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Over the years, the Boston Celtics have won more National Basketball Association championships than any other team in the league. They have achieved that record through the effectiveness of their organization—the exceptional leadership ability of their general managers, as epitomized by the legendary Red Auerbach, the strong team development skills of coaches such as Tom Heinson, and the outstanding on-court talent of players like Larry Bird. But it is clear to everyone in the Celtics organization that the capable general manager, the savvy coach, and the star player all add value in very different ways. While Auerbach's career demonstrates that a good player can occasionally evolve into a great coach, and even go on to become an exceptional general manager, the instances of such a progression are extremely rare. Success in one role is not a good predictor of performance in another. Heinson made the transition from player to coach with ease, yet was not seen to have general management potential; and despite the fact he was one of the game's greatest players ever, few expect Larry Bird to become as successful a coach as Heinson, let alone a general manager of Auerbach's standing.

When it comes to management of companies, both our theory and our practice are very different. In theory, we believe in a generic role called "the manager," who is expected to add value to the company in a generic way, carrying out a generic set of tasks and possessing some generic capabilities. This assumption is manifest in the scores of books and articles on "the manager's job"[1] and in generic distinctions such as those between management and leadership.[2] It is also embedded in the currently burgeoning literature on management competencies.[3] With some important exceptions,[4] our theory of management is that at each organizational level, managers play similar roles and have similar responsibilities, only for a different size and scope of activities. The metaphor is that of the Russian doll: at each level of the hierarchy, the manager is similar but bigger than the manager a level below.

Practice, however, has always been very different from this theory. The Russian doll model of management is firmly rooted in a hierarchical model of organizations. But, in reality, a hierarchy sharply differentiates roles vertically. In hierarchical organizations, top-level managers set direction by formulating strategy and controlling resources; middle-level managers mediate the vertical information processing and resource allocation processes by assuming the role of administrative controllers; and, swamped by direction and control from above, front-line managers find themselves in the role of operational implementers. Despite their differences, however, theory and practice have actually reinforced each other: the theory has made the hierarchy legitimate while the practice has made it operational.

Over the last decade, top-level managers around the world have recognized the limitations of the classic hierarchy. Alarmed by the loss of efficiency, speed, and flexibility, they have delayered and destaffed their organizations, reengineered their operations, and have invested significant amounts of money and management time to spread the message of "empowerment" throughout their companies.[5] However, in most cases all they have bought is a little breathing time. How their companies function has not changed because the behaviors and relationships of their people have not changed.

The reason for this failure is simple. The problems of the hierarchy cannot be overcome without explicitly challenging both the Russian doll theory and the pecking-order practice of management. The reality is that large, diversified companies have and need a CEO or a leadership team, just as much as they have and need managers to run individual units and others to provide intermediate-level coordination and integration. Unless their activities and expected contributions are explicitly defined, these managers will tend to slip into the comfortable and familiar role structure of grand strategists, administrative controllers, and operational implementers. The only way to prevent this hierarchical relationship is to define the distinct value added of each of the management groups in terms of the different roles they need to play.

This is a key lesson from our recent research in twenty large European, American, and Asian companies.[6] Based on our analysis of the experiences of these companies, we have developed a model of the roles that front-line, senior, and top-level managers need to play for companies to achieve the organizational capabilities they are seeking.[7] These changes in management roles and personal capabilities are part of a fundamental change in organizational philosophy that is redefining the modern corporation.

New Organization Model: New Management Roles

To understand the new management roles, one must first recognize the major elements of the emerging organizational framework that is shaping them. Despite the considerable differences in businesses, national origin, and corporate history in companies as diverse as GE, Komatsu, ABB, and Corning, we found that they were converging on a similar post-transformational organization model that represented a major change from their traditional authority-based hierarchies. Other companies we studied—such as 3M, ISS, and Kao—already shared many of these emerging organizational characteristics and therefore had avoided the worst aspects of the classic authority-based hierarchy. In many ways, this latter group provided both the inspiration and the example for other companies undergoing major organizational transformations.

The clearest and most widespread trend we observed was that companies were rethinking their old approach of dividing the organization from the top down into groups, sectors, and divisions. Instead, they were building from the bottom up on a foundation of small front-line operating units. For example, the $35 billion Swiss-based electro-technical giant, ABB, divided its operations into 1,300 local operating companies, each of which operates as a separate legal entity with its own balance sheet and P&L responsibilities. In 3M, the company's $15 billion dollars of sales generated by a portfolio of over 60,000 products are managed by 3,900 profit centers that are at the heart of the company's entrepreneurial process. ISS, the Denmark-based cleaning services organization, attributes it's growth into a $2 billion multinational corporation to its policy of forming not one national subsidiary, but four or five small autonomous businesses in each of the 17 countries it has expanded into, allowing each of them to grow by serving a particular client group.

The second common characteristic in the emerging organizational model is the portfolio of cross-unit integrative processes. These processes are designed to break down the insulated vertically oriented relationships that have dominated the classic authority-based hierarchy. In ABB, the tensions embodied in the company's global matrix were resolved through a proliferation of business boards, functional councils, and project teams designed to play a primary role in ABB's management process at every level of the organization. At 3M, the R&D community's carefully developed network of communication channels and decision-making forums became the model for similar relationships to link the company's marketing and manufacturing resources across its portfolio of innovative front-line units. ISS made extensive use both of training and development and of cross-unit meetings and committees to ensure that knowledge and expertise developed in one part of the company were rapidly transferred system-wide.

Finally, in the emerging organization, these changes to the old structure and processes were supported by a strong commitment to genuine empowerment, a philosophy that represented a formidable challenge to the authority-based culture in most classic hierarchies. In ABB, CEO Percy Barnevik based the company's management practice on the twin principles of radically decentralized responsibility and tightly held individual accountability. 3M was known for its core principles that espoused a commitment to entrepreneurship and a belief in the individual. The company had long worked to translate those beliefs into a culture that "stimulates ordinary people to produce extraordinary performance." In his 30 years as the CEO of ISS, Poul Andreassen had developed a set of guiding principles, central to which was a genuine respect for his workers and a delegation of responsibility as close to the individual cleaning contract as possible.

This radically decentralized yet horizontally linked organizational model with a strong culture of empowerment required companies to break with the old hierarchy of nested roles that was implicit in the Russian doll model of management. In these and other companies we studied, operating-level managers had to evolve from their traditional role as front-line implementers to become innovative entrepreneurs; senior-level managers had to redefine their primary role from administrative controllers to developmental coaches; and top-level executives were forced to see themselves less as their company's strategic architects and more as their organizational leaders. The implications of such role changes on the distribution of key tasks and responsibilities are profound.

The Operating-Level Entrepreneurial Role

In identifying the new roles and responsibilities of those running business units, national subsidiaries, or other such front-line units, we studied the activities of scores of operating-level managers as they struggled to adjust to the demands of the new corporate model. We focus here on a select group of managers at ABB, 3M, and ISS not as definitive role models, but as illustrations of the framework of management tasks we have developed.

Don Jans headed the relays business unit that was part of Westinghouse's troubled power transmission and distribution business that was sold to ABB in 1989. Westinghouse had long regarded relays as a mature business, and Jans and his team had been encouraged to milk their slowly declining, modestly profitable operation. Yet, when exposed to ABB's decentralized entrepreneurial environment, the same management group turned their mature business into one with the performance profile of a young growth company. Within three years of the ownership change, export sales skyrocketed, new products were introduced, and operating profits doubled. Equally important, the revitalized U.S. relays unit began developing an electronic capability to supplement its traditional electromechanical expertise, thus laying the foundation for long-term expansion into a major new growth area.

At 3M, we saw a similar example of front-line entrepreneurship. In 1989, Andy Wong became the leader of a project team that had been struggling for over a decade to commercialize a portfolio of the company's optical technologies that had never found market applications. Over the next four years, Wong redeployed the unit's resources, refocused its energy and attention, protected the operations from several threats to shut them down, and remotivated the discouraged team. By 1994, Wong's unit had become a showcase within 3M by introducing two new products, both of which proved to be highly successful in the marketplace.

At ISS, we observed Theo Buitendijk take over the firm's small Dutch commercial cleaning business and double revenues within two years. He took the company into the specialized higher margin segment of slaughterhouse cleaning, eventually becoming the company's center of expertise in this sector and supporting its expansion throughout Europe. Like Jans, Buitendijk had previously been a traditional line manager in a classic authoritarian hierarchy (in his case, Exxon), but found that the different organizational context in ISS not only allowed, but encouraged him to redefine his role and change his behavior.

In each of these companies, a similar framework of organizational structure, processes, and culture supported the entrepreneurial activities of front-line managers like Jans, Wong, and Buitendijk as they took the initiative to drive the performance and enhance the capabilities of their units. Among their many tasks and responsibilities, we identified three that were central to their role as entrepreneurs rather than just implementers (see Table 1).

TABLE 1. Transformation of Management Roles and Tasks

	Operating-Level Managers	Senior-Level Manager	Top-Level Managers
Changing Role	• From operational implementers to aggressive entrepreneurs	• From administrative controllers to supportive coaches	• From resource allocators to institutional leaders
Primary Value Added	• Driving business performance by focusing on productivity, innovation and growth within front-line units	• Providing the support and coordination to bring large company advantage to the independent front-line units	• Creating and embedding a sense of direction, commitment and challenge to people throughout the organization
Key Activities and Tasks	• Creating and pursuing new growth opportunities for the business	• Developing individuals and supporting their activities	• Challenging embedded assumptions while establishing a stretching opportunity horizon and performance standards
	• Attracting and developing resources and competencies	• Linking dispersed knowledge, skills, and best practices across units	• Institutionalizing a set of norms and values to support cooperation and trust
	• Managing continuous performance improvement within the unit	• Managing the tension between short-term performance and long-term ambition	• Creating an overarching corporate purpose and ambition

The most striking set of activities and achievements common to the operating-level entrepreneurs we studied were those related to their taking the initiative to create and pursue new business opportunities. In contrast to the role they played in their previous situations (as implementers of programs and priorities pushed down from above), managers such as Jans and Buitendijk found that they were not only free to initiate new activities, they were expected to do so. Jans rose to the challenge by expanding into export markets in Mexico, Canada, and the Far East and by committing to the development of microprocessor-based relays (despite the substantial up-front investment involved). Buitendijk's move into abattoir cleaning initially caused a sharp drop in his company's profitability but then proved to be a much more attractive segment than the company's highly competitive core business of office cleaning.

Beyond developing new products and markets, these front-line entrepreneurs had all expanded the assets, resources, and capabilities of their operating units. Rather than playing the more traditional passive-dependent role defined by corporate processes such as head count authorization, capital budget allocation, and management development procedures, these individuals saw it as their responsibility to develop the limited resources they had and, as one of them described it, "do more with less." Andy Wong's actions in upgrading his unit's existing technological and manufacturing resources were impressive enough, but his creation of an entirely new marketing capability in a resource-constrained operation was truly entrepreneurial. Through persistent negotiations with senior management, creative internal resource reallocations, and persuasive recruiting within the company, he was able to reinforce his small struggling unit with an experienced marketing manager. He then backed this manager with the distribution support of two other 3M divisions that agreed to help bring his unproven product to market. Don Jans' ability to develop a microprocessor-based product line exhibited the same commitment to build on and leverage existing capabilities. He became recognized as a "giver" rather than a "receiver," as ABB terminology referred to managers who became net developers rather than consumers of the organization's scarce resources.

The third basic responsibility of front-line managers was the one with which they were most familiar: to ensure continuous performance improvement in their operating units. In the new organizational context, however, they were given considerably more freedom, incentive, and support to find ways to do so. Although Don Jans had long been working to maximize operating performance in Westinghouse, within the ABB organization he was able to achieve substantial additional expense cuts, inventory and receivables reductions, and operating efficiency improvements largely because he was given what Barnevik described as "maximum degrees of freedom to execute."

Andy Wong knew that by leveraging his unit's existing assets and resources he could build the credibility and confidence he would need to obtain additional investment and support. It was for this reason that Wong initially invested a large part of his energy in focusing development attention on only two technologies and reducing manufacturing costs by 50%. It was only after gaining organizational confidence in his operating effectiveness that he won both the freedom to engage in the resource development and the time to implement his unit's entrepreneurial new product launch.

These three cases show the untapped potential for performance improvement available to most companies. The dramatically changed management behavior of Jans and Buitendijk along with Wong's rapid transition from engineer to project team leader suggests that inside every hierarchy, even the most authoritarian, there are entrepreneurial hostages waiting to be unleashed. But the new entrepreneurial tasks can only be accomplished after the historical structures, processes, and cultural norms are replaced by a new organizational framework that requires front-line managers to abandon their old implementation role.

The Senior-Level Developmental Role

The risk of redefining the role of operating-level managers as entrepreneurs rather than implementers is that it will fragment the company's resources and capabilities and lead to the kind of undisciplined, localized expansion that conglomerates experienced in the 1960s. To prevent this, the senior-level managers—those between the front-line units and the corporate-level management—must redefine their role from the historic preoccupation with authority-based control to a focus on support-based management and organization development.

Traditionally, senior managers' power came from their pivotal position in large and complex hierarchies (where they typically were responsible for the organization's divisions, regions, or key functions). They played a vital intermediary role, disaggregating corporate objectives into business unit targets and aggregating business unit plans for corporate review. They were the linchpins in the resource allocation process due to corporate management's reliance on their input in capital budgeting and personnel appointment decisions. They stood at the crossroads of internal communication, interpreting and broadcasting management's priorities, then channeling and translating front-line feedback.

These classic senior management tasks have been challenged by the creation of small independent front-line units, the radical decentralization of assets and resources to support them, and the empowerment of the operating managers in charge. They have been further undermined by the delayering of middle levels of the organization and the impact of new information technologies on internal communication. Left to fulfill their traditional role, senior managers find themselves increasingly frustrated by the irrelevance and powerlessness of their position. Unless there is a radical realignment of their role, this group can become the silent subverters of change whose invisible, yet persistent resistance can derail even the most carefully planned transformation program.

Some companies have successfully redesigned the senior management role by making it a key part of supporting the front-line units, both by coordinating their activities and by coaching their operating-level entrepreneurs. Ulf Gundemark, Don Jan's boss and the head of ABB's worldwide relays business area, played a central role in managing the tension inherent in the company's ambition "to be global and local, big and small, radically decentralized with central reporting and control." Similarly, Paul Guehler, vice president of 3M's Safety and Security Systems Division to which Andy Wong's unit belonged, challenged Wong to define the focus and priorities in his business, while simultaneously helping him build the support and obtain the resources necessary to make it succeed. At ISS, Waldemar Schmidt, head of the European region, supported Theo Buitendijk's new business initiative despite its short-term profit impact, and he led the effort to leverage the expertise his unit developed into a European business capability.

In none of these cases did these managers see their roles in the traditional terms of administrative controllers and information relays. Instead of dominating their front-line managers, usurping their authority, or compromising their sense of responsibility for their operations, this new generation of senior managers added value to that activity through three core tasks. First, they become a vital source of support and guidance for the front-line entrepreneurs; second, they took primary responsibility for linking and leveraging the resources and competencies developed in the front-line units; and third, they played a key role in ensuring resolution of the numerous tensions and conflicts built into the management process (see Table 1).

When a company decides to change its dominant management model from one driven by authority to one built on empowerment, the basic orientation of the senior manager's task is changed from direction and control to development and support. ABB not only reflected this change in its cultural norms, it institutionalized it in the way key senior-level jobs were structured. For example, although Ulf Gundemark was the relays business area head, he had a staff of only four to help him run the $250 million worldwide business. As a result, he routinely asked managers in operating units to take on broader responsibilities, stretching their abilities and developing their contacts and support as they did so. To develop the worldwide relays strategy, he assembled a nine-person team of managers drawn from the front lines of his operating companies. To guide the ongoing business operations, he created a business area board that included his staff members and four key company presidents, including Don Jans. As Jans put it, "I'm a much broader manager today than I was at Westinghouse. . . . We feel we are rediscovering management."

Paul Guehler described his primary job as "to help develop the people to develop the business." He worked intensively with Wong and his team, challenging them to refine their plans, forcing them to commit them to paper, and, most important, encouraging them to communicate and defend them in multiple forums in order to build up their struggling unit's thin support within 3M. At ISS, Waldemar Schmidt had a similar philosophy about his role, stating that "the most important thing I can do is to show an interest, to show that I care about them and their performance." He backed his words with actions, developing a strongly supportive relationship with his front-line managers that manifested itself in frequent telephone calls to say "Well done!" or "How can I help?"

The second element of this role focuses more on the level of organization development, as senior-level managers take on the task of linking the knowledge and expertise developed in their front-line units and embedding them as organizational capabilities to be leveraged company-wide. Gundemark's actions in forcing his front-line relays companies to rationalize and specialize in overlapping structures and responsibilities was a first step in integrating the portfolio of independent relays operations. He then appointed key specialists in each of the companies to functional councils whose primary purpose was to identify best practice and capture other benefits of coordination in R&D, quality, and purchasing. Waldemar Schmidt achieved similar cross-unit linkages through his regular meetings specifically devoted to leveraging the expertise of particular country units. When Theo Buitendijk's unit in Holland was shown to have superior performance in customer retention, for example, Schmidt gave him a day at his next European presidents conference to discuss his approach.

Beyond these important developmental tasks, however, those in senior management positions still must accept responsibility for the performance of the front-line units they supervise. The common bottom-line contribution of the three managers we described is that they all played the pivotal role in ensuring that those reporting to them kept the strategic objectives and operating priorities in balance. In ABB, this task was framed by a global matrix that was designed to legitimize rather than minimize the tensions and paradoxes inherent in most management decisions. To manage the conflict resolution vital to the organization's smooth operation, senior-level managers such as Ulf Gundemark developed and managed a portfolio of supplemental communications' channels and decision forums such as the worldwide business board and the functional councils we described. These and other forums (such as the steering committees that act as local boards for each of the front-line companies) not only serve a development and integration role, but they also become the place where differences are aired and resolution obtained on the conflicting perspectives and interests created by the matrix.

In 3M, this critical balancing role is so ingrained in the culture that senior-level managers such as Paul Guehler have integrated it into their ongoing management approach. For example, in what he terms his "give-and-take management style," Guehler tightened the screws on Wong's operations by requiring them to make the cuts necessary to meet their financial objectives, while behind the scenes he was defending against attempts to close the unit down and was lining up resources and support to back their proposed development initiatives.

Senior-level managers are often the forgotten and forsaken group in the organizational transformation process. Amid rounds of delayering, destaffing, and downsizing, many corporate executives have overlooked the fact that the success of small, empowered front-line units depends on a company's ability to bring large company benefits to those units. Organizations that dismantle their vertical integration mechanisms without simultaneously creating the horizontal coordination processes quickly lose potential scale economies. Even more important, they lose the benefits that come from leveraging each unit's assets, knowledge, and capabilities company-wide. At the same time, such intense horizontal flows can also paralyze the organization by distracting or overburdening front-line managers. It is the managers in the middle who can make "inverting the pyramid" operational, not only by developing and supporting the front-line entrepreneurs, but also by absorbing most of the demands of the cross-business, cross-functional, and cross-geographic integration needs. In this way, they can prevent those at the operating level from becoming overwhelmed by the ambiguity, complexity, and potential conflicts that often accompany such horizontal networked organizations and allow them instead to focus on their vital entrepreneurial tasks.

The Top Management Leadership Role

Those at the apex of many of today's large, complex organizations find themselves playing out a role that they have inherited from their corporate forbears: to be the formulators of strategy, the builders of structure, and the controllers of systems. As these three tools became increasingly sophisticated, there was a growing assumption that they could allow organizations to drive purposefully towards their clearly defined goals, largely free from the idiosyncrasies of individual employees and the occasional eccentricities and pathologies of their behavior. To some extent, the objective was achieved. Under the strategy, structure, and systems doctrine of management, most large companies eventually became highly standardized and efficient operations, with individual employees being managed as inputs in the predicable but depersonalized system.

To free these entrepreneurial hostages requires a rollback of this dehumanizing management paradigm and thus a rethinking of top management's role. The role has to change from one grounded in the old doctrine of strategy, structure, and systems to one based on a new philosophy focusing on purpose, process, and people. Those at the top of most of the entrepreneurial companies in our study had evolved from being the formulators of corporate strategy to becoming the shapers of a broader corporate purpose with which individual employees could identify and feel a sense of personal commitment. Instead of focusing on formal structures that gave them control over the firm's financial resources, they devoted much of their efforts to building processes that added value by having the organization work more effectively together. Rather than becoming overly dependent on the management systems that isolated them from the organization and treated employees as factors of production, they created a challenging organizational context that put them back in touch with people and focused them on affecting individual inputs rather than just monitoring collective outputs.

In this radically redefined view of their role, those at the top first had to create a work environment that fostered entrepreneurial initiative rather than compliant implementation. Poul Andreassen was not someone who readily accepted the status quo. Like many of the CEOs we observed, he was constantly questioning the past and challenging his organization to achieve more. To overcome the constrained potential of continuing to operate ISS as a Danish office cleaning business, Andreassen began to conceive of the company as a more broadly defined professional service organization. His explicit objective was to create a world-class company, "to make ISS and service as synonymous as Xerox and photocopying." By broadening the opportunity horizon, he legitimized the entrepreneurial initiatives of his management team as they expanded into new markets and unexplored business segments. The challenging environment that he developed continued to support the entrepreneurial initiatives of operating-level managers such as Theo Buitendijk (as he developed the abattoirs cleaning business in Holland) and the ISS manager in Germany who saw an opportunity to expand into the former East Germany to start a business in the removal of building rubble.

The second key task common to the top managers we studied was to shape the organizational context necessary to support the radically decentralized structure and the management philosophy of empowerment. To ensure that the organization did not fragment its efforts or dissipate its scarce resources in this more decentralized form, traditional control-based values had to be replaced with norms of trust and support. Over the years, 3M's top managers have created an organization with such values, allowing resources and expertise to move freely across its 3,900 profit centers located in 47 divisions and 57 country operations. From the earliest days, they developed clear integrating norms such as the recognition that while products belong to the division, technologies belong to the company. They reinforced such beliefs by carefully developing a framework for collaboration and support. For example, the strong mutually supportive relationships within 3M's scientific community were formed and reinforced through institutionalized grassroots forums, internal technology fairs, and cross-unit transfer practices. Overarching all of this was a sense of trust embedded in the respect those at the top had for individuals and their ideas. As current CEO Livio "Desi" DeSimone reminds his managers, they must listen carefully to subordinates and continually ask, "What do you see that I am missing?" It was this respectful, supportive, and trusting environment that allowed entrepreneurs like Andy Wong to take risks and that encouraged senior managers like Paul Guehler to back them.

Finally, the top-level managers we observed also played the vital role of providing the organization with a stabilizing and motivating sense of purpose. As chief executive of ABB, Percy Barnevik believed that he had to develop more than just a clear strategy for his newly merged worldwide entity. He felt that he had to create an organizational environment that made people proud to belong and motivated to work for the company. He articulated ABB's overall mission not in terms of its market share, competitive position, or profit objectives, but in terms of the ways in which ABB could contribute to sustainable economic growth and world development. He emphasized a sensitivity to environmental protection and a commitment to improving living standards worldwide, reflecting those beliefs not only in the company's formal mission statement, but also in the major strategic decisions he took. The company's pioneering investments in Eastern Europe, its transfer of technology to China and India, and its innovations in environmentally sensitive processes gave substance to its articulated purpose. These efforts also made ABB's employees feel that they were contributing to changing the world for the better. As corporate executive VP Goran Lindahl explained, "In the end, managers are loyal not to a particular boss or even to a company, but to a set of values they believe in and find satisfying."

The approach taken by Barnevik and Lindahl (and their counterparts in companies such as 3M and ISS) reflected the simple belief that their job as the top-level leaders was not simply to manage an economic entity whose activities could be directed through strategic plans, resource allocation processes, and management control systems. Equally important was their role as the principal architects of a social institution able to capture the energy, commitment, and creativity of those within it by treating them as valued organizational members, not just contracted company employees. In addition to managing the strategy and structure, they took the time to develop a corporate purpose and shape the integrating organizational processes. Rather than simply monitoring the performance of divisions or subsidiaries through abstract systems, they focused their attention on the people within the organizations—those whose motivations and actions would drive the company's performance.

New Management Roles, New Personal Competencies

Over the past few years, companies as diverse as AT&T, British Airways, BP, Siemens, and The World Bank have invested enormous amounts of management time and effort to define the ideal profile of their future corporate leaders. Siemens, for example, has defined 22 desirable management characteristics under five basic competencies of understanding, drive, trust, social competence, and what they call a "sixth sense." The World Bank's ideal profile identifies 20 attributes and groups them into seven quite different categories of intellectual leadership, team leadership, staff development, work program management, communication, interpersonal impact, and client orientation. Pepsico's desired competency profile for its executives of the future has 18 key dimensions defining how individuals see the world, how they think, and the way they act.

This focus on personal characteristics is understandable given the widespread problems that so many individuals have had adjusting to the transformed organizational environment and performing the redefined management tasks. Indeed, this emerging interest in individual competencies has created a cottage industry among consultants eager to promote their expertise in identifying, measuring, and developing the desired personal capabilities to lead in the new corporate environment. Yet, despite prodigious efforts in designing questionnaires, conducting interviews, and running seminars to define the profile of leadership competencies, few of these programs have won the kind of credibility and support necessary for widespread adoption and application.

One problem is that the profiles that have been generated often include an inventory of personality traits, individual beliefs, acquired skills, and other personal attributes and behaviors assembled on the basis of unclear selection criteria and with little logical linkage to bind them. Furthermore, these profiles are often developed based on surveys of current managers or analysis of the most successful individual performers in the existing context. As such, they risk defining future leadership needs in terms of the historical organizational roles and capabilities that were required to succeed in the old organizational forms.

The most important limitation of these management competency exercises is that they are almost always defined as a single ideal profile. While such an assumption may not have been entirely irrational in the more symmetrical roles typical of the traditional authority-based hierarchy, this extension of the Russian doll model is not viable in the emerging delayered organization with its differentiated set of management roles and tasks.

As part of our research into post-transformation organizations, we studied the adaptation of managers to their redefined responsibilities. Instead of asking managers to describe the personal characteristics they felt were most important, we observed those who had demonstrated their effectiveness in performing the key tasks of the redefined management roles. Rather than trying to develop a list of generic competencies with universal application, we were able to differentiate the profiles of managers who succeeded in adding value in very different ways at each level of the organization.

Despite the fact that we were developing more differentiated profiles based on performance rather than opinion, the notion of individual competencies still seemed too vague and unfocused to be of great practical value. To be more useful to managers, the concept had to be more sharply defined and more clearly applicable to human resource discussions and activities. This led us to develop a simple classification model that helped us allocate the broadly defined competencies into three categories. In the first, we listed deeply embedded personal characteristics like attitudes, traits, and values that were intrinsic parts of the individual's character and personality. The second category included attributes such as knowledge, experience, and understanding that generally could be acquired through training and career path development. The third category was composed of specialized skills and abilities that were directly linked to the job's specific task requirements and were built on the individual's intrinsic capabilities and acquired knowledge (see Table 2).

By categorizing management competencies in this way, we not only gave the concept a sharper definition, but were also able to identify much more

TABLE 2. Management Competencies for New Roles

Role/Task	Attitude/Traits	Knowledge/ Experience	Skills/Abilities
Operating-Level Entrepreneurs	*Results-Oriented Competitor*	*Detailed Operating Knowledge*	*Focuses Energy on Opportunities*
• Creating and pursuing opportunities	• Creative, intuitive	• Knowledge of the business's technical competitive, and customer characteristics	• Ability to recognize potential and make commitments
• Attracting and utilizing scarce skills and resources	• Persuasive, engaging	• Knowledge of internal and external resources	• Ability to motivate and drive people
• Managing continuous performance improvement	• Competitive, persistent	• Detailed understanding of the business operations	• Ability to sustain organizational energy around demanding objectives
Senior-Management Developers	*People-Oriented Integrator*	*Broad Organizational Experience*	*Develops People and Relationships*
• Reviewing, developing, supporting individuals and their initiates	• Supportive, patient	• Knowledge of people as individuals and understanding how to influence them	• Ability to delegate, develop, empower
• Linking dispersed knowledge, skills, and practices	• Integrative, flexible	• Understanding of the interpersonal dynamics among diverse groups	• Ability to develop relationships and build teams
• Managing the short-term and long-term pressures	• Perceptive, demanding	• Understanding the means-ends relationships linking short-term priorities and long-term goals	• Ability to reconcile differences while maintaining tension
Top-Level Leaders	*Institution-Minded Visionary*	*Understanding Company in its Context*	*Balances Alignment and Challenge*
• Challenging embedded assumptions while setting stretching opportunity horizons and performance standards	• Challenging, stretching	• Grounded understanding of the company, its businesses and operations	• Ability to create an exciting, demanding work environment
• Building a context of cooperation and trust	• Open-minded, fair	• Understanding of the organization a system of structures, processes, and cultures	• Ability to inspire confidence and belief in the institution and its management
• Creating an overarching sense of corporate purpose and ambition	• Insightful, inspiring	• Broad knowledge of different companies, industries and societies	• Ability to combine conceptual insight with motivational challenges

clearly how managers could focus attention on different attributes of the profile in various important human resource decisions. In particular, our observations led us to develop some propositions about the role different attributes play in the vital management responsibilities for selecting, developing, and supporting people in their particular job responsibilities.

Selecting for Embedded Traits

There is a high rate of failure among managers attempting to adapt from their historic roles in traditional companies to their newly defined tasks in transformed and reengineered organizations. This underscores the importance of identifying selection criteria that can help predict success in radically redefined roles. For example, when ABB was created in 1988 through merger, 300 top and senior management positions were filled. Despite the careful selection of those appointed to these positions, over 40% of them were no longer with the company six years later. As the company's leadership recognized at the time, the central problem was to identify the candidates who had already developed the personal traits that were needed to succeed in the radically different organizational and managerial context that Percy Barnevik had defined for ABB.

When faced with such a situation, most companies we observed tended to select primarily on the basis of an individual's accumulated knowledge and job experience. These were, after all, the most visible and stable qualifications in an otherwise tumultuous situation. Furthermore, selecting on this basis was a decision that could be made by default, simply by requiring existing managers to take on totally redefined job responsibilities.

In such situations, however, past experience did not prove to be a good predictor of future success. The most obvious problem was that much of the acquired organizational expertise was likely to reflect old management models and behavioral norms. Equally problematic were the personal characteristics of those who had succeeded in the old organizational environment. As many companies discovered, the highly task-oriented senior managers who were both comfortable and successful in the well-structured work environment of their traditional company often found great personal difficulty in adjusting to the coaching and integrating roles that became an important part of their redefined responsibilities.

As a result, many companies are coming to believe that it is much more difficult to convince an authoritarian industry expert to adopt a more people-sensitive style than to develop industry expertise in a strong people manager. It is a recognition that is leading them to conclude that innate personal characteristics should dominate acquired experience as the key selection criteria. Equally importantly, they are recognizing that because the management roles and tasks differ widely at each level of the organization, so too will the attitudes, traits, and values of those most likely to succeed in each position. Recruitment and succession planning in such an environment becomes a much more sophisticated exercise of identifying the very different kinds of individuals who can succeed as operating-level entrepreneurs, senior-level developers, and top management leaders.

In ISS, for example, the company had long recognized the vital importance of recruiting individuals who were results-oriented competitors to run their front-line operating units. Although the front-line manager's job at ISS could be regarded as a low status position managing supervisors in the mature and menial office cleaning business, ISS knew that by structuring the role to give managers status and autonomy, they could attract the kind of energetic, independent, and creative individuals they wanted. Like many of ISS's operating-level entrepreneurs, Theo Buitendijk had spent his early career in a traditional hierarchical company, but he had been frustrated by the constraints, controls, and lack of independence he felt. Status elements like the "managing director" title and the prestige company car signaled the importance ISS attached to this position, but entrepreneurial individuals like Buitendijk were even more attracted by the independence offered by operating their own business behind what ISS managers called "Chinese walls" to prevent unwanted interference. By creating an environment that motivated self-starters would find stimulating, ISS had little difficulty in training them in industry knowledge and helping them develop the specific job skills they required to succeed.

The personal profile required to move to the next level of management was quite different, however, and few of the operating-level entrepreneurs were expected or indeed had an ambition to move up to the divisional management level. One who did was Waldemar Schmidt, an operating-level entrepreneur who had turned around the company's Brazilian business before being appointed head of the European division. Despite his relatively limited knowledge of the European market, Schmidt impressed Poul Andreassen as a people-oriented individual who had a genuine interest in developing and supporting others. Indeed, the company's Five Star training program had originated in Brazil as part of Schmidt's commitment to continually upgrade his employees. Furthermore, he was recognized as being a very balanced individual who tended to operate by influence more than authority, yet was demanding of himself and others. These were qualities that Andreassen regarded as vital in his senior managers and felt they far outweighed Schmidt's more limited European knowledge or experience.

At the top level of the organization, another set of personal qualities was felt to be important. When Poul Andreassen became the president of ISS in 1962, he too was selected primarily on the basis of his personal traits rather than his experience in the company or his proven leadership skills. As a young engineer in his mid-30s, he was frustrated in his job with a traditional large company and was looking for the opportunity to build a very different kind of organization. Despite his lack of industry background or ISS-specific management skills, he was attractive because he was much less interested in running an ongoing company than he was in building a more ambitious organization. His most appealing characteristic was his willingness to question and challenge everything, and even after thirty years in the job, he still felt that his best days were when he could go into the field and confront his division or business unit managers so as to help "stir up new things."

Like Red Auerbach of the Boston Celtics, there will be a few individuals who have the breadth of personal traits and the temperamental range to adapt to the very different roles and tasks demanded of them at different organizational levels. At ISS, Waldemar Schmidt progressed from successful operating-level entrepreneur to effective senior management developer, and, after Poul Andreassen's retirement, was asked to succeed him as top-level corporate leader. One of management's most important challenges is to identify the personal characteristics that will allow an individual to succeed in a new and often quite different role and, equally important, to recognize when someone who is successful at one level lacks the individual traits to succeed at the next. For those with the perceived potential, however, the next key challenge is to develop the knowledge and expertise that can support and leverage their embedded personal traits.

Developing for Knowledge Acquisition

While training and development activities are rarely very effective in changing the deeply embedded personal traits, attitudes, and values, they are extremely appropriate means of developing the kind of knowledge and experience that allows an individual to build on and apply those embedded individual attributes. For example, as a person who is naturally creative, engaging, and competitive learns more about a particular business, its customers, and technologies, he or she becomes a much more effective and focused operating-level entrepreneur. Poul Andreassen understood this well and made training and development one of the few functions that he controlled directly from ISS's small corporate office. Under the ISS philosophy of ensuring that all employees had the opportunity to use their abilities to the fullest, the Five Star development program defined five levels of training that allowed front-line supervisors with the appropriate profile to gain the knowledge and experience they would need in a broader management job.

Because of its strong promote-from-within culture, 3M also had a long-standing commitment to develop its people to their potential. Soon after a new employee enters the company (within six months for a clerical employee or three years for a laboratory scientist) a formal Early Career Assessment process is initiated both to ensure that the individual is a proper fit with the company and to define a program to prepare them for their next career opportunity. For example, a promising accounting clerk might be set the personal education goal of becoming a Certified Public Accountant within three years, while at the same time being given an internal development assignment to provide experience in preparing financial statements and participating in audits. This process continues (albeit in a somewhat less structured format) throughout an individual's career in 3M, with the company providing internal business courses and technical seminars as well as supporting participation in external education programs.

On-the-job training is still the primary emphasis, and those with the will and the perceived personal potential are given every opportunity to develop that promise. For example, Andy Wong, who turned the struggling Optical Systems (OS) project into a showcase of entrepreneurial success, was carefully prepared for that role over five years. This quiet engineer first caught the eye of Ron Mitsch, a senior R&D executive who was impressed by the young man's tenacious, self motivated competitiveness—personal qualities that 3M looked for in its front-line entrepreneurs. Wanting to give him the opportunity to prove that potential, the mentor told Wong about an opportunity to lead a small technical development team in the OS unit. While demonstrating his energy and persuasive persistence, Wong began to expand his knowledge about the unit's optical technologies, as he struggled to develop the understanding he needed to focus his team's rather fragmented efforts. After a couple of years in the OS laboratory, Wong was asked to take on the additional responsibility for the unit's inefficient manufacturing operations. Although he had no prior production or logistics experience, his initiatives in rationalizing the complex sourcing arrangements, simplifying the manufacturing process, and consolidating production in a single plant resulted in a 50% cost reduction and simultaneous improvement in product quality. It was through these experiences that Wong was able to broaden his knowledge of the business beyond his focused understanding of the technology and expand his familiarity with the organization's resources beyond his scientific contacts. Through careful career path development, he developed the kind of knowledge and experience he needed to allow him to use his naturally competitive traits effectively as the newly appointed project team leader for optical systems.

While the developmental path for operating-level entrepreneurs focused on enhancing knowledge and expertise in a particular business, market, or function, the track to the next level of management usually required a much richer understanding of the organization and how it operated. Wong's boss Paul Guehler also began his 3M career in the R&D laboratory and was also identified as someone who looked beyond the technologies he was developing to the businesses they represented. It was this budding entrepreneurial attitude that led to his transfer to 3M's New Business Ventures Division. In this position, his natural curiosity and intuitiveness were leveraged by focusing him on the task of exploring market opportunities and business applications for high potential ideas and innovations. After a decade in this division, Guehler was transferred to the Occupational Health and Safety Products Division. In this position, his experience as an R&D manager gave him the opportunity to broaden his understanding of the mainstream organizational processes and how to manage them. A subsequent move to the Disposable Products Division helped him build on that experience, particularly when he was appointed Business Director for disposable products in Europe. This responsibility for a highly competitive product in a fast-changing market greatly expanded his experience in assessing the capabilities and limitations of a diverse group of individuals and organizational units and further expanded his understanding of the organizational dynamics and strategic tensions of having them work together. By the time he was appointed as general manager and later vice president of the Safety and Security Systems Division of which Wong's OS unit was a part, he brought not only hard-headed business knowledge, but some sensitive organizational insights into his new role. As his diagnosis of the OS unit's situation indicates:

> "You have to have people in these positions who recognize other people's talents and support their ideals for building a business. My job is to create an environment where people come forward with ideas and are supported to succeed . . . So while the OS group probably thought I was being too tough, my objective was to get them to recognize their opportunities, to hold them accountable for their actions, to help them build their credibility, and ultimately to support them so they could succeed....One of my most important roles is not only to develop business, but to develop the people who can develop the businesses."

At the top level of 3M management, the need for a breadth of knowledge and experience was even greater. In 1991, when the company was planning the transition to a new chief executive, board member and ex-CEO Lou Lehr said that the successful candidate was likely to be a career 3M executive five to ten years from retirement (for no other reason than it usually took 30 to 35 years to accumulate the breadth of experience to be effective in the top job in this diversified company).

Desi DeSimone, the CEO elected in 1991, was described in one news account as "a textbook example of the quintessential 3M CEO." He had moved up through technical, engineering, and manufacturing management positions to assume general management roles as managing director of the Brazilian subsidiary and eventually area vice president of 3M's Latin American operations. He was recognized as a senior manager with top management potential. "There were always people taking an interest in my development," DeSimone said on assuming the CEO job. In classic 3M fashion, he was brought back to corporate headquarters where he could be given experiences that would provide him with the background and knowledge to help him succeed in top-level positions.

Through the 1980s, he was assigned to head up each of 3M's three business sectors in succession, to broaden his knowledge of their markets and technologies as well as to refine the skills necessary to have an impact on their performance. After spending most of his career focused on the company's far-flung units in Canada, Australia, and Latin America, it was important for him to get a better sense of the organization's core structure, processes, and culture. By immersing him in corporate-level activities for more than a decade, 3M's top management and the board's appraisal committee wanted to ensure that he had the organizational understanding that was vital for any leader. Finally, DeSimone's promotion to the board in 1986 was important not only in bringing his expertise to board-level decisions, but also in broadening him as an executive by exposing him to the perspectives and experiences of top-level executives from other companies in different industries.

In companies like 3M where an understanding of the strongly held organizational values and cultural norms are central to the source of competitive advantage, the importance of a career-long development process must not be underestimated. Sometimes, however, a manager's strong links to the company's existing policies and practices become disadvantageous, particularly when the embedded beliefs have deteriorated into blind assumptions or outmoded conventional wisdom. In such cases, selection of an outsider with the desired personal characteristics can break the pathological cycle of inwardly focused indoctrination. But it does so at the risk of stranding the new leader without the relevant knowledge required to develop the appropriate top management skills for the company. The risks are particularly high where knowledge and experience accumulated in prior work is of limited relevance in the new situation. So while Larry Bossidy was able to make a relatively smooth transition from his top management job at GE to the leadership of Allied, another traditionally structured diversified industrial goods company, John Sculley's move from Pepsico to Apple became problematic due to his lack of computer industry background and his inexperience in managing the more informal network culture of Silicon Valley. Such problems underscore the important linkage between personal traits and acquired knowledge, on the one hand, and the development of the skills and abilities required to perform a job effectively, on the other.

Coaching for Skills Mastery

Of all the elements in the competencies profile, the particular skills and abilities an individual develops are probably the best indicators of job success, since they are the most directly linked to a position's key roles and tasks. Not everyone becomes effective in these highly specific yet critical personal skills, and the challenge for management is to identify those who can succeed and to help them develop these skills. The reason is that most of these skills rely heavily on tacit knowledge and capabilities that often grow out of the interaction between an individual's embedded traits and accumulated experience. So, for example, the critical entrepreneurial ability to recognize potential in people and situations is not an easily trainable skill, but one that often develops naturally in individuals who are curious and intuitive by nature and who have developed a richly textured understanding of their particular business and organizational environment.

Thus while some broader skills can be selected for and other simpler ones can be trained for, most of the critical skills are largely self-developed through on-the-job experience as individuals apply their natural talents and accumulated experience to the particular challenges of the job. In this process, the most effective role management can play is to coach and support those they have selected and prepared for the job by providing the resources, reinforcement, and guidance to encourage the self-development process.

ABB executive vice president Goran Lindahl clearly articulated the notion that an individual's natural characteristics should be the dominant factor in selection: "I will always pick a person with tenacity over one with just experience." Lindahl also spent a substantial amount of his time planning developmental job experiences for the individuals he selected. However, he considered his principal and most difficult management role to be acting as a teacher and a coach to help those in the organization leverage their experiences and fulfill their natural potential. It was this commitment "to help engineers become managers, and managers grow into leaders" that was vital to the development of the skills required to meet the demanding new job requirements.

Don Jans was surprised when he was asked to continue to head the relays company that ABB took over as part of the acquired Westinghouse power transmission and distribution business. "The prevailing view was that we had lost the war," he said, "and that the occupying troops would just move in." Yet Lindahl and Ulf Gundemark (his worldwide relays business manager) were impressed that Jans, like most of the Westinghouse managers, was a very capable individual with long industry experience. They felt that, with proper coaching, his natural energy, persistence, and competitiveness could be channeled towards the new skills he would need to manage in a very different way within ABB.

Jans met their expectations and—with his bosses' encouragement, support, and coaching—was able to develop a whole range of new skills that helped him turn around his relays company. By redefining Jans's company as part of an interdependent global network, ABB's senior-level management was able to refocus his attention on export markets, thereby helping him reignite his latent ability to identify and exploit opportunities. Through their own highly motivating and inspiring management approach, Barnevik, Lindahl, Gundemark, and others provided Jans with role models that encouraged him to tap into his own engaging personality and develop a more motivating approach to drive his people to higher levels of performance. ABB's cultural norm of high interest and involvement in the operations (what Lindahl called the "fingers in the pie" approach) led Jans to expand on his natural results-orientated competitiveness and develop a skill for creating and sustaining energy around the demanding objectives he set for his organization.

Meanwhile, Lindahl was helping support a very different set of new skills in the select few operating-level entrepreneurs that had been identified to take on senior-level business or regional responsibilities. One such individual was Ulf Gundemark, the young manager who was running the Swedish relays company and who had twelve years of experience in various parts of the organization. Lindahl promoted him to worldwide relays manager because he demonstrated the vital personality characteristics that Lindahl described as "generous, flexible, and statesmanlike." Driven by his boss's urging to become a "giver" rather than a "receiver" of management resources and constrained by his lack of division-level staff, Gundemark leveraged his naturally supportive disposition into a sophisticated skill of developing the operating-level managers reporting to him by delegating responsibilities and empowering them to make decisions. Lindahl also encouraged Gundemark to establish formal and informal management forums at all levels of his organization. By applying his flexible and integrative personality to his growing understanding of the organizational dynamics, Gundemark gradually acquired a strong ability to develop interpersonal relationships and team behavior. Finally, largely by following the example of his boss, Gundemark developed the vital senior management skill of maintaining the pressure for both long- and short-term objectives while helping the organization to deal with the conflicts that were implied. Although many were unwilling or unable to manage the very different task requirements of a senior manager's job (indeed, Lindahl estimated that even after careful selection, half the candidates for these positions either stepped aside or were moved out of the role), managers like Gundemark—who were able to develop their people skills and relationship-building skills—usually succeeded in these roles.

At the top levels of management, an even more subtle and sophisticated set of skills and abilities was necessary. More than just driving the company's ongoing operations or developing its resources and capabilities, these individuals had to be able to lead the company to becoming what Lindahl described as "a self-driven, self-renewing organization." The most fundamental skill was one that CEO Percy Barnevik had encouraged in all his top team—to create an exciting and demanding wok environment. Harnessing his own innate restlessness, Lindahl focused his naturally striving and questioning personal style on his broad knowledge of the company and its businesses to develop a finely honed ability to challenge managers' assumptions while stretching them to reach for new objectives. His bi-monthly business meetings were far from traditional review sessions. Lindahl led his senior managers through scenario exercises that forced them to think beyond straight-line projections and consider how they could respond to new trade barriers, political realignments, or environmental legislation. He also recognized that it was top management's role to develop the organization's values. "In the end," he said "managers are not really loyal to a particular boss or even to a company, but to the values they represent." One of the most vital was to create an environment of mutual cooperation and trust. By consistently applying his own natural forthright and open personal approach to a sophisticated understanding of the organization, he was able to create a belief in the institution and in the fairness of its management processes that was a prior condition for both entrepreneurial risk taking and shared organizational learning.

Finally, Lindahl's sharp mind and inspiring personal manner were able to articulate messages that provided the organization with conceptual insight about the business while simultaneously providing them with concrete motivational challenges. He routinely demonstrated this ability in his far-sighted views about ABB's role in helping develop the industrial infrastructure in a realigned global political economy. Furthermore, he translated those insights into challenges for his management. As a result of his skills and abilities, the company was able to radically rebalance its own value chain from the developed world to the emerging giants such as China, India, and Eastern Europe.

The reason this set of top management skills is so difficult to develop is that it both reflects and reinforces the conflicts, dilemmas, and paradoxes framed by the post-transformational organization. Unlike the classic top management task that focused on managing "alignment" and ensuring "fit," the role we have described involves at least as much energy being devoted to questioning, challenging, and even defying the company's traditional strategic assumptions and embedded organizational practices. The required competencies involve an even greater level of subtlety and sophistication to maintain a balance between challenging embedded beliefs and creating a unifying sense of purpose and ambition. Not surprisingly, only a handful of people have the potential to develop these scarce leadership skills, and perhaps the most critical task of top management is to identify these individuals and provide them with the necessary development opportunities and coaching support to allow them to fulfill that potential.

From Organization Man to Individualized Corporation

The dramatic changes in management roles and the individual competencies required to implement them are part of a broader redefinition of the relationship between the corporation and its employees in the post-transformational organization. In earlier decades, when capital was the scarce resource, top management's primary role was to use its control over investments to determine strategy as well as to create structures and systems to shape employee behavior in ways that would support those capital allocation decisions. This strategy-structure-systems doctrine of management led to the development of what William Whyte termed "the organization man"—the employee whose behavior was molded to suit the needs of the corporation and to support its strategic investments.

As the industrial era evolves into the information age, however, the scarce resource is shifting from capital to knowledge. But because the organization's vital knowledge, expertise, and strategic information exist at the operating levels rather than at the top, the whole authoritarian hierarchy has had to be dismantled and the roles and tasks of each management level radically redefined. Far from wanting to subjugate individual differences by requiring conformity to a standardized organizational model, companies are recognizing that in a knowledge-based environment, diversity of employee perspectives, experience, and capabilities can be an important organizational asset.

This realization implies a fundamental reconceptualization of the underlying management philosophy. Instead of forcing the individual to conform to the company's policies and practices, the overall objective is to capture and leverage the knowledge and expertise that each organizational member brings to the company. Thus the notion of "the organization man" and the Russian Doll model of nested roles that it reflected and supported are giving way to a concept we call "the individualized corporation"—one that capitalizes on the idiosyncrasies and even the eccentricities of exceptional people by recognizing, developing, and applying their unique capabilities.

This change in organizational philosophy has important implications for management practice. One of the most basic needs is to change the multitude of personnel practices aimed at recruiting, developing, and promoting people on the basis of a single corporate model—an approach most recently exemplified by the unrealistic competency lists of personal characteristics, many of which seem to resemble the idealized profile of the Boy Scout Law (trustworthy, loyal, helpful, friendly, and so on). Equally important, however, is the need for employees to accept that their career paths may not lead inexorably up the hierarchy, but will more likely take them where they best fit and therefore where they can add the most value for the organization. Together these changes are exposing the myth of the generic manager and are redefining the basic relationship between companies and their employees in a way that recognizes and capitalizes on diversity rather than trying to minimize and suppress it.

Notes

1. Henry Mintzberg's book *The Nature of Managerial Work* (New York, NY: Harper and Row, 1973) is one of the most celebrated pieces of work on this topic. In his analysis, Mintzberg compares the work patterns of managers in very different kinds of managerial jobs in some very different kinds of organizations (such as companies, schools, and public hospitals), treating them as a sample from a population of "managers." The concept of a generic management role is inherent in the study design. The same assumption is also manifest in Peter Drucker's *The Practice of Management* (London: Heinemann, 1955) and John Kotter's *The General Managers* (New York, NY: The Free Press, 1982), although the focus of these authors is clearly on the role of corporate top management. There are some exceptions to this rule, however (see Note 4).
2. See John Kotter, *A Force of Change: How Leadership Differs from Management* (New York, NY: The Free Press, 1990).
3. For a recent and comprehensive review of this literature, see Elena P. Antonacopoulou and Louise FitzGerald, "Reframing Competency in Management Development," *Human Resource Management Journal*, 6/1 (1996): 27-48.
4. Joseph L. Bower's book *Managing the Resource Allocation Process: A Study of Corporate Planning and Investment* (Boston, MA: Division of Research, Graduate School of Business Administration, Harvard University, 1970) is a good example of such exceptions. Based on this study of the resource allocation process, Bower develops a model in which front-line, middle, and top-level managers play clearly differentiated roles. Rosabeth Kanter's article "The Middle Manager as Innovator" [*Harvard Business Review*, 60/4 (1982): 95-105] also highlights such differences in management roles by suggesting the special role that middle managers can play in facilitating innovations.
5. While these trends are well-known and have been widely documented in the business press, Nitin Nohria's research on the changes in strategy, organization, culture, and governance of the 100 largest U.S.-based companies over the 1978-1994 period provides clear and systematic evidence of these developments. A brief report of this study is available in Nitin Nohria, "From the M-form to the N-form:

Taking Stock of Changes in the Large Industrial Corporation," Working Paper no. 16/1996, the Strategic Leadership Research Programme, London Business School, 1996.

6. The twenty companies we studied were: Intel, 3M, AT&T, Corning, Beckton Dickensen, and Andersen Consulting in the United States; Asea Brown Boveri (ABB), Ikea, International Service Systems (ISS), Richardson Sheffield, Cartier, Royal Dutch Shell, Lufthansa, and Philips in Europe; and the LG Group (erstwhile Lucky Goldstar), Canon, Kao Corporation, Komatsu, Toyota, and Reliance Industries in Asia. In each of these companies, we conducted extensive interviews with managers (over 400, in total) at different levels, both in their corporate headquarters and in their different divisions and national subsidiaries. We also collected additional data from a variety of internal and external documents. Except for Toyota, we have written and published detailed case studies on all these companies, which are available either through the Harvard case clearing system or from the International Case Clearing House (ICCH). Our overall findings and conclusions from this study are available in Sumantra Ghoshal and Christopher A. Bartlett, *The Individualized Corporation* (New York, NY: HarperCollins, 1997).
7. We have described these managerial roles in Christopher A. Bartlett and Sumantra Ghoshal, "Beyond the M-form: Toward a Managerial Theory of the Firm," *Strategic Management Journal*, 14 (Special Issue, Winter 1993): 23-46. In that article, written primarily for our academic colleagues, we have compared and contrasted our descriptions of these roles vis-à-vis those that are implied in some of the key strands of the related literature. In the present article, written primarily for a practitioner audience, we do not refer to this academic literature, but those interested in such references can find them in the 1993 article.