

Roundtable On Management After Organization Man: Creativity, Burnout, Intuition, Heterarchy

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Introduction: From Management Consultant to Psychological Counsel

Just where do new business ideas come from? As Pankaj Ghemawat's article, "Evolving Ideas about Business Strategy," in this issue demonstrates, ideas about business strategy compete within a marketplace that is not simply intellectual but also intensely commercial.¹ So intertwined are the academics and the management consultants who have promoted these ideas that Ghemawat employs a classification scheme devised by the consultants in the Boston Consulting Group (BCG) that does not distinguish between the strategy models advanced by consultants and those primarily associated with academics.

Given the importance of consultants, one way to contextualize Ghemawat's illustration of the rate of the introduction of new strategy frameworks would be to map the periodicity of these models against the growth rate of consulting firms during the last half-century. As I argued a decade ago in *The World's Newest Profession*, the traditional form of management consulting, dominated by an oligopolistic group of professional partnerships headquartered in New York, reached its apogee in the early 1960s, declined to its nadir in the early 1970s, rebounded in the 1980s (eventually peaking in the late 1990s), and then fell away after 2000 as clients retrenched with the collapse of the dot-com bubble and the subsequent Enron scandal.² Not surprisingly, the market for strategy ideas prospered when the economic demand for their application was at its peak. Conversely, when the dominant

¹ Pankaj Ghemawat, "Evolving Ideas about Business Strategy," *Business History Review* 90, no. 4 (2016), doi:10.1017/S0007680516000702.

² Christopher McKenna, *The World's Newest Profession: Management Consulting in the Twentieth Century* (New York, 2006).

44 American corporations declined in the face of OPEC, Watergate, and
45 Japanese competition in the 1970s, consultants struggled as the corpo-
46 rate need for their services, and the structure of the advice that they
47 had traditionally offered, rapidly receded. Furthermore, once the pros-
48 pects of those white-collar executives who dedicated themselves to the
49 corporation were no longer simply a dreary life but also a terrible
50 career, then the search for corporate best practices moved from the
51 outward strategy of the large corporation to the personal dynamics of
52 the individuals operating within these institutions.

53 In the 1970s, as inflation and recession, oil shortages, political scan-
54 dals, soaring crime rates, and faltering cities all consumed American self-
55 confidence, social critics began to diagnose modern society as retreating
56 into self-absorption—most notably, historian Christopher Lasch in his
57 1979 best seller, *The Culture of Narcissism*.³ For as Tom Wolfe had
58 argued in “The ‘Me’ Decade and the Third Great Awakening” three years
59 earlier, “the new alchemical dream is: changing one’s personality—
60 remaking, remodelling, elevating, and polishing one’s very self ... and
61 observing, studying, and doting on it.”⁴ The conglomerate “go-go”
62 years of the 1960s had evaporated only to be refueled by a new emphasis
63 on limited expectations and marginal capacity. Thus, by the late 1980s,
64 strategy gurus C. K. Prahalad and Gary Hamel advised corporate execu-
65 tives to focus on their “core competencies” to better leverage the collec-
66 tive knowledge embedded within their own organizations and, perhaps
67 as importantly, within themselves.⁵

68 The roundtable that follows consists of four essays: Sam Franklin’s
69 on creativity, Matthew Hoffarth’s on executive burnout, Kira Lussier’s
70 on intuition, and Bretton Fosbrook’s on heterarchy. As the four
71 authors vividly show, amidst the economic upheaval of the 1970s and
72 1980s, new firms of management consultants soon rushed into this pro-
73 fessional void. Exploiting the new binaries in management thought,
74 these consultants did not seek to balance the inherent tensions
75 between strategy and structure, efficiency and decentralization, or
76 even local relationships and global product knowledge (as the consul-
77 tants within McKinsey & Company had suggested that their newly
78 devised “matrix” organizational structure would ultimately resolve),
79 but instead looked further inward to cure the inherently atomistic prob-
80 lems of fostering innovation, avoiding personal “burnout,” and seeking
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82 ³ Christopher Lasch, *The Culture of Narcissism: American Life in an Age of Diminishing*
83 *Expectations* (New York, 1979).

84 ⁴ Tom Wolfe, “The ‘Me’ Decade and the Third Great Awakening,” *New York Magazine*, 23
85 Aug. 1976.

86 ⁵ C. K. Prahalad and Gary Hamel, “The Core Competence of the Corporation,” *Harvard*
Business Review, May/June 1990.

87 intuition, all while balancing these on the knife-edge of rational admin-
88 istration and creative chaos. To echo Ghemawat, management consul-
89 tants sought to bring a more dynamic approach to what had previously
90 been intensely static corporate cultures. As corporate executives
91 sought answers to these increasingly cultural puzzles, they tried to
92 balance the perennial problem of measuring professional success
93 against the psychological state of their employees. The solutions that
94 consultants offered were very much a product of their time and place.

95 The consultants' emphasis on management of the self—and the
96 underlying narcissism it implies—would eventually find its lasting
97 home in the emerging culture of California's Silicon Valley that fused
98 the self-realization of the 1960s with the extreme global capitalism of
99 the 1980s. This curious amalgam is perhaps best symbolized by
100 Apple's famous television advertisement "1984," which reimagined the
101 Macintosh as the means to save humanity from the "conformity"
102 (hence director Ridley Scott's allusion to George Orwell's *1984*) of Big
103 Brother, IBM. In the new economy, the giant, impersonal, bureaucratic
104 corporations of East Coast America were to be slain by the nimble, indi-
105 vidualistic, self-actualizing start-ups of Silicon Valley. Perhaps the clear-
106 est manifestation of this new ideology is evident in the most powerful
107 tool of modern corporate bureaucracy—the computer spreadsheet—
108 which first came to offices in America via "Lotus 1-2-3," in the mid-
109 1980s. Lotus Software, named for the lotus meditation position, was
110 the product of Mitch Kapor, a former teacher of transcendental medita-
111 tion who had studied psychology and computer science at Yale; Kapor
112 would go on to sell his company to IBM before dedicating himself to
113 funding high-tech start-ups that support underrepresented communities
114 in San Francisco. Although now defunct, Lotus was one of the first com-
115 panies to provide support for employees suffering from AIDS and full
116 benefits to the same-sex partners of their employees—ideas that, while
117 radical at the time, are now the norm even within once conservative
118 American corporations like IBM.

119 It is perhaps no surprise that this roundtable is the product of a new
120 generation of historians approaching the emergence of management
121 ideas, in part, through the discipline of the history of science and tech-
122 nology. The managerial technologies that consultants sold to American
123 executives in the 1970s and 1980s represented a sharp intellectual
124 break from the corporate lineage of their predecessors. While none of
125 these models—of burnout, intuition, creativity, or heterarchy—appear
126 in BCG's or Richard Pascale's extensive lists cited by Ghemawat
127 (except, perhaps, under the heading of "empowerment"), these radical
128 ideas would increasingly vie in the consulting marketplace against the
129 more traditional concept of the corporation. Indeed, by the new

130 millennium, the phrase “culture eats strategy for breakfast” had become
131 the mantra inside traditional firms like Ford.⁶ This roundtable explains
132 how and why American corporate executives became so hungry for the
133 novel ideas offered by this new generation of management consultants.
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142 state institutions.
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148 *Sam Franklin*

149 Creativity

151 “Creativity” seems to many observers an apt buzzword for our entre-
152 preneurial, flexible, Silicon Valley moment. However, most of
153 today’s creativity talk traces its roots to the 1950s and early 1960s, a
154 period we associate not with hip start-ups but with gray flannel suits
155 and massive corporate bureaucracies. As historians have begun to recog-
156 nize, the triumph of corporate capitalism by the end of World War II
157 spurred an immediate rebellion even within the corporate order itself.
158 The fantasies of efficient, scientific organization that animated the
159 managerial imagination for half a century were recast as stifling and
160 inhumane “collectivism,” and a renewed individualism permeated
161 managerial thought. The critique even made its way to research and
162 development laboratories, where, despite a proven record of industrial
163 innovation, research directors pined for the spirit of the independent
164 inventor on which their companies’ fortunes were originally built. To
165 the rescue came a new cohort of management consultants bearing tech-
166 niques for “creative thinking,” aimed at ensuring an efficient rate of inno-
167 vation by liberating the mind of the individual employee. Demystifying
168 outdated notions of “genius,” they said, “creativity” could be understood
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171 ⁶ Jeffrey McCracken, “‘Way Forward’ Requires Culture Shift at Ford,” *Wall Street Journal*,
172 23 Jan. 2006.