

## **Developing Leaders? Developing Countries?**

### **learning from another place**

by Henry Mintzberg

We develop leaders. And we develop countries. So we believe. We also believe that we develop countries by developing leaders. Perhaps we need to develop our thinking.

### **Questions for Development**

I visited Ghana recently. I had spent little time in Africa, and came with the usual question: How can such a “developing” country be developed? But something troubled me about this formulation. Did it have to do with the word “developing,” so often a euphemism for the absence of economic development. Do countries stop developing because outsiders are so intent on developing them?

I was the guest of the Kweku Hutchful Foundation of Ghana, that had invited me with a different question: How can Ghanaian leaders be developed? Something troubled me about this formulation too. That word again? Do we really “develop” leaders?

On my second day, three Ghanaian colleagues and I were walking through the botanical gardens near Accra when one of them asked me what I thought of multinational enterprises. Not much, at least in places like this, I answered, knowing where that question was coming from. That led the Ghanaians into a discussion of why there had to be so much control of domestic operations by foreign headquarters. Do

they really understand the local needs? Just because some “best practice” works in New York, does that mean it will work in Accra? They felt that even many of the international NGOs and “development” agencies, not only the IMF, act in much the same way.

We mused about how American managers might react to consultants arriving from Ghana with *their* “best practice”: “It worked in Accra so it is bound to work in New York!” Then we realized there is a prominent example of just that.

## **Leadership as Heroic or Engaging?**

That example came up again the next day when I visited Dr. Kwame Bediako at what was described to me as his center for developing leaders. So I expected to get a good dose of empowerment, team building, and all the rest of that leadership jargon. But Dr. Bediako turned out to be a theologian, astute and well-published, concerned with moral leadership. He was especially interested in the African and Ghanaian approach to leadership. “So how do you teach leadership here?” I asked, and he shot back “We just show it.”

The telling example that Dr. Bediako brought up too is a fellow Ghanaian named Kofi Annan, who has “shown it” rather profoundly in New York, indeed in perhaps the most difficult organization in that city, the United Nations. Here is a truly global organization that has improved remarkably under his stewardship, although hardly in the fashionable style of “turning around” so many of New York’s ostensibly global corporations. Annan may have spent most of his career outside of Ghana, and had some of his higher education in the United States, but to Dr. Bediako, who was at school with him, his approach to leadership is decidedly African and Ghanaian. As one

of Annan's advisors told a journalist, he "runs the U.N. like an old fashioned African village, with long discussions among the elders, periods of reflection and eventually a decision" (BBC News, February 28, 1998).

Dr. Bediako talked about a tradition of service, of honesty, and of modesty to describe Annan's style—hardly labels one would use for those corporate chief executives pulling down their huge bonuses in New York. Of course, he can hardly control his organization the way they control theirs, doing the great deals and imposing the grand strategies on everyone else. But perhaps he knows better. He has, after all, spent his career in the organization he runs; he was not parachuted in from above and beyond: Kofi Annan is the first career employee to head up the U.N. So he knew what was wrong and appreciated that it had to be fixed carefully and patiently, by engaging the staff rather than intimidating them. Kofi Annan listens, Dr. Bediako said, and brings people together, no simple matter in the tangle of relationships that surrounds and infuses the United Nations. Words prominently used for his tenure include moral and courageous.

Accordingly, Kofi Annan's re-election to a second term came with the support of nations all over the world, rich and poor, as well as of the U.N. staff itself. Imagine the leader of an organization chosen with reference to the led! But as Dr. Bediako pointed out, that recognition is what makes someone a leader.

The leadership style so prevalent in the United States today might be termed "heroic": the great one imposed on the wayward organization to turn it around, dramatically—all too often by firing much of its staff. How much honesty, let alone moral

courage, does that take? (It is worth noting that to turn around is to end up facing the same way.)

I think of true leaders as “engaging”: they engage others with their thoughtfulness and humility because they engage themselves in what they are doing—and not for personal gain. Such leaders bring out the energy that exists naturally within people. If there is a heroic dimension to their behavior, it is not by acting heroically so much as by enabling other people to act heroically. (See the table that contrasts heroic with engaging styles of leadership.)

Is this kind of leadership developed? Was Kofi Annan “developed”? Do these “developing” countries—or “developed ones” for that matter—need to develop heroic leaders?

## **Time for Indigenous Development?**

After I had spent some time in the countryside and met various people, the Hutchful Foundation organized a workshop over a day and a half to discuss the issues of leadership and development. This brought together about twenty Ghanaians from all sectors: the Ministry of Health, the National Union of Students, the Employers Association, a variety of NGOs, Ghanaian and international, as well as entrepreneurs, academics, and consultants.

By this time, my concerns about both forms of development were becoming clearer and I discussed them with the group. Perhaps we don’t develop leaders so much as foster the conditions that bring leadership out, in context. And key among these conditions has to be the self-respect that derives from working things out for ourselves, individually and collectively. And that, in turn, is fostered by organizations

that can likewise stand on their own feet and find their own ways of doing things, building on the best of their own cultural traditions.

The passive importation of techniques, controls, and beliefs, via outside agencies and experts that run around solving everyone else's problems, may be the very problem of development. "Globalization" certainly develops the "global" corporations of the wealthy world. But does it develop the poor countries of the developing one? Or is this just another form of outside exploitation, of which Africa has had more than its share? Is it, therefore, time for indigenous development, of countries and leaders alike?

## **From Enterprise to Enterprises**

One thing seemed clear. Ghana does not lack enterprise. Go into its streets, and you are struck by the pervasiveness of markets and personal initiative, more than enough to put America to shame. At a red light in New York, you might be approached by a squeegee kid or two; in Accra, your car is surrounded by a virtual supermarket of people trying to sell you everything imaginable.

What Ghana lacks is enterprises. With the success of the Grameen Bank in Bangladesh, so called microfinancing—of small sums to self-employed craftspeople and the like—has become the prominent example of indigenous development. But development at that level may not be the problem, any more than imposed development at the corporate level. The need seems to exist at some level between the two: indigenous enterprises incorporated beyond the efforts of a few individuals—what has been called the "missing middle."

I happened to have stopped in northern Italy on my way to Ghana, and Carlo Alberto Carnevale of the Bocconi School of Management took me to Bergamo. It is the

richest city in this, one of the wealthiest parts of Europe, he said, and most of the wealth was built by small, indigenous enterprises, often with just a dozen or so people. “We Italians don’t like organization,” he said, and agreed when I replied that “You like community.”

Stock option incentives probably figure less prominently here than elsewhere in the developed west, he explained. What really drives the people is the opportunity to go out on their own, to be entrepreneurs. And the existing enterprises often help their people do that, by turning employees into partners. (Benetton nearby has become famous for generating so many enterprises around it.) So here, deep inside the European Union, is evidence of another approach to economic development, quite aside from globalization (although companies such as Benetton certainly benefit from it).

## **The Dogma of Development**

Sometimes a conceptual framework can help to see the obvious, especially when it is obscured by dogma. So at the workshop, these ideas were elaborated more formally, as the three models shown in the accompanying figure, to help get us beyond “developing countries” and “globalization”.

Two models of national development have become popular in turn. The first, labeled *planned development* in the figure, is shown as “top down” because it is driven by the state, whether the central planning and control of communist governments or the extensive intervention of more moderate ones to create infrastructure. With the fall of the communist regimes, accompanied by the discrediting of state intervention, a second model, of international, or *global development*—globalization so called—replaced it, as

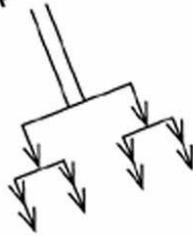
*the* answer to all economic needs. From a belief that the state must drive development came the attitude that the state must stay out of it, other than to ensure contract law and accounting procedures, etc. The rest would be taken care of by corporations, foreign as well as domestic, on that so-called “level playing field.” (Note that I am using the term globalization here beyond the taking down of trade barriers, to the full opening up of economies to foreign direct investment and outside enterprises and experts of all kinds.)

This has certainly sounded good to the multinationals, not to mention their home country governments, as well as to free market economists. But many other people, without the convenient self-interest of the former or the ideological conviction of the latter, have been less sure. And they have hardly been encouraged by the aggressiveness with which the wealthy countries have forced this on the poorer ones, at least to sell their own manufactured goods while closing their own markets to many of the very products these countries can sell—in agricultural and textiles, for example. It is really quite startling how anyone could have tolerated this hypocrisy at all, let alone most of the world for so many years. The issue is not whether honest economists decry such behavior—of course they have. It is how these economists could have pursued the free trade agenda so doggedly in the presence of such distortions.

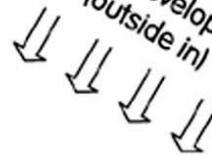
Of course, there is one obvious explanation as to why people on the receiving end have tolerated this: conceptually they have had nowhere else to turn. After the fall of communism, as noted above, globalism became the only model in town, so to speak, the answer to all the world’s problems, development included. With what theory was any developing country to stand up to the likes of the IMF or the WTO, let alone *The Economist*, issue after issue? How else to develop a modern economy?

# Approaches to Development

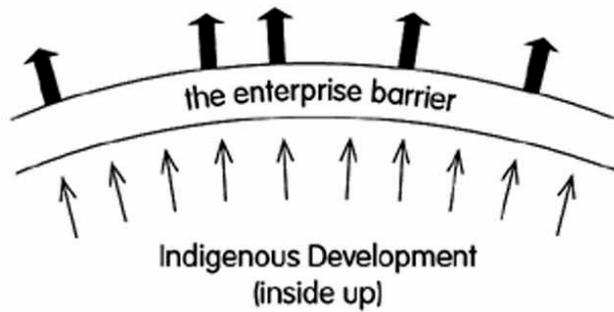
Planned Development  
(top down)



Global Development  
(outside in)



domestic enterprises



## The Failure of Forced Development

This form of development is labeled “outside in” on the diagram, not only because the foreign corporations descend on the host economy with their money and their experts, but also because even the domestic firms are supposed to subscribe to this imported set of beliefs. There is nothing in globalization that responds to host country conditions, save cosmetic modifications to the products and the ideology for local consumption. Indeed, the ideology treats local communities, often even democratically-elected national governments, as threats to globalization, and so as forces to be marginalized.

For more reasons than this, however, is the globalization ideology seriously flawed. It has simply not been working in many of the places in greatest need of development. (See Joseph Stiglitz’s article, “Globalism’s Discontents,” in *The American Prospect*, Winter 2002.) Perhaps this can be explained by the comments above: globalization does not build on a country’s unique strengths, does not respect its social traditions, does not allow the autonomy necessary to grow indigenous leaders and enterprises. All too often, it is *forced* development, imposed against the natural inclinations and even will of the people. Is that any way to foster a developmental mindset, let alone a democratic society?

Pride, dignity, and corresponding confidence do not figure prominently in mainline economic theory: they cannot be measured. But they figure prominently in just about every story of success, whether of countries or of leaders. How people feel about themselves, personally and collectively, influences the energy with which they develop themselves. Think about Great Britain during its empire, Japan of the 1970s and 1980s,

the United States throughout its history and especially now. Of course, the first and last of these examples suggest how the pride of one country can undermine the pride of others.

The trouble with the outside-in model is that it is based on imitation, and imitations are often second rate, because copying is a mindless activity. People don't *learn*. This is not to argue that learning cannot be stimulated by the experience of others. Quite the contrary, some of the best learning is informed by that experience. Japan was famous for copying after World War Two, but its economy "took off" when it grew beyond that, from the mindlessness of imitating to the thoughtfulness of adapting, by tailoring the innovations of other countries to its own culture. We learn from others when we do it for ourselves.

One last point about globalization. Is it now working even for those countries so intent on promoting it? Put differently, are developed economies being further developed by their large multinational enterprises functioning according to this model?

This is a complex question that I can hardly answer here. But a good deal of recent evidence certainly gives cause for concern. We know about the key role of small and medium enterprises in job creation, especially when they work in cooperative local networks, as in Northern Italy. We also know about the driving force of new technologies, which come largely from the developing enterprises of the so-called "new economy" more than from the developed ones of the old. Indeed, it is from the developed ones that we have been getting the litany of recent scandals, whether as outright corruption or simple strategic failure.

A good deal of the blame for both can be placed on a key component of globalization, namely its obsession with “shareholder value,” which is just a fancy label for pushing up the price of the stock. Shareholder “value” hardly promotes broader human values, which are so necessary in all forms of development. Consider, in America, the casual dismissal of people at the drop of share price, the shame of executive cooperation that has destroyed the leadership of so many corporations, the corruption of politics through corporate donations. If America has succumbed to this ideology turned dogma, how is a Ghana supposed to cope?

## **The Triumph of Balance**

We are certainly dependent on economic forces, just as we are dependent on social and political ones. But we have allowed the former to dominate the latter because of our mistaken belief that capitalism triumphed over communism, in other words, that the markets of economics proved their superiority over the controls of governments.

The fact is that capitalism never triumphed at all. Balance triumphed. Under the communism of eastern Europe, the political power of the state dominated. The wealthy countries of the west, in contrast, combined strong markets with influential governments and vibrant social sectors in between (of so-called NGOs, cooperatives, etc.). But in their mistaken belief about the supremacy of one of these, the western countries are now going out of balance on the other side, in favor of markets, the private sector, and economic forces in general. The result is a mindless corruptive greed increasingly reminiscent of communism itself. (For a fuller discussion of these consequences, see our article, “Beyond Selfishness,” in the Fall 2002 issue of the *Sloan Management Review*.)

So the key to healthy development, whether in a rich country or a poor one, is a certain balance of the economic, the social, and the political. And that requires the recognition of a third model, labeled *indigenous development*. It is shown in the figure as “inside-up,” because here domestic enterprises grow out of personal enterprise. This model is not meant to replace the other two—we have no need for another dogma—but to take a prominent place alongside them. For it is in the combined applications of the three models that the real success stories can be found.

Consider the greatest economic success story of them all. The United States did not depend on an imposed ideology or outside experts for its development. Quite the contrary, it developed significantly through the indigenous efforts of its own people, in their own way. But not alone. The state was there too, and it intervened significantly: in land grants to farmers, railroads, and mining companies; with industrial policies and direct government funding for fledgling industries; through military spending that stimulated the economy (and still does); and, of course, by the use of tariff barriers. There was also some direct foreign investment, for example by the British in the American railroads.

Likewise, indigenous development played a key role in Japan and Germany after World War Two, in South Korea more recently, and Great Britain long before. And this was likewise reinforced by the strong intervention of the state, most notably in Japan, which also allowed a certain amount of outside-in—but on its own terms.

Let me express this critical point in the form of the following question: Has any country ever developed primarily through the outside-in model, the equivalent of globalization today, based on the wholesale importation of beliefs, expertise, and

capital? Clear examples are difficult to find.<sup>1</sup> If not, then why are the developed countries forcing on others a model that never worked for themselves?

## **The Sham of Globalization in the Name of Development**

The answer to how else to develop a modern economy thus seems to be: as always, namely in the very way modern economies themselves became modern—through a great deal of indigenous development, supported by the concerted intervention of the state, reinforced by the appropriate use of outside help.

Alice Amsden, professor of political economy at MIT, asked in a *New York Times* commentary on 31 January 2002 “what enabled those companies in developing countries that have been dramatically successful to grow and flourish.” Her answer: “... in their countries, business and government worked closely together to strengthen domestic industry. Foreign enterprises were discouraged, by deliberate red tape, from entering certain industries, so that national companies could get a head start. State-owned banks lent money at subsidized rates to help local firms acquire the technologies and capital equipment they needed.” Yet now, nations must “disallow government intervention in the economy beyond establishing minimal norms,” and, according to new WTO proposals, must “void [the right] to regulate multinationals and promote domestic businesses.” In other words, they must forfeit the “freedom [that] has been critical to most economic modernizations that have had any lasting success.”

A nice little game this is: deny others the very basis for your own success. Level the playing field so that the New York Giants can take on some high school team from

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<sup>1</sup> Ireland may seem to be the closest, but it was already rather developed, and a member of the European Union, before its surge in recent years. In fact, Ireland may now be paying the price of a lack of attention to indigenous development.

Accra. And in so doing, promote the further success of your own economy, even if that has to be on the backs of some of the world's poorest people.

To dump this globalization dogma on these countries, therefore, is just plain unconscionable. Shame on all of us for allowing our economists and corporations to perpetrate this self-serving sham in the name of development. For years, we used communism as our excuse for economic colonialism. Now it is "free trade."

This is not to dismiss the outside-in model any more than the other two. Foreign corporations can bring in fresh ideas, modern techniques, and new processes; they can provide certain financing; and they can allow for the scale necessary in some contemporary forms of manufacturing. But this has to be done on the host country's own terms, for only it can ever look after its own interests. In other words, the outside-in model has to be discredited only as *the* answer to development, not as a component of it. Of course, the same must be true for the other two models, namely top-down state intervention and inside-up indigenous development, which is the especially weak link in so many poor countries today.

## **From Micro to Middle Enterprises**

Accordingly, the issue on which we focused our workshop in Accra was breaking through what is shown in the figure as "the enterprise barrier," going from micro to middle enterprises. As Dr. Bediako had put it, "We suffer from a lack of institution building."

We began by searching for examples of indigenous development, namely companies that had broken through this barrier in a decisive way, and could therefore serve as role models. Initially, there was silence in the room; no-one could think of any!

Then an interesting thing happened. As one example came up, more followed, and soon there was an outpouring of stories. The problem, apparently, is not the absence of indigenous development so much as its obscurity: we get blinded by the multinational stars. (Right before our eyes, in fact. The most evident example never even came up. I was struck by the beauty of the hotel we were in—this was no ordinary fancy global hotel. I learned later that it was built by two Ghanaians who had worked as taxi drivers in the United States before coming home and establishing some smaller hotels, eventually to put together the financing for this one.)

As the examples came out, we ordered them into various approaches to indigenous enterprise development, to suggest the richness of the possibilities.

The most obvious is the *family* enterprise. This is usually thought of as small and marginal, indeed vulnerable at times of succession. Yet much of the development of Taiwan, Hong Kong, and Singapore has involved family enterprises grown to enormous scale. And so too has it been with some of the most prominent corporations of India, and earlier America, for that matter, including DuPont and (still) Johnson's Wax.

A second approach we called *spin-off*, because one enterprise spins off entrepreneurs who create others, as in the story of northern Italy. Other examples raised at the workshop included the Korean immigrants in America and the Ibo of Nigeria, who help each other start enterprises, also certain multinationals in Ghana that have encouraged this. Spin-off development creates a kind of crystalline growth of the economy.

Another is the *cooperative* approach, where people band together in some sort of community to pool their economic efforts. The label cooperative has a negative

connotation in many developing countries, where it became an excuse for state intervention. But here we had in mind true cooperatives, controlled by members each of whom has an equal share that cannot be sold to others.

Similar is what we called the *network* approach, because the cooperation extends beyond formal ownership. People connect to do their business, much as they do around the world in that network called the World Wide Web. Ghana, for example, has its “market queens,” who draw sellers of particular commodities into informal affiliations, which sometimes raise money for their common goals.

We also discussed the fostering of indigenous development through the building of capabilities. There is certainly a key role for government here, by helping to make financing available, establishing a legal framework conducive to the creation of domestic enterprises, disseminating key information, and encouraging all kinds of networks to carry this on. Examples were also provided of how social sector organizations—NGOs and various trade associations, etc.—can help, especially in encouraging networking and the dissemination of information. Hope was expressed that more foreign corporations could be encouraged to act in similar ways, by promoting indigenous enterprises that could serve them as solid partners. There are good examples of this; there needs to be many more.

There also needs to be more examples of cooperation among different sectors of countries. The support of “community” is especially important in economic development. For example, my colleague at McGill, Paola Perez-Aleman, has shown how the footwear industry and agroindustry in Chile have achieved considerable success through “the relations between firms; the reorientation of trade associations; and the

state's role as facilitator of collective learning processes" (in *World Development*, 2000, p. 41). Key to this, in her view, are non-profit associations in the social sector that draw the players together. In fact, another colleague, Margaret Graham, has shown something similar in the relationship between American government and industry in the successful introduction of aluminum to aircraft in the 1920s (*Business History Review*, 1988).

Earlier I referred to the "missing middle," about which there has been some discussion. For example, economist Paul Vandenberg of the International Labor Office has noted that "Manufacturing in much of Africa is structured around a number of large integrated firms, using foreign technology, at one end, and many smaller indigenous firms, at the other. In between there is a relative vacuum or *missing middle* which has been identified but not adequately explained." He wrote this in 1997 (*SOAS Economic Digest*); it apparently remains inadequately explained today, although there is no shortage of proposed reasons, ranging from an underdeveloped middle class and the domination of the multinationals to domestic government corruption. (See, for example, Judy Kadenge, "Barriers to Growth: A Case of the 'Missing Middle' in Kenya," working paper, Nottingham Business School, 2001.)

But one thing is clear: we shall find no answers by looking in the wrong place. Forced development is the wrong place. Imagine if some of the enormous amount of energy and intellect now devoted to the promotion of globalization went into finding ways to develop these missing middles.

## Fostering Leadership

Where does this leave us with developing leaders? About where it has left us with developing countries.

Outside programs no more develop leaders than outside institutions develop countries. Indeed, the more we try to develop leaders, the more we seem to get hubris. Perhaps that is because singling people out to be developed as leaders encourages that heroic view of leadership, out of context instead of rooted in it. We have had quite enough of self-indulgence in the name of leadership lately.

Jay Conger published an interesting book entitled *Learning to Lead* (Jossey-Bass, 1992), about short leadership development courses. He took four of them himself, in each of the main approaches, which he labeled personal growth, conceptual understanding, feedback, and skill building. He found that all had significant flaws, but concluded that together they may be effective. Perhaps he should have concluded that the very notion of developing leaders is flawed.

If leaders cannot be developed, then what can be done. Three things, I believe.

First, leadership can be *fostered*, much like economic development. In other words, we can foster the conditions that give rise to indigenous leadership, particularly those of thoughtful self-reliance. A key reason why globalization is dysfunctional for developing countries is that it fosters a kind of dependency antithetical to the emergence of indigenous leadership.

But fostering leadership depends significantly on context: it is the person in the situation gives rise to leadership. As Richard Holbrooke, former U.S. Ambassador to the United Nations, put it, “Kofi Annan is the right man at the right time from the right place”

(Associated Press, 30 June 2001). Of course, right places can be encouraged. Morgan McCall of the University of Southern California, who has written extensively on how leaders learn in their jobs, stresses that people should be offered challenges in a variety of difficult jobs, which leaves them “little chance but to learn and develop new abilities” (in *Human Resource Planning*, 1988:xi, i, p. 5).

Second, *people* can be developed. Not as leaders, but as human beings, in their beliefs and behaviors, their thoughtfulness and self-respect. But that probably happens mostly in the early years, at home and in school. We do, after all, *raise* children, not just *have* them. And this requires a culture that prizes basic human values and educates children to think for themselves, to do what seems fundamentally right rather than to accept some pat dogma. Dr. Bediako would no doubt say that Kofi Annan is the product of a society that takes its Christian beliefs seriously.

Third, we can develop *managerial practice*, not separate from leadership but intrinsic to it. That separation just encourages the heroic view of leadership, up on a pedestal, disconnected from the daily functioning of the organization. True leaders are in touch, on the ground: they have to manage, just as managers have to lead. We can encourage management development in a classroom that brings managers together with their colleagues to reflect thoughtfully on their own experience. They can, in other words, just show it to each other! (For our own efforts in this regard, see [www.impm.org](http://www.impm.org).)

## **Developing the Developed**

The people I met in Ghana, from all walks of life, were mostly warm, considerate, and thoughtful. There was a relaxed sense of equality in the places I visited. At the

workshop, everyone spoke up with no sense of a pecking order; a person I invited to meet me there, who had written to me as a student years earlier, walked in and took a spare seat next to the minister. No-one seemed to notice (except me). Ghana certainly needs to develop economically; perhaps the “wealthy” West could stand to develop socially.

At the workshop we discussed economic and social development. Which is the driver? Economic forces certainly drive social ones: material wealth helps to sustain democracy, improve healthcare, provide education. But the social forces drive the economic ones too: a deeply rooted sense of democracy seems necessary for sustained economic development. The two must work in tandem, like two feet walking, just as indigenous development must work with engaging management.

Social development has certainly benefited from economic development in the developed west—the *economically* developed west. But are we sustaining that relationship? Do shareholder value and heroic leadership, etc. now promote, or do they undermine, social development? Globalization focuses on the economic and assumes that the social will follow obediently behind. There is growing evidence, however, that the opposite is now occurring: globalization is weakening our social structures and undermining our democratic institutions. It is throwing our societies out of balance. Will it, therefore, eventually weaken our economies too?

“Unhappy is the land that has no heroes,” comments a character in Bertolt Brecht’s play *Life of Galileo*. “No,” replies another. “Unhappy is the land that needs heroes.” If we can get past our need for heroic leadership, and past the narrow metrics of our economists, then perhaps we will be able to take a good look at ourselves,

instead of having to run around developing others, countries and leaders. Then, perhaps, we can start back on the tricky road to developing balance.

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## Two Ways to Manage

### Heroic Leadership

1. Managers are important people, quite apart from others who develop products and deliver services.
2. The higher “up” these managers go, the more important they become. At the “top,” the chief executive *is* the corporation.
3. Down the hierarchy comes the strategy—clear, deliberate, and bold—emanating from the chief who takes the dramatic acts. Everyone else “implements.”
4. Implementation is the problem because while the chief embraces change, most others resist it. That is why outsiders must be favored over insiders.
5. To manage is to make decisions and allocate resources—including those human resources. Managing thus means analyzing, often calculating, based on facts, from reports.
6. Rewards for increasing performance go to the leadership. What matters is what’s measured, shareholder value in particular.
7. Leadership is thrust upon those who thrust their will on others.

### Engaging Management

1. Managers are important to the extent that they help other people to be important.
2. An organization is an interacting network, not a vertical hierarchy. Effective leaders work throughout; they do not sit on top.
3. Out of the network emerge strategies, as engaged people solve little problems that grow into big initiatives.
4. Implementation is the problem because it cannot be separated from formulation. That is why committed insiders are necessary to resist ill-considered charges imposed from above and without.
5. To manage is to bring out the energy that exists naturally within human beings. Managing thus means engaging, based on judgment, rooted in context.
6. Rewards for making the organization a better place go to everyone. Human values matter, few of which can be measured.
7. Leadership is a sacred trust earned from the respect of others.