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Executive Education: Mired in a Leadership Theory Jungle

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Introduction

The view held by most business owners in the twentieth century was that profits were directly tied to the levels of productivity obtained from the workforce. Lower levels of managers were responsible for achieving this productivity through the efficient and effective utilization of available resources by means of rigid internal controls. Attention, rewards, and resources were showered on these managers and on their education, which paid off handsomely until the 1970s when rapidly changing external events and internal conditions overwhelmed their ability to handle the new business environment.

The emphasis on manager education during the twentieth century has been redirected to an emphasis on executive education in the twenty-first. A major focus in executive education today is on preparing executives for their leadership roles, but the large number of new leadership theories has created confusion among scholars, educators and practitioners as to what is the best approach and how to teach it.

The purpose of this paper is to briefly scan the intent and content of executive education in the twentieth century, identify the major changes that took place in the business world in the 1970s, and describe their impact on the work of executives in the highly competitive, turbulent environment of the new century. The thesis of this paper is that executive education is being impacted by a “leadership theory jungle”, resulting in confusion as to the right content and context of leadership and how to teach it.

The terms executive and manager were used interchangeably in the early decades of the twentieth century to refer to various management responsibilities in the business organization. During later decades the term executive was applied principally to upper-level positions. In this paper the title executive will designate specifically those managers who occupy the top position at the head of organizations and in major organizational divisions having overall responsibility for growth and profits.

Twentieth Century – A Focus on Managers

The “theory of the firm” developed by Cyert & March (1963) asserted that the primary objective of a business firm was to maximize net revenue in the face of given prices and a technologically determined production function. Maximization of profit was to be accomplished by determining, with limited ethical consideration, the optimal mix of
inputs to achieve the highest output. The overall problem for business management was to configure and direct available resources in such a way as to optimize productivity (Ansoff, 1965, 4). Workforce productivity was the driving force for profits, modified by sociological shifts in organizational behavior and resource management. American society has historically put a high premium on creation of economic wealth, so profit-seeking behavior is socially reinforced and rewarded. As American firms grew larger, more complex, and more profitable in the twentieth century, competing against similar firms in a relatively stable and predictable business situation, they tended to seal themselves off from external influences and exert influence inwardly in a closed system (Mintzberg, 1989). An emphasis on conformity and compliance led to a focus on internal controls and to a lesser focus on the external environment. Jerome (1961: 5) has stated that when these factors are emphasized, change is deemed undesirable and minimized, if not actually avoided. This is the mindset that existed during much of the twentieth century.

In the prior (nineteenth) century, managers had been left on their own to develop their own managerial skills. George (1968) writes that the training and education of managers was not considered as even the most remote of a business owner’s obligation. Workforce productivity was the major managerial responsibility and the driving force for profits. The tenets of Scientific Management in the first decades of the twentieth century did not change this thinking appreciably; lower-level managers were expected to learn the “one best way” and teach it to worker; but they, themselves, received little managerial education. Only a few schools offered courses for managers and these included such limited topics as work methods, preparing letters and reports, basic salesmanship, mathematics, and reading mechanical drawings (Bowen, 1953). The Hawthorne Studies in the 1930s showed that supervisors who had some knowledge of human relations and motivational techniques, could obtain higher levels of productivity from the workforce. Thus, for the first time, attention and resources were directed to the training of managers, initially for the immediate managers of factory workers and eventually for managers at all levels and in all functions. Managers were given training in the basic principles of management as defined by Davis (1951), Terry (1977), and other writers of the period. These principles include the activities now generally recognized as planning, organizing, leading, and controlling, or variations thereof. Subsequent managerial training was based primarily on this work and on the functional specialties of marketing, engineering, finance, manufacturing, and human relations (Burnham, 1941).

During World War II, the importance of managers and concern for their education received great recognition when American companies, using hordes of untrained workers achieved near-miraculous results producing the high volume of war materials needed to support the armed forces. After the war, managers again received high accolades for spearheading the effort to satisfy the great demand for consumer goods and services. The outstanding performance of managers brought many enthusiastic supporters. Drucker (1954, 3), for example, stated that the manager was the, “… dynamic life-giving element in every business and without his leadership, the resources of production never get properly utilized.” Interest in training managers intensified to the point where companies were devoting large portions of available resources to the training of lower and middle-level managers. Drucker further observed that the new focus on educating managers to the almost total neglect of educating executives was the prevalent situation in the twentieth century.
Educating Top Managers in the Twentieth Century

The view of top managers in the nineteenth and early twentieth century had been that of individuals of high status who made bold entrepreneurial decisions and rose to the fore in times of crisis. Most were owners of the business or major stockholders who had an extensive knowledge of their business and the environment in which they were investing their time and money. Their managerial approach was fundamentally authoritative, leading by command and edict (Burnham, 1941). Power of command was said to be derived from an ability that could not be taught or acquired through additional training or education, although a few academic institutions did offer courses in organization policy and structure (Chandler, 1977).

A belief generally held after the 1940s was that all managers, including the top managers, perform the same managerial work regardless of level in the hierarchy. Kotter (1982) observed in his study of top managers that their work was consistent with other management work but was more hectic and unstructured. Top managers were recognized as the ultimate leader of the organization, but in daily activities were seen to be just higher-level managers with greater responsibility for growth and profits (Cordiner, 1956). Their work was thought to be intangible, entrepreneurial, and un-measureable; and, as Wren (1979, 218) has pointed out, this gave little incentive for educators to develop executive-oriented programs, and, as Senge (1996) suggested, most senior executives saw themselves as leaders, not learners, and did not need much of anything more. In the period from the 1950s to the 1970s, a large number of programs were offered by universities, business schools and consulting firms for training managers. These were attended by individuals, mid-career managers, high-potential managers, and a few top executives. The programs provided training in such areas as long-range planning, budget development, management-union relations, human relations, leader-employee relationships, etc. Practically all were focused on developing a greater understanding of functional responsibilities, creating better relationships with employees, and motivating them to achieve higher productivity levels. Sashkin and Sashkin (2003) found that prior to the 1980s, most of the education executives received was the managerial training and experience they acquired as managers on the way up the hierarchical ladder; and, as Barnard (1938) suggested earlier, a key part of that came from moral training, social relationships and work experience. In addition to the courses and programs provided for managerial training, scholars also developed and recommended a host of new management models and theories in their search for a “unified theory of management”. After reviewing the number and diversity of the multitude of programs and theories, Koontz (1961) described the situation as a “management theory jungle”.

A Change of Focus – from Manager to Executive

The extraordinary growth and profitability of previous decades changed significantly in the 1970s. Ever-increasing technological innovation, intense foreign competition, market dynamics, the energy crisis, new societal movements, economic cycles, new governmental laws and regulations, new employee attitudes, and a large number of global changes brought internal stresses and external failures which threatened the well-being and survival of many American companies. Drucker (1980, 3) observed that the steady state, highly-profitable environment experienced during the
twentieth century, the largest period of continuity in America’s economic history, was changing dramatically and coming to an end in the 1970s. He echoed the opinion of many writers and practitioners when he declared that the disruptions and uncertainties in the environment had become so great as to render futile the kind of planning and response to problems that managers in most companies had been using. Wren (1979, 464) recorded that the whole management process was in a state of transition.

Decades of focusing on productivity and internal matters in a stable environment no longer enabled managers to achieve desired results. Traditional managerial techniques and practices were no longer effective; in this highly competitive, rapidly-changing technological environment, productivity was no longer a major factor; a firm was successful only when it had the right product, in the right place, at the right time, at the right price. Human relationships also became uncertain, due to technical and people changes in organizations growing in size and complexity. A greater diversity of employees, including a new group of highly-skilled employees, called knowledge workers, further complicated the work of managers. Managers no longer had the luxury of working with familiar people on a consistent basis; they were forced to work with highly diverse groups from different cultures with different values. The human relations techniques taught and used in prior years as control devices to soothe relations and boost productivity were no longer fully effective (Keys & Fulmer, 1998). The resulting turmoil, together with stockholder demands, exceeded the ability of managers to handle their problems and as a result lost much of the esteem they had earned previously. Yankelovich and Furth (2005) found that confidence in management dropped from 70 percent in the 1960s to 29 percent in the 1980s.

Lower and middle-level managers were taking the blame for the decrease in profits, lower productivity and an apparent inability to resolve new competitive problems, but much of the blame can justly be placed on the top managers, the executives, who were not prepared to respond quickly and effectively to the sudden events and changes in the new environment. Ineffectual decisions by these executives had greater impact on profitability than efficient control of human and physical resources by lower-level managers. Executives were unable to cope because their prior training had been based on conducting business in a more stable environment where there had been order, continuity, and cohesive relationships (Timpe, 1987). The managerial education they had received in prior years was inadequate for the new global environment. They were not prepared for the major changes taking place all around them (Kotter, 1997).

Twenty-first Century – A New Focus on Executives

The turbulence and discontinuities experienced in the 1970s brought new stresses, unresolved problems, and major changes for American business firms. Mintzberg (1989) suggested that the happenings were symptomatic of a change to a new set of values and noted that it could be interpreted as a gestalt shift where everything important seems to change all at once. Bennis & Goldsmith (1987) wrote that the magnitude of the changes and their disruptive impact on the business world was typical of that incurred in the passage from one era to another. Kuhn (1962) has described such situations as the transition to a new paradigm. His research showed that when a field faces major crises it typically seeks new approaches and new theories, and the proliferation of new ideas acts to bring new solutions. Maccoby (1981) reports that business leaders did indeed search for new answers and direction and one idea receiving acceptance in many troubled
companies was that salvation lay in the hands of supremely capable executives with strong leadership ability.

The relatively stable twentieth-century environment with a closed business system had created a situation in which there was greater involvement of line and staff managers in decision making. Working to accepted “rules of business”, these managers didn’t always need top-manager input for many planning and direction-setting activities. Selznik (1957: 74) states that this is common in closed systems and, in these cases, leadership from the top tends to decline in importance. Koontz and O’Donnell (1972) observed that responsibility for many of these activities had been progressively decentralized out of top management positions and assumed by lower level managers. This situation changed as a result of the turmoil and disruptions experienced by business management in the 1970s, and a new recognition emerged that those leadership activities and decisions should be made by executives and not by lower-level managers. This resulted in a shift of focus from managers to executives in the following years. However, executives have not supplanted managers in the important work of controlling operational resources.

A Multitude of Leadership Theories

The good performance of high-tech companies in the 1990s was credited to the visionary leadership of their executives. Acclaimed by various observers as being the ultimate key to success, the aura of visionary leadership faded when some executives, such as Al “Chainsaw” Dunlap (1996), generated and sold visions to their organizations that benefitted only themselves. The selfish, unethical visions and actions of these executives did serious damage to their firms and to the reputation of all executives (Naughton, Stone, & Perano, 2002). Yet, in spite of the poor showing of visionary
leadership, advocacy for visions in many other leadership theories has continued unabated. Bisoux (2002, 26) claimed that the evolution of this kind of leadership was far from over and suggested that it be made into a discipline itself.

In the twentieth century little distinction had been made between the leadership work of managers and that of executives, and, as a result, both received basically the same leadership training (Sahshkin & Sashkin, 2003). Since that time various scholars have distinguished between managing and leading with leading being something bigger and more important; leaders are said to be superior to managers in key ways. Zaleznik (1970) and Bass (1985) were among the first to see managers and leaders as not only different, but existing in different dimensions, separate and not equal. Kotter (1996, 12) describes the work of executives in bringing about change to be about 80% leading while only 20% involves managing. Although no one really knows the essence of leadership or how to teach it, the business world has accepted the idea that leadership by executives is a major factor in achieving high profitability (Bennis & Spreitzer, 2001).

In spite of the lack of a full understanding of leadership, the new focus on the educational needs of executives has led to the development of an enormous number of new leadership styles, models, and theories. The overall result has been a quagmire of theories, often conflicting and often confusing to all but their creators. Some of the better known of these are Transformational leadership, Charismatic leadership, Citizen leadership, EI (emotional-intelligence) leadership, Jungle-fighter leadership, Gamesman leadership, Heroic leadership, Non-heroic leadership, Primal leadership, Servant leadership, Strategic leadership, Interactive leadership, Transactional leadership, System 4 leadership, Six-sigma leadership, Leadership with a capital “L”, and leadership named after past political and military leaders. Each of these theories incorporates specific factors or characteristics claiming to make it the one true path to leadership. Professor Koontz would recognize this situation as a modern version of his management theory jungle—a leadership theory jungle.

Leadership theories no longer confine the work of leaders to just the activities originally defined by Kotter (1996) and other scholars in the latter decades of the twentieth century; that is, influencing others to work willingly toward the accomplishment of organizational objectives. Leadership theories now incorporate former management responsibilities, practices, and authority in such a way as to give leadership the same characteristics previously attributed to professional management (Shaskin & Sashkin, 2003).

Current leadership theories encompass a wide range of responsibilities: developing an inspiring vision, setting direction and objectives, long-range planning, developing new strategies, continuous innovation in systems and work flow, eliminating organizational boundaries, transforming employee mindsets, defining moral values, implementing strategic plans, and establishing a risk-taking internal environment (McCall & Hollenbeck, 2002). The addition of these new responsibilities to the former concept of leadership is not an evolution from earlier thought, but represents a major shift in the meaning of leadership from prior years.

Executive Education for the Twenty-first Century

The education of executives and that of high-potential managers likely to rise to the executive position during the twentieth century was adequate for the stable environment
and closed organizational system of that period. It basically consisted of what they had learned and experienced on the way up the organizational ladder. The generally accepted view was that while leadership could be taught, there was little need for educators to develop extensive programs for executives (Wren, 1979). Bardach (1997) reports that this view changed in the 1970s when managers and executives found that they were unprepared for the discontinuities and disruptions coming at them from all sides. The new focus on executives is reflected in the monies and time invested in their education, which during the past several decades has, by any count, amounted to billions of dollars and countless hours of schooling. This investment has the primary purpose of preparing executives for their new leadership role, which is expected to be the panacea for new problems and threats facing the organization (Bennis & Nanus, 1997).

The work of managers and executives is comprised of both managing and leading, but because executives already have a good knowledge of internal managerial responsibilities and activities, a major part of their education should be directed toward their leadership responsibilities, particularly those in the external environment. Executives are now expected to spend up to 80 percent of their time on leadership matters, up from 40 percent in earlier years (Kotter, 1999: 12). Leadership development has become one of the more pressing concerns of executives and educators for the coming decades. Yet, even at this late date, there is no agreement among scholars as to the true nature of leadership, how it integrates with the other work of the executive, and what is needed to develop effective leaders. To compensate, educators have developed a large number of seminars, courses, and customized programs covering all possible topics that may have relevance to leadership (Bennis & O’Toole, 2005).

Initially, executive education programs were a mix of a large number of one-day courses, seminars lasting a week or more, and open-enrollment degree programs. Many of the latter were just replicas of standard MBA programs with the addition of some advanced functional training, cross-functional training, quantitative analyses, and a few manager-refresher courses. Wren (1994) pointed out that most of the programs and courses offered were a combination of the same managerial theories and training that failed executives in the 1970s. These programs were adequate for mid-career managers, but executives generally do not need nor want more of the same education they have already received (Gardner, 1990).

The content of executive-education programs has improved during the past decade; most, including EMBA programs, now offer a mix of courses with greater emphasis on the global scene. However, executive education must be more than just a collection of courses in such areas as advanced functional management, various leadership theories, and typical solutions for business problems; it must be focused on the responsibilities executives have for leading in both the internal and the external environments. To emerge from the confusion surrounding the differences between their management and their leadership roles, executives must learn how to blend these responsibilities to form a different way of doing business (Fatehi & Veliyath, 2008).

Executives in today’s world have to be ready for an uncertain future. Those who do not have a comprehensive view of their world will be blind as to what may happen and will continue to experience sudden disturbances and discontinuities. Executives must also be educated to see the business environment as a whole, to understand the interactions of its parts, to have a feel for impending change, and to develop the ability to sense new trends, relationships, threats, opportunities, and lead the organization in new directions (Goleman, 1998). The challenge for business schools is to prepare executives in areas
that have been overlooked or under-emphasized in past programs, including an understanding of the business histories, technological advances, and political pressures for all firms and peoples with whom they may be interacting. Academic institutions have the expertise needed to convey these insights and teach executives how to understand and leverage the relevance of their own experience. On the other hand, executive programs should give less attention to such areas as advanced functional management and quantitative analyses; these did contribute in reaching the top, but are not needed for decision-making at the executive level. In the field of human relations, executives have already demonstrated the ability to influence and motivate subordinates, so additional courses in these areas are not likely to change their current behavior. Because they will be working with people of different races and cultures, both inside and outside the organization, they will need a better understanding of the values, needs, and passions of people in other countries. With this knowledge of events, environments, and people, executives will be prepared to understand what is happening, why it is happening and be able to act quickly and decisively with an understanding of the impact the action taken will have on the organization and on the business environment itself (Bennis & O’Toole).

When scholars ultimately agree on a unified theory of leadership, definitive courses of study for teaching leadership will be possible. As Drucker, Bennis, Mintzberg, and other scholars have emphasized, an important first principle in any unified theory is that executives must know their businesses thoroughly, both inside the firm and beyond its borders. Corporate-universities have been highly effective in developing strong leaders utilizing the executives own knowledge in action-learning type programs. General Electric’s “Work Out” programs have received wide recognition for successfully using this approach (Mintzberg, 2005). The outstanding success of Duke University’s spin-off (Duke CE) also attests to the effectiveness of this approach with its customized, action-learning programs. Other academic institutions can be equally effective using action-learning in short, open-enrollment programs.

There are many challenges facing educators in executive education in addition to having the right content and context. In an article describing problems that professors have experienced teaching executives at the Harvard Business School, Garvin (2007) points out that although the effectiveness of executive education is based in large part on what is taught, it rests as much on where it is taught, when it is taught, how it is taught, and by whom it is taught. Garvin believes that instructors will have to modify their teaching style in order to succeed, because they are facing students who have worked for several different companies, have held a variety of jobs, are generally knowledgeable about most management practices, and have great self-confidence. These students want more explicit connection to practical applications and current business problems. They want less time devoted to basic principles, functional matters and quantitative analyses. They think of themselves as leaders and don’t accept the fact that they need to learn new aspects of leadership, they think they know it already. These attitudes complicate executive education and add to the confusion in the field today.

Summary

The refocusing of attention from managers in the twentieth century to executives in the twenty-first brought a shift in the educational needs of executives. Today, it is generally accepted that executive leadership is the key to growth and profitability.
 Organizations expect their executives to be knowledgeable about both the internal and the external environment and to be a strong leader in both. Yet, several decades after acceptance of the executive-leadership concept, many American firms are in serious straits—profits are down, stock prices are falling, and market share is diminishing. Executives are facing major challenges and many are unable to cope with the problems and changes they encounter in the new business world. These are individuals who have great credentials, demonstrated excellent abilities as managers on the way up the organizational ladder, and, supposedly, have great leadership skills. It is suggested in this paper that a significant cause of the problem is that educators do not have a clear understanding of leadership or how to teach it. A unified theory of leadership is needed to provide a clearer path for guiding future executives programs. Academic institutions will then be able to offer the knowledge and training needed to prepare executives for their new leadership roles.

References


