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JEAN-FRANÇOIS MANZONI
IMD's President in Conversation

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Learning with Individual and Organizational Impact

A conversation with Professor Jean-François Manzoni, President IMD

By Peter Chadwick

An international executive educator, focused on leadership, the management of change and the development of high performance organizations, Jean-François Manzoni comes to his new role as President of IMD, one of Europe’s foremost business schools, with considerable depth and experience to draw on.

Considering the current business landscape and the recent rise in anti-globalization and nationalist rhetoric, Manzoni says growing public distrust is not new. The symptoms have been building over many years. He recalls telling EU parliamentarians, ten years ago, “Be careful not to lose the European dream.” When there is distrust of business and political elites and when economic conditions are tough and people lack hope, it is vital to be positive. “Look, you’ve gotta sell,” he advised the EU, telling them to remind people why the EU was created and what it had achieved.
The role business schools can play is twofold. First, they need to work with business to restore public trust by explaining the mechanisms of globalization and, while acknowledging the costs, highlighting its benefits. Not least of which, is that globalization has, over the past 20 years, lifted hundreds of millions of people out of poverty and, alongside the creation of EU, led to an unprecedented era of peace and prosperity.

Secondly, business schools should support public policy in helping ameliorate some of the disadvantages globalization brings to local stakeholders. In too many countries the wealth created by globalization has not been spread fairly. The business school role can be to develop thoughtful leaders, described by Manzoni as “people who understand that business people and shareholders and all of us are jointly responsible for the economic and social system that we’re developing.”

The economy is not an end in itself, but a means to a prosperous, fair and equal society, and corporate boards need to be more aware of the medium- and long-term effect of their actions and less focused on short-term profit. “In the past companies got away with it,” says Manzoni, “but we now live in a world where society catches up with you.” What is more there is now growing evidence that it is possible to do well by doing good.

As well as the need to restore trust, businesses face a wide range of other challenges. Asked how well organizations are adapting to these challenges, Manzoni says it is hard to make general pronouncements that apply across contexts, across industries and countries, and he does not believe there is a simple answer or a Holy Grail. However, in discussing the notion of ‘agile leadership’, the team at IMD’s Global Centre for Digital Business Transformation have come up with three avenues, which may contribute to a beginning of an answer on this. These three avenues are:
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**Hyper-awareness** – This is about sensitivity to what's happening in a world where industry boundaries have become blurred and customers’ perspectives are ever-evolving. It is about picking-up on weak signals and being alert to developments both internally and externally; because as Manzoni says, “there will be somebody who's not even on your radar screen who's just come up with something much better.” Referencing Marshall Goldsmith's famous 'What Got You Here Won’t Get You There', he says “it’s even worse now; What got you here won’t even allow you to stay here. We live in a world where organizations, like people by the way, need to continuously learn and unlearn.”

**Informed decision making** – Organizations need to develop cultures that facilitate making effective decisions, and not just at the top, but throughout. “It's one thing to be hyper-aware, but in a number of organizations nowadays you see management teams that are quite hassled, even overwhelmed,” says Manzoni. Consequently, it is important to make decisions based on data and analysis, rather than the latest idea or executives’ 'gut feeling', and to establish specific decision processes that lead to the application of sound, data-based judgement.

**Fast execution** – Jeff Bezos listed four key factors behind Amazon's success, saying the last of these, 'fast execution', was by far the most important. Agile leadership requires flexibility, and as Manzoni points out, “We live in a world where it is often better to get 80% right and be out quickly, than get it 100% right much later. Sometimes you’ve got to commit because if you don’t commit you don’t put the resources that are required and the determination that is required.” Balancing commitment and flexibility is critical. “It’s this notion of experimenting, learning, tweaking where appropriate and then scaling up quickly.”

On a positive note, although there are many exceptions, as a general rule corporate boards, and the senior leaders Manzoni now meets, recognize that, while they have a fiduciary responsibility to shareholders, the long-term profitability of the firm requires significant attention to other stakeholders. Family firms perhaps have an advantage and in some parts of the world, such as India, CSR is mandated. Apple CEO Tim Cook summed up a new enlightenment, when speaking to a pure shareholder value proponent: “Look, if you expect me to do stuff which is only good for the short-term profitability, you got the wrong guy. My suggestion is you should sell because I’m not going to do what's only good for profits today.”
Here again business schools have a role in promoting better corporate governance. Professor Didier Cossin, the Director of IMD’s Global Board Centre, has written about this in his book *Inspiring Stewardship*. He calls for leaders to be stewards who drive sustainable development and growth with the aim to leave the company in at least as good of state as the way they found it. “I think there is a growing amount of recognition that boards have a big role to play,” says Manzoni.

Turning to the personal side of leadership, and how individuals can deal with the pressures and meet challenges of today, Manzoni hesitated between two answers.

The first answer, which connects to the Centre’s hyper-awareness, informed decision making, and fast execution, is about the need to be ‘engaged’, ‘humble’, ‘visionary’, and ‘adaptable’. Engaged matters because you cannot be engaging if you are not engaged personally. Visionary is important because we need leaders who can absorb some of the uncertainty and can invent a future path. And Humility is a cornerstone of adaptability and agility.

Manzoni’s second answer, his own take on good leadership, highlights three additional characteristics: being a good learner, self-awareness, and resilience.

**Lifelong-learning** – “Continuous learning throughout your life, and I don’t mean career, I mean life, is the fundamental pillar of effectiveness in the world we live in.” This is not the same as being adaptable; it is about a thirst for knowledge. Being a good learner is associated with Carol Dweck’s growth mindset theory and the growing amount of research showing that through effort and reflectiveness, over time, people can develop significant aspects of the way they function. “We’re all work in progress,” says Manzoni. “Of course, there are genetic predispositions, but equally obviously great leaders learn and they continue to learn throughout their life.”

Allied to this, because leaders have to operate in different contexts, and because principles tend to travel across contexts much better than practices, leaders have to be able to adapt principles to new industry contexts, national contexts, or time contexts. To be able to adapt they need to be good learners. Furthermore, the speed at which leaders learn can be a vital asset.
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**Awareness of self** – You would think people in senior positions would be strong on self-awareness. But, according to Manzoni, this is surprisingly not always the case and this is an area IMD do a lot of work on. Leaders need to have a profound awareness of their own functioning, of the impact it has on others and of its causes – why are they functioning in a certain way? It may be genetic makeup, or the influence of events, people, or lessons, that causes them to think and act in the way they do.

**Resilience** – There is ‘big time’ resilience where there’s a major setback and then there is everyday resilience – the ability to stay focused on what matters, to absorb the shocks, and stay positive. One of the challenges for leaders is how to protect themselves enough, but not so much as to be isolated from people, views and important signals from the outside. This is about always continuing to listen, but being hard of hearing, although not deaf. “I wrote a few years ago that hard of hearing is okay, in fact arguably it’s necessary for a leader, but deaf is not. If you’re not careful, success and stress will take you from hard of hearing to deaf,” warns Manzoni.

Moving on to discuss the current state of business school executive education provision, Manzoni is very positive particularly from an IMD perspective. It is true that today the leading business schools face more competition than ever, with five levels of competition now prevalent: the top international schools; schools that were historically national brands now becoming more capable and present internationally; corporate universities; professional service firms; and an assortment of pure technology players. But, IMD is working hard at staying one step ahead of this competition through the impactful way it works with individuals and organizations.

Drawing a graph with a vertical axis marked ‘organizational impact’ and a horizontal axis marked ‘individual impact’, Manzoni points to a sweet spot in the top right corner where there are truly “transformational learning journeys,” which greatly benefit the individual and provide measurable benefit to the organization. The key outcome of such journeys isn’t a quick-fix solution – which a consultant might have offered – but the development of people and methodologies that can consistently come up with ideas and create solutions internally and long-term.

Manzoni quotes the example of a leading international bank that, having tried other routes unsuccessfully, wanted IMD’s help to move from “being a bank that was good at technology to a technology company with a banking license.” IMD’s response was that it does not have, on the faculty, someone who can walk into this organization’s Executive Committee meeting and tell them what they need to do to go from point A to point B. “But you know? That’s okay because that’s not what we do. We’re in the business of helping you find out what to do.”

Manzoni draws a tripod to describe the foundations on which the IMD transformational journeys are built. The three corners of the tripod are:

**Thought-leadership** – This is about the ideas and knowledge that IMD faculty can bring to bear, based on the School’s and others’ research capacity; thought-leadership that is rigorous, but also relevant, insightful, and actionable. “Rigor without relevance, insight and actionability is not very helpful to solve real world problems”, says Manzoni.

**Interaction/pedagogical process** – IMD has historically been much more focused than most schools and consulting firms on how to organise learning – discovery expeditions, powerful and robust discussions, moments of coachability, etc. This unique expertise, built up at IMD by a generation of ‘pedagogical engineers’ such as professors Peter Killing, Tom Malnight and Paul Strebel, among others and documented in two substantial books,
enables powerful and lasting learning. There are charismatic teachers, and IMD has quite a few on its faculty, who can “rock the classroom.” That can be a useful skill to have but it is not enough: Profound and lasting learning experiences come from expertly planned and delivered pedagogical journeys.

**Client engagement** – This is about truly understanding and defining what the client wants and needs – which is perhaps not always what they think they want. Both with open and custom programs, being clear what the objectives are is key to creating a transformational journey.

Looking at how the executive education model might develop in years ahead, Manzoni is clear that technology will and already is expanding scope and opportunity. He sees this in open programs, where for example participants in IMD’s Mobilizing People program will be able both to follow up and stay engaged themselves digitally, after the formal program is complete, and also, back in their workplace, be able to share ideas with their teams.

Another exciting trend is that companies, who previously focused on the development of the top 150 people, are beginning to ask for help two tiers down – maybe 2000 people. The traditional custom program model would struggle with this. However, two things IMD is currently working on, can potentially make designing interventions for larger groups possible. First, the sophisticated use of digital techniques, and secondly the use of the client’s management teams to deploy the learning. Experience shows that, trained and given the tools to make this happen and with the support from IMD faculty, executives can spread learning to a large number of people and do this consistently over time.

Asked about IMD’s challenges in the years ahead, Manzoni say “I’m more of a blue ocean guy on this. I don’t think the problem is others. I think the issue is us,” and he points to three areas. First, as a school focused on executive education, with only a small degree program, IMD can be vulnerable to corporate cutbacks in recessionary times, so it must make sure it remains “incredibly relevant and effective.” The second challenge is ‘brand’. The School needs to ensure both that its existing corporate partners really understand the breadth of what it can do for them and, in a crowded executive development sector to communicate widely what the IMD brand stands for.

The third challenge, is to continue to find and attract faculty members who can and are genuinely willing to work with an organization or in a program, and to do it with passion. “I think one of the things that characterises us” says Manzoni, “is that executive education is not something we do because unfortunately we cannot be doing what we would really like to be doing [e.g. academic research].”

“Executives have a disproportionate amount of impact on the world, and so we want to work with them,” says Manzoni in conclusion. “Our greatest opportunity is to continue to be very relevant in a world where leaders – political and business leaders – are facing a growing amount of distrust... We strive to develop executives and transform organizations, and we try to do this in a way that is individually and organizationally impactful.”

Manzoni is reminded of his old friend, the late Sumantra Ghoshal, who said that: **leaders are paid not to preside over the inevitable, they’re paid to make happen what otherwise would not have happened.** “If Sumantra was alive today,” says Manzoni, “he would add and you’re paid to do this in a way that leaves the system at least as strong as you found it and ideally stronger than you found it. By ‘the system’ I mean ecologically, economically, and socially. Striving to help leaders to live up to these objectives is a great reason to get up in the morning.”