

---

# A Conversation with Henry Mintzberg

*Aron Pervin*

*Henry Mintzberg is both Cleghorn Professor of Management Studies at McGill University in Montreal, Canada, and professor of organization at INSEAD in Fontainebleau, France. His research deals with issues of general management and organizations; his current focus is on the nature and styles of managerial work, as well as forms of organizing and on the strategy formation process. He also heads up a team of people from five universities around the world, a group working to establish what they hope will be “next generation management education”—specifically, a master’s program aimed at the “development in context” of practicing managers. His own teaching activities focus on ad hoc seminars for experienced managers and work with doctoral students. Over the years, he has worked with a number of substantial family firms and contributed to a film about a patriarchal Canadian grocery family enterprise, Steinberg’s.*

*Mintzberg received his doctorate and master of science degrees from MIT’s Sloan School of Management and his mechanical engineering degree from McGill. Mintzberg is the author of the Nature of Managerial Work (1973), The Structuring of Organizations (1983), The Strategy Process (a textbook with James Brian Quinn, now in its third edition), Mintzberg on Management (1989), The Rise and Fall of Strategic Planning (1994), and the Canadian Condition: Reflections of a “Pure Cotton” (1995). He has written about a hundred articles, including two Harvard Business Review McKinsey prize winners, “The Manager’s Job: Folklore and Fact” and “Crafting Strategy.”*

*FBR talked to Mintzberg about planning, collaboration, boards, governance and his new management program.*

PERVIN: You’ve been quoted as saying that ‘strategic planning is not strategic thinking’ and that ‘strategic planning is an oxymoron.’

MINTZBERG: The word ‘planning’ implies a very systematic formalized process, which implies analysis basically, and you can’t get synthesis from analysis. The fallacy about strategic planning was that you could get strategies through a kind of systematic process. I think strategic planning has always been strategic programming. Once you have a strategy, then you can operationalize it through all those ideas. But that doesn’t give you a strategy.

PERVIN: Throughout all the literature, models have been presented and it's been formalized in such a way that sometimes negates its intended result.

MINTZBERG: I just think it's all been a complete and utter waste of time.

PERVIN: A lot of family entrepreneurs are probably loathe to plan because it makes them feel less flexible. Other family members, who are in the business or even outside the business, don't want to do it because it might make them accountable; it might make them more communicative; rather than controlling and secretive. And, planning, in and of itself . . .

MINTZBERG: Well, you know the ones that are going to grow obviously have to plan. I want to make a distinction between planning and strategic planning, because you need planning. You don't necessarily need strategic planning. But you need planning if you've got a logistics business.

Let's look at, for example, Steinberg's, a billion-dollar Canadian grocery conglomerate (which was sold after the death of the founder, due to a family squabble) or Ikea, a Swedish global manufacturer, sales and distribution company. Ikea is interesting because the owner hated planning and you could tell. I don't know if it's still the case, but years ago they were always out of stock. They were always screwed up with supply. But very good on creative product design and all that.

So, to make that transition from a small company to a big company, where there are logistics like retailing and so on, you need a lot of systematic planning. You've just got to learn to live with it. Planning is fine. You've got to plan to do anything. If they didn't plan, the crews wouldn't arrive when the planes leave. They've gone to an enormous amount of planning. But that's not strategic planning. That's operational planning.

I did a book called *The Rise and Fall of Strategic Planning*. Well, formalized strategic planning is a way to try and program strategy where it's not coming naturally. You have far more chance of getting it naturally in an owner business because the owner's probably there because he/she had some kind of vision of where they wanted to take the company.

PERVIN: At least at the beginning?

MINTZBERG: At least at the beginning. But strategic planning is no substitute for the absence of strategic thinking. You don't get it from a planning process because you're not getting it from a thinking process. The only thing that strikes me is that very often in so-called professionally managed organizations, you end up with so-called professionals who are devoid of any ability to think creatively.

You're more likely to get creativity in a family business for a couple of reasons. One is there's a very deep commitment and also there's a deep rooting in the details of the business more frequently, which I think is a prerequisite

for strategic thinking. I don't think you can think high unless you touch low, in a sense. Also strategy tends to be a little more personalized. Family business owners, generally, are much less likely to turn to technocrats to solve their problems, unless they're really empty.

PERVIN: How would you define the concept of 'strategic' in your ideas of unintended, realized and emergent strategy?

MINTZBERG: In emergent strategy strategies come out of a process of making decisions and doing things one by one. But even deliberate strategies, I don't think, come out of formalized planning processes. I think they come out of exchanges and discussions and all kinds of messy processes. But not through a formalized process where you assess strengths and weaknesses in the morning and look at threats and opportunities in the afternoon. I just don't think that structuring and formalization works.

PERVIN: So how do you see the entrepreneur's style of setting strategy?

MINTZBERG: Well, they're not usually big fans of planning. An example of an exception where a strategic shift can occur is Canadian Lady which was, of course, the classic entrepreneurial firm in the process of formalizing and adopting more of what is called a 'professional' style of management. Dylex, the retail conglomerate that was recently bought out after two generations of family management and some partnership squabbling, is a wonderful example of what we're talking about. That is, the use of professionals who are distanced from the operation. They were just enamoured with strategic planning and retailing.

PERVIN: How's that?

MINTZBERG: I mean, retailing is a hands-on business. You can't sit around doing these kind of abstractions in an office. The diversified retailer is also a bit questionable, because it means that people in the very senior positions are disconnected from any single market. I think the interesting thing about Dylex was that they were so obsessed with strategic planning that they drove the thing into the ground. Most entrepreneurs don't bother with all that. They tend to engage in some combination of a learning process and a visionary process. Usually you don't start a company unless you have a vision of something you want to do, which probably came out of some earlier learning process anyway.

I think of strategy as three major models. A planning model, which doesn't work; a visionary model, which is kind of a view from the mountain; and a learning model, which is kind of climbing the mountain. But you've got to climb the mountain before you get the view from the mountain.

So entrepreneurs tend to be people who have learned, developed a vision, and then keep learning as they are constantly revising the vision. And formulation and implementation collapse, as a separation, I think, in entrepreneurial or family companies, because when they're well run, there's a very close relationship between formulation and implementation. The visionary, the leader, has got very close touch or tabs on the strategy as it's unfolding. It's the separation that kills companies.

PERVIN: A lot of the consultants today try and assist their clients in developing visions. In the family-business world, the development of vision is looking at a shared future, to balance family members' participation in the business, with business growth and the ownership structure, especially when there's active and inactive. That takes on a different context.

MINTZBERG: All this stuff about a vision coming out of a consulting process really leaves me cold. That's when the tail starts wagging the dog.

PERVIN: Yes.

MINTZBERG: Well, I don't think there's any sort of trick or answer. It's just a question of the mettle of the person and the job. So, for example, you get IBM, where Thomas Watson, Jr., fought furiously with his father, but was able to redirect the company just because he had it in him. This was a case of a son who had it in him. And then you've got Eaton's, a Canadian retailer and department store chain. The people who were born to create the organization were hungry, probably. Their children and grandchildren were not born hungry, so they may have been more interested in their horses or their golf clubs than they were in their company.

PERVIN: When you're trying to deal with family traditions, family history, and things of that sort, in many instances, it's hard to actually re-enact strategies because of the burden that some of the traditions place upon the new leaders.

MINTZBERG: There are a lot of constraints, I know. It takes somebody who's quite forceful. The trouble is you get somebody who's forceful and not visionary, and they really kill it. But if you have somebody who's forceful and visionary, like Bombardier, they've stayed in SkiDoo® and transportation vehicles like that. And yet they diversified into other things within their core areas of transportation equipment and airplanes.

My concern with family business is always that it's a bit random, if you're going down a sort of single line from father to son. I've been thinking about it is as follows. Sons are no more as capable as their fathers, than the fathers were as capable as their fathers. In other words, the founder came from a father who didn't create a big business. Right?

PERVIN: Right.

MINTZBERG: So why should these same people believe that their children are as capable as they are?

PERVIN: A lot of the families sometimes confuse success with actual skill. And when the next generation comes in, how do you see their skills develop and keep pace with the needs of the business?

MINTZBERG: Well, it's not just the pace of the business. There's all kinds of factors here. And with progeny, it's sort of a random crapshoot. You can control values. And you can control education to some extent. But you don't particularly control intelligence or real capabilities.

That's not to say the children can't be brilliant. But because the parents were brilliant doesn't make the child brilliant. It could happen, but it's sort of randomly distributed. The companies that are most successful, it seems to me, go wide. They don't necessarily pass just down one line. So it may be a son-in-law and not a son. Same thing happened in Marks & Spencer, way back when. DuPont—some of the cousins built it up. So if you draw from a wide enough pool, then you can keep it in the family and still find capable people. I'm not saying that the sons are not capable. I'm just saying that it's a bit of a crapshoot.

PERVIN: What about when you are looking at strategy in the next generation and you can spend your own money. You don't have to answer to anybody or even the marketplace. And, you're able to attempt almost anything that you prefer, based on a whim.

MINTZBERG: You can get disconnected and can also be the source of incredible strength. It can go either way, because the fact that you're independent means that you can do things that other people look at and say, 'this is kooky.' So, you can get sources of tremendous creativity too.

PERVIN: So, do you think there's some correlation between rethinking and enacting strategy and perhaps the longevity of the family firm?

MINTZBERG: No. Because I can see all sorts of examples in both family firms and non-family firms. I did some work, a few months ago, at S.C. Johnson. That was, what generation—fourth—fifth.

PERVIN: Fifth generation, I understand.

MINTZBERG: Yes. The guy who has run it, up until recently, made some astounding changes during his tenure. He was the source of Off® and all sorts of things that they did. I think when he first proposed Off®, the reaction was

'Where's the wax in it.' And he said, 'Well, if you want, I'll put some wax in it.' But he had the strength to stand up.

And now, his kids are young, so there's a professional manager. The assumption is that one of them will run the company one day. Now, whether they'll have what their father has, who knows. Again, it's a crapshoot. One of the answers to this is if you're going to be a family that wants one of your children to succeed you, you'd better have a lot of children.

PERVIN: That's an interesting way to be able to enact the appropriate succession strategy.

MINTZBERG: I'm quite serious. You have ten or twelve kids, you have a big choice. If you have the courage to not pick the oldest. Let's look at Power Corp, the Canadian diversified financial services holding company. What's a guy like Paul Desmarais to do? Is he supposed to pick one son or the other son? So he took the easy way out and kind of split it.

PERVIN: It's hard to plan and collaborate in a family firm, especially when you've got active/inactive family shareholders and others you've known since birth?

MINTZBERG: It's hard. I don't know if I can generalize, because I don't know if I have any systematic knowledge of it. The only difference in a non-family-owned business is people are a little more detached. They don't care that much. Sometimes it's easier to collaborate when you don't care that much.

PERVIN: So if you say that if one can be detached, more objective rather than personalize things, that that might be a way for families to co-exist more effectively?

MINTZBERG: But the emotion, the involvement, is also a positive force. Any of these things can be pathological or healthy, depending on how they're dealt with. The emotion comes from commitment to a business. I sat in a S.C. Johnson conference business meeting, talking to a lot of the different people, and you could sense the energy, you could feel the culture of the place. When the chief executive gets up and speaks, there's a feeling of 'We really belong;' family and non-family alike. There's a sense that this place has a history, it has a soul. And when his children get up, it's not as if they look at them and say, 'Here are these young upstarts and they've got all this power and here I am working so hard and I don't have the power.' That wasn't the feeling. The feeling was 'This place has soul. It's got continuity. It's got feeling.'

And that's all very positive too. It depends on how you manage it. In S.C. Johnson, it's very positive. When it turns into a feud like at Steinberg's, they destroyed the company.

PERVIN: A lot of people [who] want to try and create a culture in their businesses and families often bring their family views and their culture to the business and it affects the way they operate. And when it goes from generation to generation, sometimes these values are not inculcated well in the succeeding generations. It's changed.

MINTZBERG: There's sort of three broad ways to go. There's the kids who buy into it totally and mindlessly, and that's no better, because they just kind of hang on to everything they can, and don't do anything and can't make any changes. There are some who either turn against the parents or just have never inculcated any of these values, so they just turn it into an ordinary company. But there are also those who understand it and appreciate it and work with it in nuances.

PERVIN: I guess that would be that they become stewards of the family values and the operation.

MINTZBERG: Exactly. And they understand it.

PERVIN: I wonder how owners can learn to qualify whether the next generation do understand that?

MINTZBERG: It depends on whether parents can instill values in their children. It has little to do with child psychology. It's just a human feeling.

PERVIN: Is there more to it than values? Such as being connected to customers and to the operating details of the business that are perhaps less glamorous than strategic planning?

MINTZBERG: It's always the same situation, I think. It's management that's disconnected. They figure they can run by remote control. Retailing is an on-the-ground, interconnected, involved operation. If you become a little too sophisticated, you should get the hell out. The trouble is that the original founder was presumably a foot-on-the-ground, very involved with his business, and as the generations develop, they become more and more sophisticated, and grow away from the very things that brought them all their wealth.

It's like the English aristocrat, who can be defined as somebody whose ancestors earned the dirty money. So when you're many generations on, you're landed gentry—you're really sophisticated, except that every damn thing that you have grew out of the fact that somebody made something two hundred years ago.

PERVIN: In a chapter of your book, *The Rise and Fall of Strategic Planning*, which I found rather fascinating, you talked about the fallacies of strategic

planning that predetermination, detachment and formalization . . .

MINTZBERG: I think it's the same kinds of things. Dylex is an example of formalization. Family businesses are usually sort of hands-on, and sort of intimate involvement kinds of businesses. The trouble is the word 'family business' spans everything from the corner grocery store to Ford. I guess Ford is still a family business in some ways. Yet, there are things that happen in Ford Motor Company that don't happen in the corner grocery store. But on the other hand, every time you pass it on to another generation, you risk disconnecting it. Sam Steinberg was dishing out apples himself as a kid. His kids didn't have to work in the stores on Saturday afternoons and Friday evenings. It might have been better if they did.

PERVIN: There's an article that I read, maybe ten years ago that was called 'The 100-Year-Old Start-up.' It basically described how each generation was able to build on the success of the past, and were able to get out from under the last generation's umbrella and shine.

MINTZBERG: It's unusual, I think. I think it's back to what I said earlier, if you have a wide range of people to choose from and you're reasonably clever, you'll pick someone who's got a good track record. If you've got two children to choose from, and neither of them has a good track record, then you're faced with saying no to both of them. A lot of people don't have the courage to do that. On the other hand, if my father had expected me to go into his business, I just wouldn't have thought that was reasonable. Some of these kids are miserable people. If the kids are suited to it, it's wonderful. But when the kids are forced into it, it can be destructive—terribly destructive for the kids.

PERVIN: Which is interesting, because they're expected to collaborate, especially when there are siblings or cousins who are coming in and are partners in the business.

MINTZBERG: They're also expected to be as capable as their parents.

PERVIN: Sometimes they are not allowed to be more capable, aren't they?

MINTZBERG: That's another problem.

PERVIN: Now, regarding intergenerational collaboration and next-generation collaboration, you once wrote about the psychic aspects as fundamentally a communication process of collaboration, and as well as the hurdles to the process. You even state that it might be easier to collaborate with the enemy. So I'm curious, how would you see family members getting the most from the process of collaboration?



MINTZBERG: There's another point that's probably even closer to that article, which is [that] sometimes friends can be enemies in the sense of it is often harder to collaborate with the people you're closest to. Families are noted, not just in business, for tremendous sensitivities. Somebody forgets to invite somebody to a party and everybody goes crazy. Those sensitivities, when they get translated into work, can become explosive.

PERVIN: But even in your observations of family members working and trying to collaborate . . .

MINTZBERG: Steinberg's wasn't exactly the same; there was little family collaboration. Sam controlled everything and slighted the people who were not his direct progeny, and didn't make it easy. He let them hold positions of influence, but he made it clear who was running it and who was going to run it.

PERVIN: When we deal with management styles, management work, accountability, and the full nature of managerial work, how do you see this unfolding in the family firm?

MINTZBERG: Well I'm not sure I see it differently. But, if you mean accountability to other stakeholders or other shareholders?

PERVIN: Sure, and accountability to key non-family managers, and to the rest of the business.

MINTZBERG: Again you have to distinguish. I see a whole range of behaviors because a traditional IBM was very dedicated to its employees. I'm not talking about the last ten years, but before that, it was very dedicated to its employees. And that was all part and parcel of the whole family thing. The guys at Steinberg's used to say that whenever there was a strike they wanted to cut the phone lines because Sam would give away everything, because it was his boys out on strike. He couldn't stand it.

PERVIN: If I remember correctly, he would always pay the highest settlements.

MINTZBERG: There was a headline in a newspaper that quoted employees saying that 'If only Sam were here.' We wouldn't be striking. He'd look after us. He'd pay us.

PERVIN: Do you think there's a difference in the nature of the managerial work that these types of family businesses inculcate in their youth, in the new family leaders?

MINTZBERG: It's the values that are inculcated, I guess. Some people consider it paternalistic, other people consider it protective, but they promote a 'we look after our own,' sort of thing. Not just our own family, but our extended family, in a sense. In the best of them, I think there is that feeling.

PERVIN: Where in your example of some of these family businesses that you're aware of, were the in-laws embraced?

MINTZBERG: In some of those cases, they were in-laws, like Marks & Spencer and in Bombardier, too. Because there are people with the name Bombardier on the board, actually, but it's Beaudoin who runs it. So I'm not sure if those are his brothers-in-law or his cousins-in-law. I think they may be his cousins-in-law.

PERVIN: Which brings to mind the idea of governance in family firms—ways to be able to create structures and systems that can help families who are in business together govern themselves

MINTZBERG: They all have boards of directors and bring in outsiders and so on, which is fine if they listen to them. But those directors are even more disconnected than a director who comes into a big corporation where everybody is more or less equal. So they're more an advisory group than real governance, because governance really sits with the people who own the company.

PERVIN: In your experience regarding sufficient outsiders on the board, does it really make a dent or a significant dent in the decision-making process?

MINTZBERG: It could, if they listen. I'm not sure there's anything that you can generalize. It depends on the personality. And when it comes to real crisis, the people who have the power will do what they want.

PERVIN: And they revert to whatever they thought, whether people agree with them or not.

MINTZBERG: Sure, but who decides. It's kind of like, 'Give me a place to stand and I'll move the world.' But how do you decide? If Sam Steinberg controls every single voting share, then how do you do this? I mean, Sam Steinberg had a board, and he did what he wanted anyway.

PERVIN: What if we consider the multiple owners situation, which might be active/inactive family members who are the owners of the firm?

MINTZBERG: That gets interesting. There's sort of a delicate balance here—whether you have a sort of zero sum game between two or three people; or

whether you've got a broad enough base so that they can balance each other. It's delicate, but sometimes it works. They work out procedures. And other times you get into huge, vicious fights.

PERVIN: How do you see the role of the advisory board and its participants with respect to the planning and strategic planning process?

MINTZBERG: I don't see them in the planning process, I see them in advising and sounding boards of ideas and all those sorts of things. I don't think they have a role in the planning process.

PERVIN: Does that mean that it is unlikely that they will have a large positive contribution to strategic thinking?

MINTZBERG: I think strategic thinking is managerial. There are people who get intimately involved and they become strategic thinkers for the company, but this is probably rare.

PERVIN: So, if that's rare, then the board's role in that would be something of a very monitoring and a challenging body?

MINTZBERG: Alter ego, other opinions, asking nasty questions. Being able to cope with family problems by using the board as an excuse to deal with tricky issues.

PERVIN: Let me change topics. I understand that you have developed a new international master's program in business specifically for practicing managers.

MINTZBERG: Five top business schools from around the world have joined forces to develop what we hope will become the next generation program in management education. Our intention is to break the mold of conventional university-based MBA teaching as well as in-house management development, and offer significant education to practicing managers in the context of their own jobs and the needs of their organizations.

PERVIN: Is the program presently in operation?

MINTZBERG: The first cycle will be finished in July.

PERVIN: Could you tell me a bit about it?

MINTZBERG: It's for practicing managers. They're sent by their companies in groups of four or five. It's around the world, so we run it in five modules, in five places. It's a partnership of five schools: McGill in Montreal, Canada;

The Management School at Lancaster University, England; INSEAD in Fontainebleau, France; The Indian Institute of Management in Bangalore, India; and Hitotsubashi University in Tokyo, Japan. They recruit companies from each of those places and they send participants. But we can take 'clusters' too. What's happened in India, for example, is three entrepreneurs in food retailing have come in as a group. They're willing to spend the money, because they're spending it on themselves; they own the companies. And they form a group, each one running his own company. So it's a natural. It works out perfectly.

PERVIN: I think that would be very beneficial for all of the people. Especially, because you're not looking at giving them an MBA, you're looking at giving them the skills to be able to manage a complex business.

MINTZBERG: Exactly. You know, Bombardier nearly sent one of their next generation, but he got too busy at the last minute.

PERVIN: Do the people actually take their training at their place of work, or do you pull them out into a classroom setting?

MINTZBERG: For two weeks at a time. Only for two weeks at a time. So they don't have to quit their jobs. And, it's spread over sixteen months.

PERVIN: A lot of family-business owners are happy to get their children educated as long as they can work at the same time.

MINTZBERG: Well, one of the people from India in this cycle is the son of a family business. But he's the only one.

To give you some more detail on what actually happens, it's spread over a year and a half and it has about eleven weeks in the classroom and this is reinforced by reflective activities back at work between the modules. We don't necessarily grant a masters degree, except for those who want it and do an extra major paper. We grant a degree in order that it be taken seriously, first as a significant educational and developmental activity in its own right; and second, by the participants, who can benefit from learning in the workplace as well as the classroom; and third, by the academic institutions themselves, which simply treat degree programs differently than non-degree programs. But we do not call this an MBA because of various connotations of that label, including the implication that it makes the holder more mobile. Our intention is to develop managers already committed to one organization. In that sense, the orientation of the program is co-operative, not individualistic.

To reinforce this, the content is not designed around the traditional functional areas of business education such as marketing, finance, operations and the like, rather, it is set up in terms of managerial 'mindsets'—one for each

module. For example, the practice of managing is the reflective mindset; managing organizations is the analytic mindset; managing context becomes the worldly mindset; managing people is the collaborative mindset; and the catalytic mindset, which relates to change management. We believe that management development is organization development.

PERVIN: Have you thought of focusing this endeavor on family businesses in any fashion?

MINTZBERG: Not yet. But it's one way to go. Somebody could design the same kind of program just for family business. It's a natural. But let me react to that. It seems to me that it's a natural for them in a number of respects. First of all, it's education. It sort of gives them a bridge to fairly sophisticated management thinking and management education, in a way that's compatible with how they work. In addition, they could send a number of family members and perhaps key non-family management as well. In class, we could get an executive team sitting at a table where basically the entire program becomes testing and developing ideas around a company. It also tends to help the class, because the class gets to know each other's situations. So it becomes very valuable as a way of kind of an ongoing sort of discussion. It could be very, very powerful. So a small company could send a team that would work together right through the program.

PERVIN: Now would you, for the family business market, entertain the idea of intergenerational enrollment?

MINTZBERG: We do have that in the case of India.

PERVIN: I'd love to hear the feedback if you only had a course for founders.

MINTZBERG: Someone told me, 'Be careful of mixing entrepreneurs with people from big companies.' So we'll see. It might be interesting to run it with four founders or four people from family-owned companies. In some ways it might be useful in having four or five people from the same type of industry, but different companies. It might be a little more neutral than having cousins and brothers and so on in the course, and still would provide an opportunity. If we have somebody from a British clothing retailer and a Canadian clothing retailer, an American one, and an Indian one, and one Japanese—they could form a group and there wouldn't be any competitive problems.

PERVIN: It's a dynamic process.

MINTZBERG: We see our process as an exciting effort that is still in development. It's a stretch to create something very new and very necessary. The de-

sign is not carved in stone because it has to evolve, particularly around the needs of the participants and of their organizations. In other words, right from the beginning, the program has been creatively customized. Upon reflection, this process might be a good fit for family business participants. But, we think that the design is only valuable because it will never be permanently fixed.

PERVIN: I wish to thank you for your wisdom and generosity.

MINTZBERG: You are welcome.

*Aron R. Pervin, CMC, is an advisor to family business who concentrates on sibling, twin, cousin, and intergenerational partnerships and relationships, and corporate and family governance systems and structures. He is based in Toronto, Canada.*