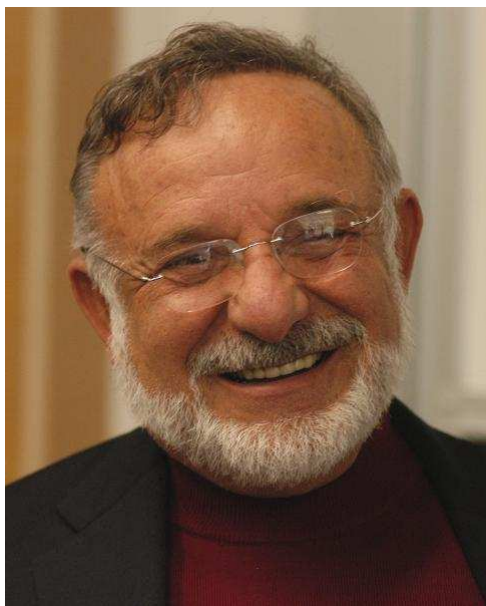


CEEMAN Dialogues - an Interview with Ichak Adizes



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Diversity calls for mutual trust and respect

In her proposal of December 2007 to the Senate (Postgraduate Commission) of the IEDC-Bled School of Management, Postgraduate Studies, to award the honorary title Doctor Honoris Causa to Dr Ichak Adizes, Danica Purg, President of IEDC, wrote:

“Dr Ichak Adizes is one of the world’s leading authorities in change management and creator of the unique program for managing change that bears his name.

The Adizes Program is based on a unique, multidisciplinary, and consistent approach to management and leadership. The main building blocks of his unique theory are: an original approach to the corporate lifecycle, an original managerial typology, and an equally original approach to leading and managing change in a constructive and conflict resolution way by relying on mutual respect and trust. The theory, which helps organizations to achieve and maintain prime performance, has been consistently elaborated in seven books that have been translated into 22 languages and published worldwide in 50 editions.

Dr Adizes personally and his work have made a significant impact worldwide. His applied theory has been used by over 1,000 organizations, ranging from Fortune 100s and nonprofits to start-ups and mid-sized companies. Dr Adizes has consulted or lectured to the prime ministers or government cabinets of more than 10 countries. His work and writing have been featured in leading international journals and newspapers. His method has been taught in several management and/or social disciplines in different countries, while the Adizes Institute, Santa Barbara, California, USA, which he founded, and the Adizes Graduate School, where he is Academic Dean, have been creating generations of associates who are implementing the Adizes Program worldwide.

Dr Adizes and his work have received numerous recognitions and awards in different parts of the world. Executive Excellence, one of the most prestigious business magazines in the US ranked Adizes 27th on the 2007 Excellence List of the 100 Top Leadership Consultants.

Dr Adizes has also taught at the IEDC-Bled School of Management and lectured at several major events and programs of CEEMAN. In doing so he not only demonstrated his high professional excellence and intellectual width and depth, and his outstanding personal integrity and moral values, but also inspired IEDC participants and other stakeholders. In such a way he also significantly contributed to the specific values that the IEDC-Bled School of Management stands for in its continuous efforts to contribute to leadership development for a better world.”

This applies also to CEEMAN, which has recently developed a fruitful cooperation with Dr Adizes. The cooperation started in October 2004 when he generously offered CEEMAN members his books and other educational materials free of charge. Sixty institutions from 24 countries from Europe, North America, and Asia including some non-CEEMAN institutions benefited from this unique opportunity.

Dr Adizes was also a remarkable keynote speaker in the 13th CEEMAN Annual Conference on Innovations in Management Development held in Kiev, Ukraine, in September 2005, as well as in the 15th CEEMAN Annual Conference on Globalization and Its Implications for Management Development, which was held in Istanbul in September 2007.

CEEMAN is particularly proud of having organized a unique seminar on Adizes Methodology, which in August 2006 at the IEDC-Bled School of Management gathered 27 management educators, business executives, and management consultants from 12 countries.

Dr Adizes will also provide keynote input to the Deans and Directors Meeting on Management Education Institution Building - Transition to Phase 2, scheduled for 25 September 2008 in Tirana, Albania, where he will share his views on how business schools from the transitional and emerging economies could make a shift from pioneering to modern competitive organization.

The following interview, however, is devoted to Dr Adizes' participation as keynote speaker in the EURAM 2008 Conference on Managing Diversity: European Destiny and Hope, which CEEMAN and its member institutions the Faculty of Economics-University of Ljubljana and the IEDC-Bled School of Management will host in Ljubljana and Bled on 14-17 May 2008.

Diversity is the term that is usually used to describe or acknowledge the existence of certain differences among various groups, organizations, societies at large, and so on. However, we believe that when it comes to leadership and management, the prevailing perception of diversity encompasses only a limited number of aspects. Dr Adizes' unique theory of management and leadership has a much broader and deeper perception of diversity. It includes differences among individuals, organizations, and societies but also within each of these entities. It also included issues such as organizational morphology and structures, strategies, management functions, leadership, and managerial styles.

In addition, his approach to diversity is also inherent to his theory of organization life-cycles, which recognizes diversity as both a natural result and a precondition for organizational growth, evolution, and development.

Last but not least, the professional career and personal life of Dr Adizes are by themselves exemplary stories on diversity and the related challenges and opportunities. For these reasons we believe that *CEEMAN News* readers would be interested in benefiting from his thoughts, ideas, and experience on diversity and leadership.

Which aspects of diversity have the most important impact on leadership and managerial approaches and practices?

Leaders are "born" by the situation that calls for what that person has to offer and no one person can be a leader in all situations. One situation calls for fast decisive action and risk taking, another one might call for cautious political maneuvering before striking for action. Different people have different styles and what creates a leadership is when the demands of the situation match the style of the person leading.

I found however that no situation is "pure" and calls only for one style to lead. It could happen but it could produce a disaster because the leadership style could not be just predominant as the situation requires but skewed to the point of being one sided and overly biased. Thus to arrive at a balanced decision an organization needs a diversified leadership team around the leading person.

A complimentary leadership team means having problems of communication because diverse styles communicate and decide differently. This can create conflict. Diversity calls for mutual respect and trust or the conflicts will be destructive.

What are main challenges and, on the other hand, the main opportunities when it comes to managing diversity and/or leading change in complex and diverse external and internal environments of an organization?

The problem, which at the same time it is an opportunity, is *how* to create and nourish this absolutely necessary culture of Mutual Trust and Respect.

It is a problem because if it does not exist the internal conflicts in the organization will stymie the decision-making process or bad decisions will be made to the detriment of the organization.

The opportunity is that those who do build and nourish Mutual Trust and Respect will have a strategic advantage in the market place: they will make better decisions and implement them faster, which in a complex fast-changing environment is critical for success.

Your life-cycle theory of organizations is an example of a very complex and deep diversity within an organization, which along the path of its growth and development becomes different from what it has been in the past and what it has yet to be in the future. From the leadership and management point of view, which diversities are critical, both as challenges and opportunities, in different stages of the life-cycle and how they should be approached?

For a start-up company you want a leader who is both entrepreneurial, which means creative and risk taking, and at the same time result oriented. He or she should have a number two complimentary leader who is process oriented, back of the house oriented and people oriented, which usually the entrepreneurial leader can not excel in as well.

When the company moves into adolescence, that is when the organization needs to get organized and move from "absolute monarchy" to "constitutional monarchy", from entrepreneurial seat-of-the-pants management to professional management, the number two has to become number one and whoever was number one should take a back seat for a while letting the new leader stabilize the company.

When the company reaches Prime and is professionally well run, it calls for decentralized entrepreneurship and a new organizational culture that requires a third type of leadership if the company is to stay in Prime.

When an organization ages it calls for an entrepreneurial leadership to rejuvenate the company and the previous leadership should take a back seat but not disappear, otherwise the changes are not smooth and evolutionary but revolutionary and disruptive.

Your theory emphasizes both the critical role of the leader, but also of his/her leadership and managerial teams. In this respect two questions are equally important. One of them is how to build effective and efficient teams while the other is how to change one's own style when leadership and managerial tasks are delegated to those teams.

I find that for a team to be effective we must sacrifice it being efficient. It is those all efficient "every minute planned" meetings that kill creativity and thinking. It is all action oriented with little discussion or it is a very superficial discussion.

As to changing one's style. Some people can and as their organization moves along the life cycle they change their style. In that case there is no need to replace them. It is like a good parent that changes their parenting style as the child grows to adulthood. Those that cannot change their style need a complementary parent who takes over. Frequently it is the grandparents or the child grows dysfunctionally.

A leader needs to change his or her style as the organization changes in the life cycle or the leader has to be changed or the organization will suffer.

Among the main building blocks of your theory and approaches to leadership and management are the concepts of mutual trust and respect. These concepts are directly related to the issue of diversity and what to do about it. On the other hand they are so mutually related and interdependent that they resemble "the hen and the egg" story. How do you see their relative roles? Which one comes first? Does the context have anything to do with it?

First let me explain why mutual trust and respect are critical for managing *with* diversity, not just managing diversity.

A diversified managerial team is like a marriage. There will be conflicts because the styles and interests of those who compose it will by definition be different from each other and this

conflict can be destructive. What will make it constructive is mutual trust (faith that they have a common interest at least in the long run) and mutual respect (they believe they can learn from each other's differences).

Which comes first, trust or respect?

There is a debate in the Adizes network of associates (professionals who teach and apply Adizes as a methodology to change organizations). Some say (and I belong to that school) that trust is first. Without trust how can you be open to learn from people who disagree with you? Others say, no, respect is first. How can you trust unless you learn from people who disagree with you and when you learn it creates trust?

It appears that at the starting point they are "together" and they grow, impacting each other either positively or negatively.

Whether they undermine or build each other up, I do not believe is dependent on the context of the situation. It depends on how we direct our thoughts.

Descartes said "since I think I am". He was right but he had the dependent and independent variables upside down. I would say "I am what I think". And what I think colors my experience rather than my experience impacting what I think.

So, what does impact what I think?

It is my soul. My spirit. And that depends on the stage of my spiritual development. A highly developed spiritual person will interpret events (ie think) totally differently than a person who has not even started the spiritual journey.

The EURAM 2008 Conference is about Managing Diversity: European Destiny and Hope. In trying to achieve and sustain a competitive position Europe as a whole as well as its corporations and institutions have to deal with the challenges related to diversity, while on the other hand they could also benefit from the respective opportunities. In doing this each of the main three participant groups have a role to play.

What are the critical areas which management researchers should focus on in the future? Which are the critical issues that leadership and management practitioners should deal with? What changes in the approaches to leadership and management development are needed in order to enable business schools and their faculties to cope successfully with the challenges and opportunities of diversity?

We are all in the midst of a third world war, globally. Some do not recognize it as a world war because it is not like the first two. This one is not among nations. It is cross national and global. And it is not a war of cultures as Professor Huntington has claimed. It is beyond that and the common denominator started and existed in both previous world wars.

It is a war between those who believe and nurture diversity (the political expression of it is democracy) against those who negate diversity (autocracy, fascism, and communism are its political expressions). Look at what was the common denominator of the regimes of the allied countries versus the axis countries.

Today it is a war manifested in terrorism between countries that believe in diversity against religious fanatics that will not tolerate diversity. It is the religious fanatics against the liberals or the secular.

Europe's increasing radical "muslimization" met by non-tolerant political ideology could mean increased intolerance to diversity.

The challenge of Europe is how to deal with this increased intolerance. What will be the nature of Europe unless the majority of its population is open to diversity in religion, art, political expression, and so on? How not to lose the culture of "live and let live"?

As to regaining competitiveness, Europe's challenge is in how to build and nurture entrepreneurial human resources. Historically it exported them to the US. The UK has overcome this problem and is now "importing" entrepreneurs. Germany and, especially, France are still struggling. Without a growing entrepreneurial class the system ages, it gets increasingly bureaucratized, which further rejects entrepreneurial efforts which in turn feed further bureaucratization and the cycle repeats itself.

Business schools have a critical role to play, which they are failing in, in my opinion, miserably. My observation is that we are not training and nurturing students how to think out of the box and encouraging them to take risks.

We are not developing entrepreneurs unless it is for the financial markets as investment bankers, fund managers, or consultants. But notice that these professions do not build businesses. They benefit by assisting those entrepreneurs who *are* building a business. So business schools by and large do not develop people who will start and build businesses. We train professional managers who usually end up in staff positions. We do not encourage people to take risk. We teach them how to evaluate risk and control it.

"If you want to start a business do not go to business school" might be the motto. It is like the worst that can happen to a talented art painter: to go to an art school. They kill the talent by teaching too much about how to criticize art, not how to dare and break ranks.

Do we teach how to learn or do we teach what to know? Can business schools help entrepreneurship? Look who is teaching there. How entrepreneurial are the instructors?

While people around the globe appreciate and widely implement your theory, they also associate it very much to your personal charisma. We believe that all this also has to do with your own life story, which itself is exemplary for diversity. Could you indicate which aspects and issues of diversity have been the main challenges for you in your professional and personal growth and development? Along the same lines, what were the main opportunities? Or, in a nut shell, how did you turn your own personal and professional challenges into opportunities?

Ah, you are giving me credit I do not deserve. I did not sit and analyze how I can turn my personal life and experience into a successful career.

I honestly planned nothing. I just reacted to what was happening. Planning has nothing to do with my success or failure and while I sometimes feel I succeeded, most of the time I feel I am an enormous failure because there is no bigger burden than a potential not fully realized.

I feel I could and should do so much more and I am wasting my life by running around. I wish I could plan how capitalize on my strength and protect myself from my weaknesses. It did not work like this for me.

But I agree with you that my life history must have had a lot to do with my philosophy. My life's work must have been impacted by my life experiences because I did not develop my philosophy in the library nor by running experiments and analyzing them with sophisticated statistical tools.

To survive the second world war we hid as Muslims in Albania (I am Jewish). After the war, in Belgrade I learned Serbian then in Israel Hebrew and Medieval Spanish because that is how I communicated with my Sephardic family. (Sephardim are Jews who were expelled from Spain in 1492 and kept the language all these years).

Then I came to study in the US. A new language again. I can lecture in four languages but I have an accent in all of them. There is no place where people do not ask me: "where are you from?" I belong everywhere and nowhere.

Then the Yugoslav system of self management that I studied for my doctorate threw me into a spin. Everything I learned at my US business school (Columbia) was turned on its head. Then when I started consulting and I realized that what I was teaching in the graduate school was all based on what should happen and not on what does happen in the real world. So I gave up my tenure at the university and went to work to see how to make things really happen.

And I failed a lot and wondered why. And then I got invited to lecture or consult all over the world, so far 52 countries. And with each new criticizing audience I learned what makes sense and what does not make sense in what I was teaching. So my theories became universal.

Then people accused me of not really having a theory; that it is my charisma or commitment, like a bull dog, that explains my success in leading change in organizations. So I started the Adizes Institute to teach what I know and certify people to do it. And then I realized that you really do not know what you know till you teach it. So I had to articulate and operationalize my

management theory and put it in writing because you really do not know what you are saying till you read what you wrote.

Then I was invited to lecture to heads of government, which opened a new door for learning about how to manage change in very, very large systems – countries. And I failed miserably. I produced very little change, although with corporations I had a very high rate of success in implementing change. So I had sleepless nights.

Why? What are the differences? And I am learning that the rules for leading change successfully that apply to micro systems (personal growth) do not apply to mezzo systems (organizations) and what works for organizations does not work for countries and what works for a country does not work for the planet Earth.

And that has been my journey of non-stop discovery caused by non-stop change: new language, new country, new challenging consulting assignment I was not sure I could succeed in.

It has been, and still is, a journey that has no end. I did not plan it. I just allowed myself to be taken for a ride while being aware and conscious of what I experienced and not being afraid to fail and ask "why?".

And I had faith that the answer would come, although it might come many years later, and realizing that whatever answer I get I will really understand only when I share it and let others tear it apart.