE in terms of annual revenues. At our 1996 end point, GE is ten times larger. In a two decades search for corporate renewal, three successive generations of top management presided over a massive decline of a major American institution.

There are many reasons for Westinghouse's inability to achieve durable transformation. However, the roots of its corporate sclerosis lay in its behavioural context. And Westinghouse is not an isolated exception. Like Westinghouse, many large companies have, over the years, developed a behavioural context that, while superficially benign, has had a corrosive effect on the behaviours of their members.

Only by explicitly recognising the central characteristics of this inherited context and understanding how it affects management perceptions and actions can those who want to revitalise their organisations replace its most pernicious qualities with others more conducive to genuine and durable growth and renewal.

(Ghoshal & Bartlett, 1997: Pp.144-145)

Case Study - a Personal Perspective

As a CEO I experienced the corrosive context through the introduction of leadership development and the learning organisation which threatened the 'establishment' of the global organisation that I was the Australian CEO of. This was further exacerbated by the fact that my company, which was originally part of an UK based multinational which was subjected to a successful hostile takeover by a competitive European based multinational, achieved less than 1% of the total global sales but over 10% of the global net profits. We were clearly, on a productivity basis of tonnes per employee, the most profitable company in the group and arguably the most profitable company of our type in the world.

The story goes that after the takeover our parent found that it had two organisations in Australia in the same business. One (mine) highly profitable and the other highly unprofitable. Put together my companies profit was not enough to balance the other company's loss. As a result the combined organisation was unprofitable. There were also two CEOs who held different views on how the new organisation should be run when it merged. This problem was solved when the senior management of *both* organisations decided that they preferred my methodology to that of the other CEO and made that clear to the Group's European based Chairman. This did not sit well with the new global parent as they had selected my counterpart shortly before the takeover with the express purpose of him becoming the sole CEO after the takeover. But,

because of the unexpected support for me from both organisations, they were left with no choice but to appoint me sole CEO.

The result was that within a year we were able to create the success mentioned above without bloodshed (downsizing) and were indeed highly profitable again with a new culture based on trust, learning and transformational leadership development. I believed our success would be enough to cement my position and my philosophy even though I was one of the only CEOs of the vanquished organisation to survive the takeover. I was wrong. The company's success created animosity and fear and I was subjected to a continual barrage of enquiry and suspicion that led to me having no choice but to resign.

As a CEO, the challenge is always to focus on rational explanations of outcomes. These can include in human relationship terms, using strong cognitive analytical methodologies and the cultural implications rationalised as a result e.g. Strategic planning, human resource planning, career planning.

The company I have mentioned has high visibility in society today. Edgar Schein (1997) is quite right to point out that a description of an organisation's culture makes public the deeper underlying aspects of that organisation at a time when it is still very much part of the scene. This is the reason I have not used the actual name of the organisation. Similarly, I have not identified any individual for the same reasons of respect for the individual.

This creates a further challenge when it is necessary to review individual behaviour by trying to avoid a good or bad interpretation on that individual's behaviour in terms of consequence on the organisation's culture and its performance, therefore this paper focuses on the decisions and circumstances.

Differences that Make a Difference

Davies (1997) claims that with the introduction of the systems paradigm it brings with it a host of differences that make a difference. One result of the fast changing environment is that new tools are needed to more effectively deal with the chaotic ever changing situation. Many of the tried and true tools of management that have been developed over the last hundred years or so have assumed a linear deterministic world in which the single goal of business is profit making. Whittington (from Davies, 1997) called this underlying paradigm of assumptions the classi-

cal paradigm of strategy. He has pointed out that the pace of change requires a new paradigm. Linear determinism is no longer a good enough approximation and we now need to embrace emergence. Profit making is not good enough to manage by. We need a range of things to focus on in order that profits will be made by the organisation.

Once systems theory entered main stream thinking people began to realise that organisations are systems too. In systems everything can be seen as influencing everything else. It is like the human body where all subsystems influence the whole system and vice versa. When we see organisations as systems we soon realise that there are important aspects of those systems that we have not paid sufficient explicit attention to in reviewing how best to run organisations in a very chaotic world.

The uncertainty question is *from manufacture to market: understanding the options?* is really asking the individual to answer *Will my business be part of the future?* And this should become the driving force for any CEO seriously committed to a future of ecological and economic sustainability within the framework of an ecocentric (earth-centred) worldview and values.

To achieve this means effective communication

There is an acceptance that communication works by delivering a message or a meaning. In cross-cultural communication it is my view that communication has to deliver both the *message* and the *meaning* because different cultures have different ways of knowing. This was of particular importance in the merging and institutionalizing of the company I mentioned above as our parent was European based with a well established culture of its own.

Another objective is to demonstrate that organisational cultural imperative, whether it be ethnic based or philosophically based, will determine how the organisation operates. The evaluation of its success will not necessarily be made in financial terms only, hence the argument that the bottom line result is, to an extent, a myth. This is not to suggest that a strong bottom line is not sought, desirable and highly prized, or attainable or not, only that the bottom line will be judged as good or bad according to the rules put in place by the cultural imperative of the organisation. Overall this is a circumstance of communication.

In management courses we are taught that *communication is a process, especially a cognitive process with a social context*. In my view this is only partly correct. This view supports the intellect as the main basis of communication and does not take into consideration the other ways of know-

ing and communicating such as intuition, instincts and relationships. There is an emerging view that intuition, instincts and relationships play a more significant part in organisational effectiveness than has been previously appreciated.

We are also taught that *communication is about the way we construct meanings from encounters with others*. I like this example better as it not only suggest reason, philosophy and rationality, but also suggest a sense experience from the evidence gained from the encounter with others. The meaning also includes intuition, which could involve spirituality, which gives us a direct *perception* of knowledge.

Communication is concerned with the reduction of uncertainty and therefore is inevitable. Communication effectiveness, however, is largely related to how well we can co-ordinate our meanings with those who interact with us. Communication on an ethnic and cultural level needs a learning catalyst and a critical friend (the communicator) because no two people perceive things in exactly the same way. It is asking too much, in my view, to expect different ethnic and organisational cultures to perceive things in exactly the same way. Yet, I argue that from my experiences, this is largely what is expected from organisations hence the addiction to panacea mania.

This leads to leadership or more specifically leadership effectiveness. Throughout this paper I have argued that management and leadership are extremely important but are fundamentally different from each other. In my view management is more easily accepted and understood and that most CEOs are very competent with management practices. However leadership needs to go beyond just good management practice to encompass behaviour, the human elements and 'web' relationships in organisations and understand these.

The increasing support to the notion that rational intelligence and cognitive ability are associated with good management and non-rational intelligence and emotional intelligence is associated with good leadership is beginning and successful organisations are aware of it.

In conclusion it needs to be emphasized that organisations are systems and that for the organisation to be effective it has to be good at both the rational and non-rational to move beyond 'panacea mania', and to encompass the other ways of knowing.

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