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The three habits...

...of highly irritating management gurus

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STEPHEN COVEY is fond of telling people that he is writing a book on the evils of retirement, "Live Life in Crescendo". There is no danger of a *diminuendo* for this particular guru. Mr Covey is working on nine other books, including one on how to end crime. He also presides over a business empire that is even more sprawling than his ever-growing family (he had 51 grandchildren as *The Economist* went to press).



Illustration by Brett Ryder

Mr Covey has been stretching his brand since 1989, when the publication of "The 7 Habits of Highly Effective People" turned him into a superstar. He followed up with a succession of spin-offs such as "The 7 Habits of Highly Effective Families" and "The 8th Habit". He is also the co-founder of a consultancy, FranklinCovey, that markets success-boosting tools and techniques. So far the original "7 Habits" has sold 15m copies in 38 languages and three of Mr Covey's other books have sold more than a million copies.

His stroke of genius was to blow up the wall between management and

self-help. "The 7 Habits" mixes the language of management consultancy—"synergy" and the like—with the moral exhortations that you find in Samuel Smiles's "Self-Help", Norman Vincent Peale's "The Power of Positive Thinking" and the 12-step literature put out by Alcoholics Anonymous and its offshoots. Mr Covey insists that the key to success, for both individuals and organisations, is to unleash the power that resides in everyone. "Private victories precede public victories," as he likes to say.

It is tempting to dismiss Mr Covey as merely a fringe figure. But this would be a mistake. He is a paid-up member of the management-theory club, with an MBA from Harvard. The club contains many serious thinkers, some of whom, such as Clayton Christensen, have endorsed him in glowing terms. He says that he got the idea for "The 7 Habits" in part from the claim of Peter Drucker, the most hallowed of gurus, that "effectiveness is a habit" and that the third (curiously) of the seven habits, "put first things first", comes straight from Drucker. FranklinCovey claims 90% of Fortune 100 and 75% of Fortune 500 companies as clients.

Nor is Mr Covey the first to mix management with self-help. In the early 1900s Frank Gilbreth, one of the pioneers of industrial psychology, tried to raise his 12 children according to Frederick Taylor's principles of scientific management. He discovered that you could cut the time it took to shave if you used two razors at once—but then abandoned the idea when he found that it took an additional two minutes to bandage the resulting wounds.

Mr Covey is only an outlier in the sense that he embodies, in an extreme form, many of the most irritating habits of the guru industry, not least the habit of producing numbered lists of habits. Three habits are particularly worth noting.

The first is presenting stale ideas as breathtaking breakthroughs. In a recent speech in London Mr Covey declared capitalism to be in the middle of a "paradigm shift" from industrial management (which treats people as things) to knowledge-age management (which tries to unleash creativity). Gary Hamel, who according to the *Wall Street Journal* is the world's most influential business thinker, proclaims, "For

the first time since the dawning of the industrial age, the only way to build a company that's fit for the future is to build one that's fit for human beings."

But management gurus have been making this point for decades. William Ouchi announced it in 1981 in the guise of "Theory Z". Elton Mayo and Mary Parker Follet had made much the same point 60 years before. It makes you long for some out-of-the-box thinker who will argue that the future belongs to companies that are unfit for human beings (which it may well do).

The second irritating habit is that of naming model firms. Mr Covey littered his speech in London with references to companies he thinks are outstandingly well managed, including, bizarrely, General Motors' Saturn division, which is going out of business. Tom Peters launched his career with "In Search of Excellence" in 1982. Jim Collins has written a succession of books celebrating the great and the good of the corporate world.

In search of rigour

But do these corporate hagiographies prove anything? The gurus routinely ignore such basic precautions as providing a control group. Five years after "In Search of Excellence" appeared, a third of its ballyhooed companies were in trouble. Andrew Henderson of the University of Texas has recently subjected "excellence studies" to rigorous statistical analysis. He concludes that luck is just as plausible an explanation of their success as excellence.

The third irritating habit is the flogging of management tools off the back of numbered lists or facile principles. Mr Covey reinforces his eight habits with various diagnostic devices such as "the XQ test" (which measures organisational efficiency much as an IQ test measures intelligence). Consultancies like to tell their clients that the key to success lies in "customer-relationship management" and then sell tools to improve it.

But most of these rules are nothing more than wet fingers in the wind. Gurus preach the virtues of "core competences". But in the developing world many highly diversified companies are sweeping all before them.

Customer-relationship management is all about learning about and from your clients. But Henry Ford pointed out that if he had listened to his customers he would have built a better horse and buggy.

Which points to the most irritating thing of all about management gurus: that their failures only serve to stoke demand for their services. If management could indeed be reduced to a few simple principles, then we would have no need for management thinkers. But the very fact that it defies easy solutions, leaving managers in a perpetual state of angst, means that there will always be demand for books like Mr Covey's.

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