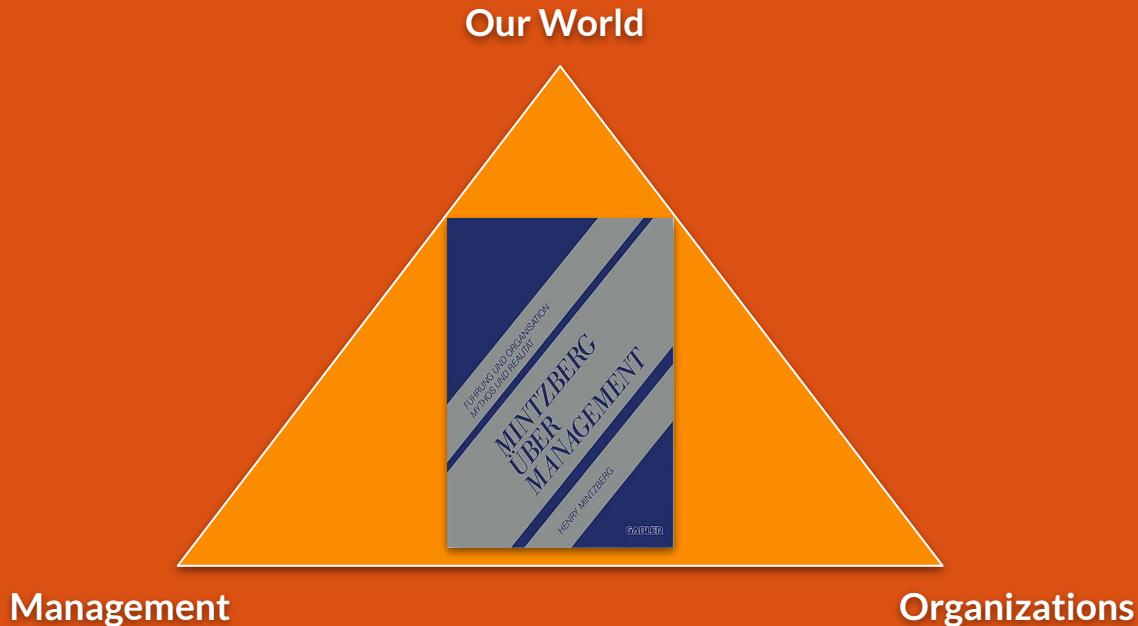

Mintzberg on Management

Leadership and Organizations - Myth and Reality



Henry Mintzberg

- *02.09.1939
- canadian professor, author and academic on *business and management*
- Cleghorn Professor of Management Studies at the Desautels Faculty of Management of McGill University in Montreal, Quebec, Canada



What do we know about managers?

The manager is a deliberate, systematic planner.



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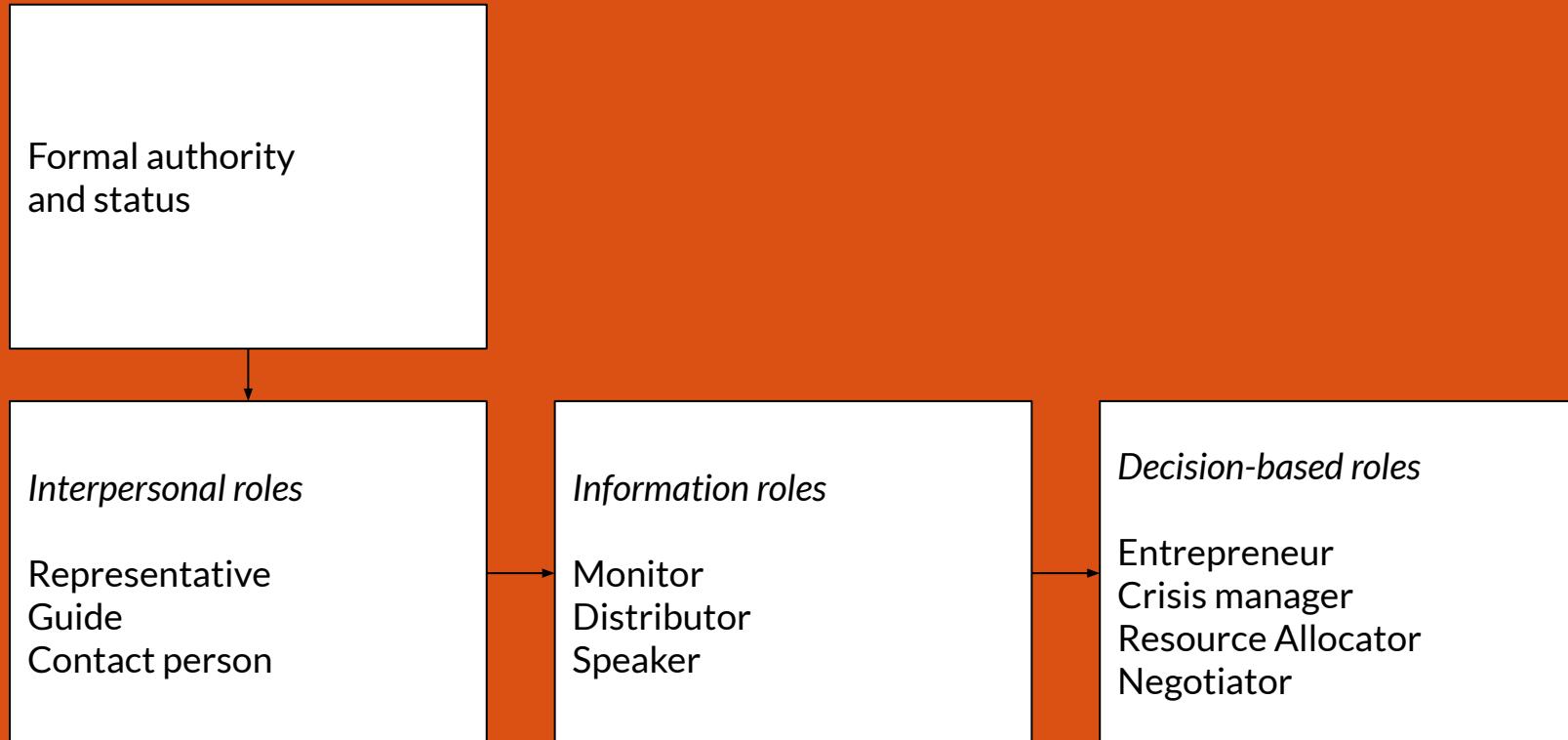
~~Managers in top positions need aggregated information, which is best ensured by a management information system.~~

→ Managers very much prefer the *verbal medium* - i.e., telephoning and personal meetings.

~~Management is a science and a profession, or can quickly become one.~~

→ Managers live by their *intuition and judgment*. Planning and processing remain hidden in the minds.

Roles of the manager



Roles of the manager

Formal authority
and status

- Responsibility for an organization or one of its subunits
- Formal authority over an organizational unit
- Access to information
- Make decisions and develop strategies

Roles of the manager

Representative

- Ceremonial obligations
- Routine matters
- No serious communication or important decisions

Guide

- Direct leadership
- Hiring and training of its employees
- Motivates and encourages
- Potential power

Interpersonal roles

Representative
Guide
Contact person

Contact person

- Cultivate contacts to obtain information
- Building the external information system that is informal, private, oral

Roles of the manager

Monitor

- Scanning the environment for information

Distributor

- Disclosure of information to employees

Speaker

- Making speeches
- Inform and satisfy influential people

Information roles

Monitor

Distributor

Speaker

Roles of the manager

Entrepreneur

- Initiation of a development project
- Control and delegation

Crisis manager

- Response to constraints

Resource Allocator

- Responsibility of deciding who gets what in the organizational unit
- Authorizes major departmental decisions before they are implemented

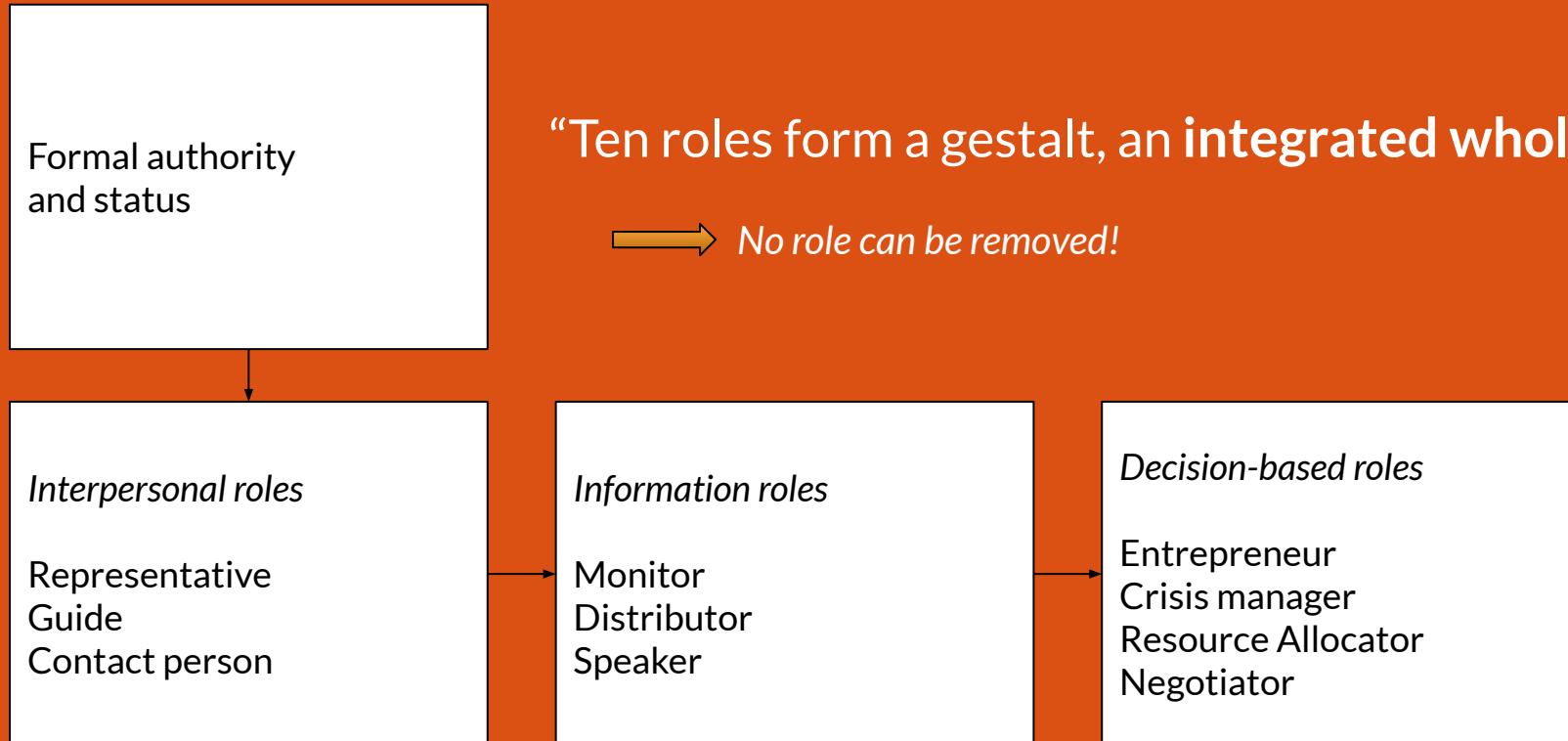
Negotiator

- Negotiations with access to resources and key informations

Decision-based roles

Entrepreneur
Crisis manager
Resource Allocator
Negotiator

Roles of the manager



What is strategy?

“Strategies are *plans for the future and patterns from the past.*” [3]

“The pattern in past action, or what I call *realized strategy*, reflects the practice of following a strategy.” [4]



What is strategy development?



“Strategies do not have to be planned - they can also emerge to a greater or lesser extent.” [5]

What is strategy development?

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“[...] not so much thinking and reasoning as *involvement*, the feeling of *familiarity and harmony* with the material, formed through long *experience and commitment*.^[6]”

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What is strategy development?

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“*Strategies can be formed as well as be formulated.* A realized strategy may emerge as a response to an evolving situation, or it may be produced in a planned manner through a formulation process followed by implementation.” [8]

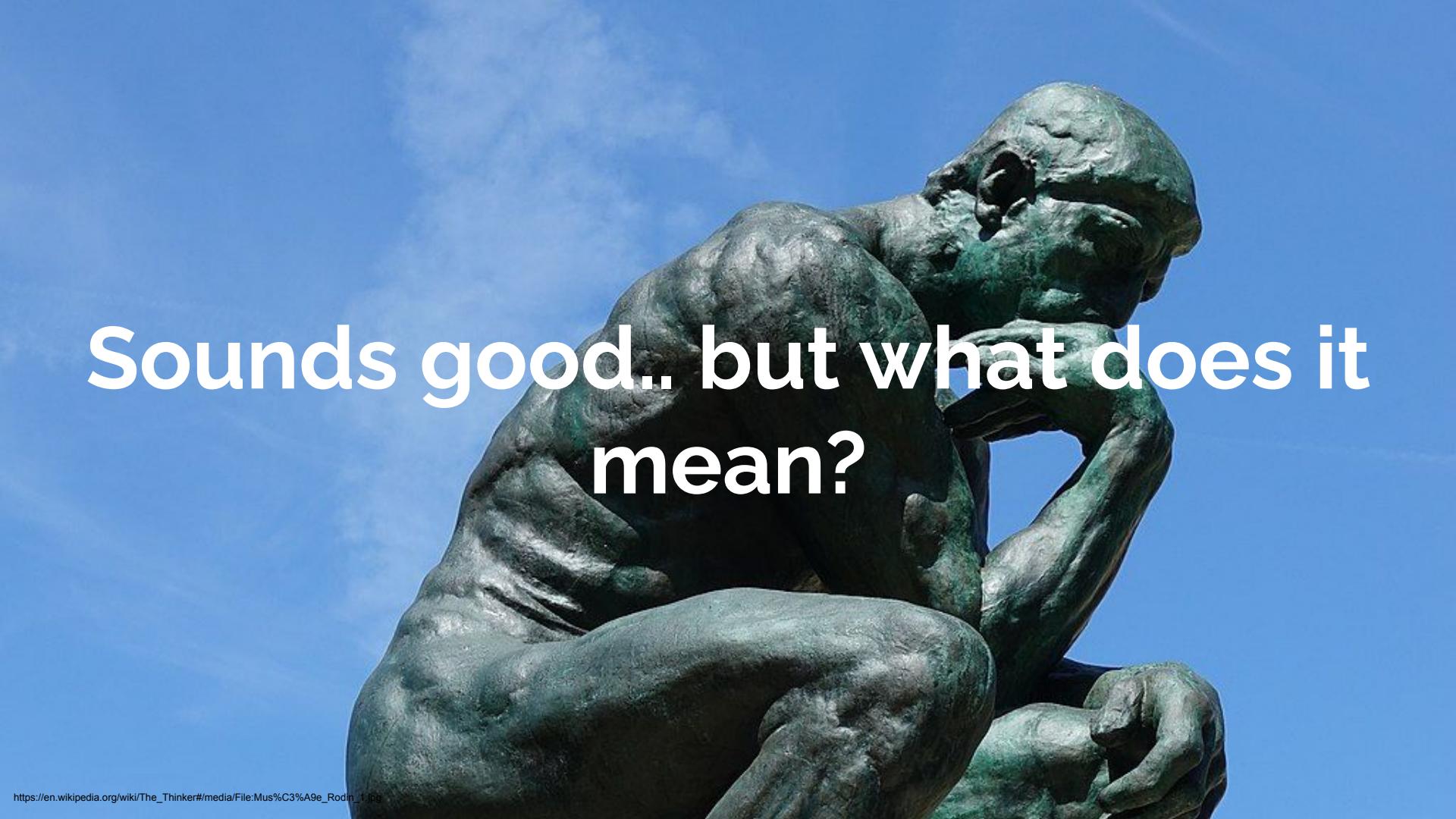
What then does it mean to craft strategies?

“Managing strategies then means thinking, acting, controlling and learning in an artisanal way.” [9]

What then does it mean to craft strategies?

“Managing strategies then means thinking and acting, controlling and learning, stability and change in an artisanal way.” [9]

- Manage stability
- Discover discontinuities
- Know the industry
- Manage patterns
- Reconciling change and continuity

A bronze sculpture of Auguste Rodin's "The Thinker" is shown from the waist up, set against a clear blue sky. The figure is in a contemplative pose, with his left hand resting on his chin and his right hand supporting his left elbow. His head is tilted back, eyes closed, suggesting deep thought. The sculpture has a dark, weathered patina.

**Sounds good.. but what does it
mean?**

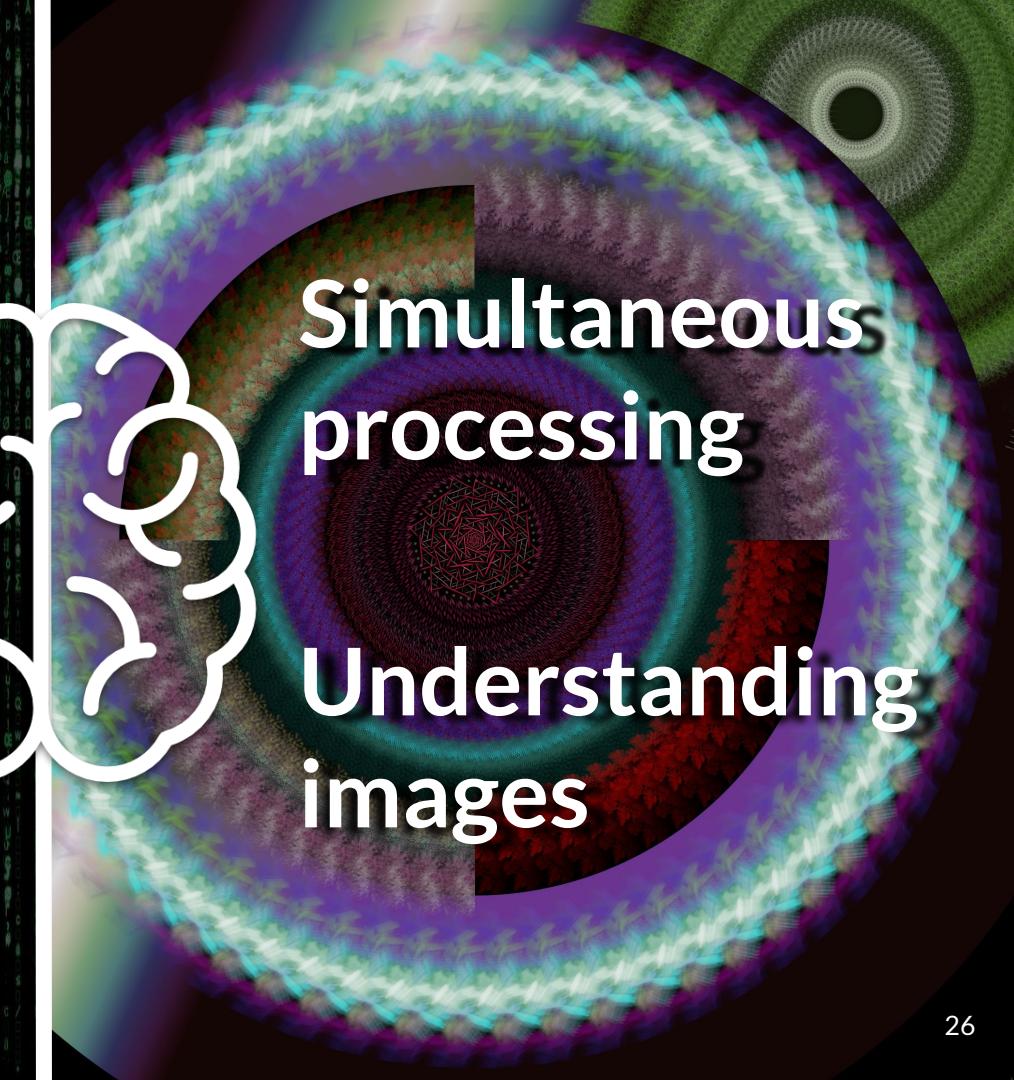
Operation mode predominantly linear

Information is processed sequentially and processed in an ordered manner



Simultaneous processing

Understanding images





- “Read” oral communication, facial expressions, voice inflections and gestures
- Preference of relational and simultaneous rather than ordered and sequential methods of information retrieval
- Impressions and feelings about other people, hearsay, gossip
- “Synthesize” rather than “analyze”
- Operation mode is relational, simultaneous, experimental

“I therefore hypothesize that the important processes of managing organizations depend to a large extent on the abilities associated with the *right hemisphere of the brain.*” [10]

What does this mean for those involved in management?

“First, I am not suggesting that planners and management theorists pack their technology bags and leave the organization, or that they should spend the rest of their time basket weaving or meditating.” [11]

- Planning only under stable environment and no use for an innovative strategy
- Communicate results to top management (verbal!)



“Plan with the left, Manage with the right.” [12]

[11] Henry Mintzberg, Mintzberg on Management, p. 67

[12] Henry Mintzberg, Mintzberg on Management, p. 57

Analysis vs. Intuition

Costs

- Time-intensive
- High operating costs, but relatively low investment costs
- Immediately has an answer
- Almost no operating costs but investment costs are high

Analysis vs. Intuition

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- Usually very correct, but that it arrives at strange answers when it gets it mistaken

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- Acting before thinking

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Complexity

- No understanding of complex feedback loops without the help of formal models

- Understanding of some social systems depends on soft data

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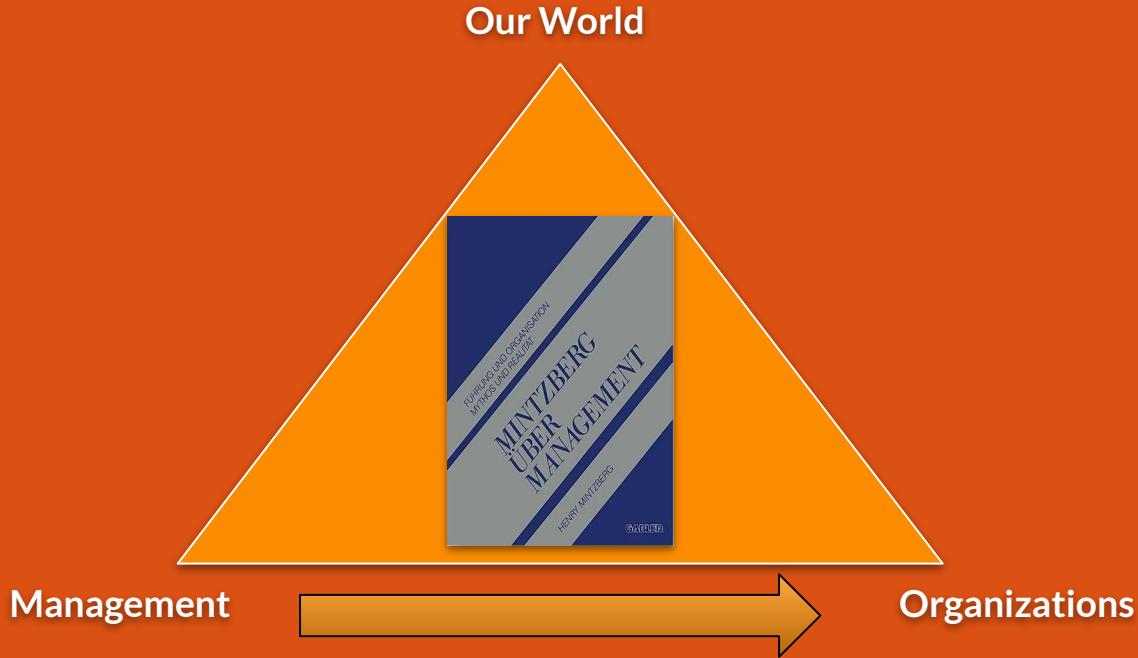
- No understanding of complex feedback loops without the help of formal models.

- Understanding of some social systems also depends on soft data

Creativity

- Creation of a greater adaptation than to innovative breakthroughs

- Innovative breakthroughs or nothing at all



What is an organization?

“Organizations as Configurations.” [13]

“The success of different industries cannot be explained by the use of any single organizational characteristic, but rather by how the different characteristics are combined.” [14]

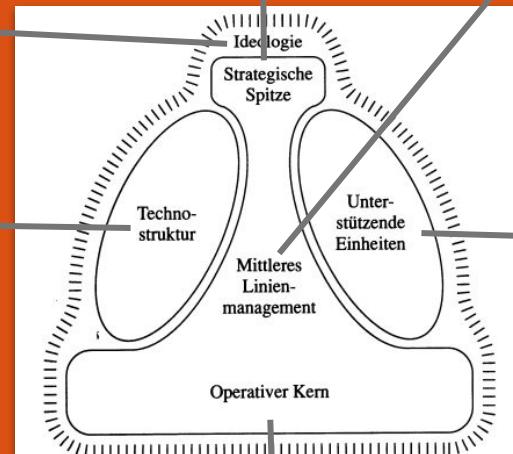
Components and participants

Traditions and beliefs of an organization that distinguish it from others and bring life to the structural skeleton

Analysts who perform certain administrative tasks - the formal planning and control of the work of others

Full-time manager

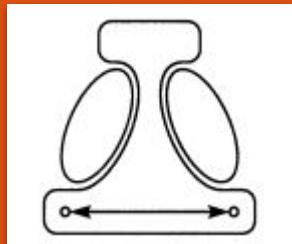
Managers for the operators, but also managers for the managers



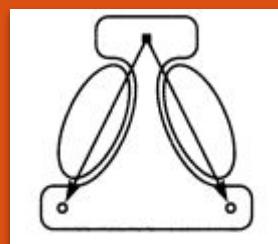
Cafeteria or mailroom to the legal counsel or a public relations department to provide for the various internal services

Operators who perform the basic work of production and services

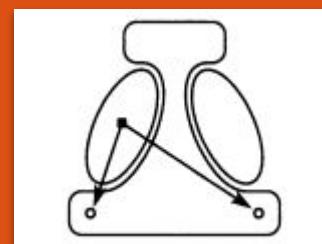
Coordination mechanisms



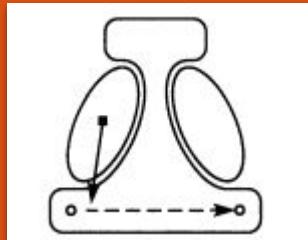
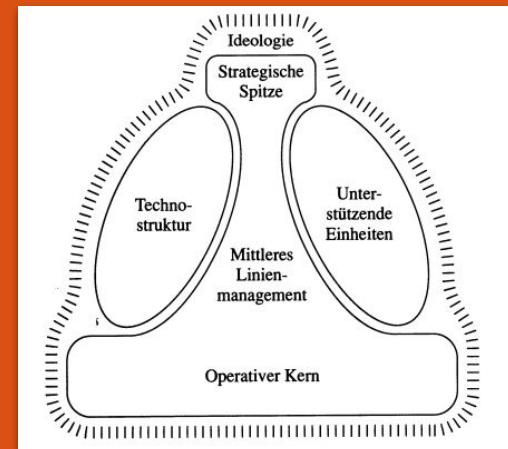
Mutual coordination



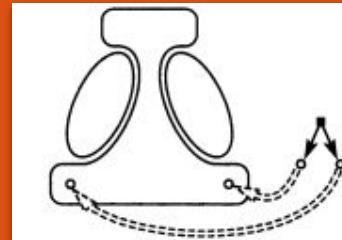
Direct control



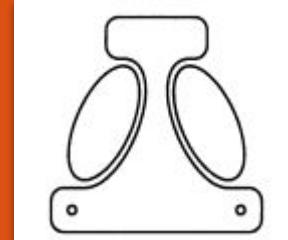
Standardization of work processes



Standardization of outputs



Standardization of skills

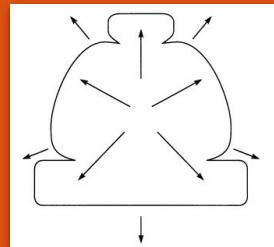


Standardization of standards

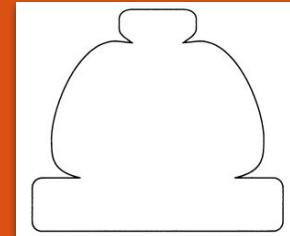
Basic types of organizations

Basic types of organizations

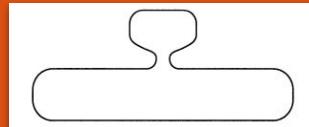
The political organization



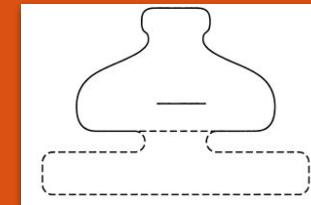
The missionary organization



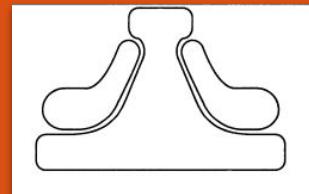
The entrepreneurial organization



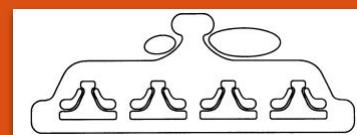
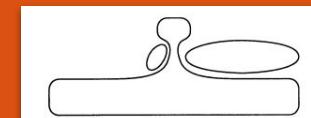
The innovative organization



The machine organization



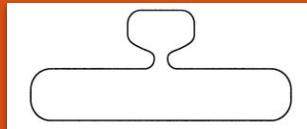
The organization of professionals



The diversified organization

Basic types of organizations

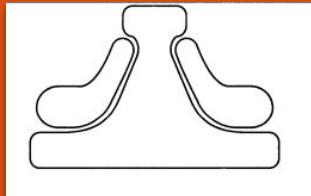
The entrepreneurial organization



	<p><i>Structure</i></p> <ul style="list-style-type: none">• Simple, informal, flexible, with small staff or small middle hierarchy• Activities revolve around the boss, who leads personally through direct control
	<p><i>Context</i></p> <ul style="list-style-type: none">• Simple and dynamic environment• Strong leadership, sometimes charismatic, authoritarian• Start-up, crisis and change• Small companies, "local manufacturers"
	<p><i>Strategy</i></p> <ul style="list-style-type: none">• Often a visionary process, largely planned, but emergent and flexible in detail• Leaders seek niches protected for the company
	<p><i>Topics</i></p> <ul style="list-style-type: none">• Sense of mission
but:	<ul style="list-style-type: none">• Vulnerable, restrictive• Risk of imbalance in strategy or operations

Basic types of organizations

The machine organization



Structure	<ul style="list-style-type: none">• Centralized bureaucracy• Routinized and highly standardized tasks• Technostructure is the core area of the organization
Context	<ul style="list-style-type: none">• Simple and stable environment• Larger, more established organizations• Rationalized work• Mass production
Strategy	<ul style="list-style-type: none">• Strategic operationalization• Resistance to strategic change• Long periods of stability interrupted by occasional outbreaks of strategic revolutions
Topics	<ul style="list-style-type: none">• Efficient, reliable, precise, consistent <p>but:</p> <ul style="list-style-type: none">• Fixation on control• Adjustment problems at the strategic top

Basic types of organizations

Structure

- Market-oriented "divisions" loosely coupled under a central administration
- Autonomous management
- Machine configuration tendency

Context

- Market segmentation of products and services
- Organizations that have reached maturity
- Increasingly in governments and other public sectors

Strategy

- Headquarters guides the "corporate" strategy
- Divisions develop individual strategies

Topics

but:

- Sometimes costly, not conducive to innovation or socially irresponsible



Basic types of organizations

Structure

- Bureaucratic, but decentralized
- Control by the professionals
- Minimal technostructure and medium line hierarchy

Context

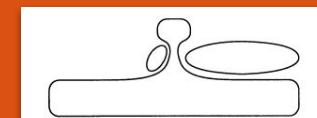
- Complex but stable

Strategy

- Many strategies that are highly fragmented
- Most are determined by judgment of the professionals and by collective decision

Topics

- Advantages of democracy and autonomy
- but:
- Coordination problems
 - Resistance to innovation



The organization
of professionals

Basic types of organizations

Structure

- Flowing, organic
- Functional experts
- Multidisciplinary teams
- Coordination through mutual agreement

Context

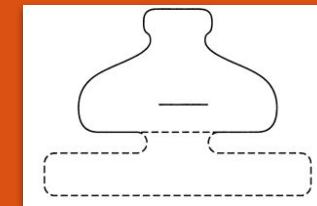
- Complex and dynamic environment
- Usually young

Strategy

- Learning
- Largely growing

Topics

- Effective for innovations
- but:
- Effectiveness at the price of inefficiency



The innovative organization

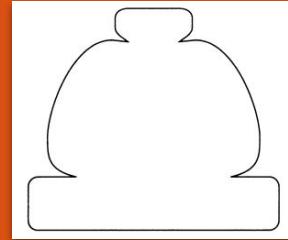
Basic types of organizations

Ideology:

- rich system of values and beliefs that distinguishes one organization from another
- charismatic leadership
- can overlay a conventional configuration, most often an entrepreneurial one followed by the innovative, the organization of professionals and the machine configuration.

Missionary:

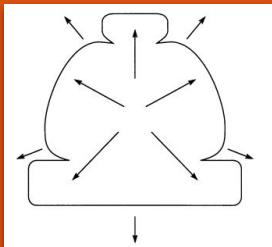
- Clear, focused, inspiring, specific mission
- "Pulling in the same direction"
- Small units
- Reformist, proselytizing and monastic forms



The missionary organization

Basic types of organizations

The political organization



Politics:

- Means of power are formally illegitimate in legal terms, are often in self-interest, lead to conflicts that tear individuals or units apart
- Usually it overlays a conventional organization, but is sometimes strong enough to create its own configuration

The political organization:

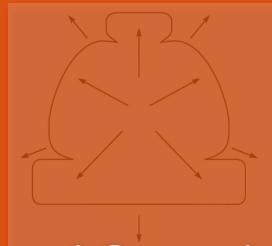
- Concentrated coordination and influence are absent and are replaced by informal power play
- Confrontation, uncertain alliance, politicized organization, total political arena
- Bringing about necessary change

Basic types of organizations

Konfiguration	Primärer Koordinations-mechanismus	Schlüsselteil der Organisation	Typ der Dezentralisation
Unternehmerische Organisation	Direkte Kontrolle	Strategische Spitze	Vertikale und horizontale Zentralisation
Maschinenorganisation	Standardisierung der Arbeitsabläufe	Technostruktur	Begrenzte horizontale Dezentralisation
Organisation der Professionals	Standardisierung der Fertigkeiten	Operativer Kern	Horizontale Dezentralisation
Diversifizierte Organisation	Standardisierung der Outputs	Mittleres Linienmanagement	Begrenzte Vertikale Dezentralisation
Innovative Organisation	Gegenseitige Abstimmung	Unterstützende Einheiten	Selektive Dezentralisation
Missionarische Organisation	Standardisierung der Normen	Ideologie	Dezentralisation
Politische Organisation	Keine	Keine	Verschiedene

Basic types of organizations

The political organization



The missionary organization



The entrepreneurial organization

“But *any classification scheme is arbitrary to some extent, especially in the number of categories. In other words, every scheme is to some extent the invention of the classifier.*”

[14]

The machine organization



The organization of professionals



The diversified organization

[14] Henry Mintzberg, Mintzberg on Management, p. 105

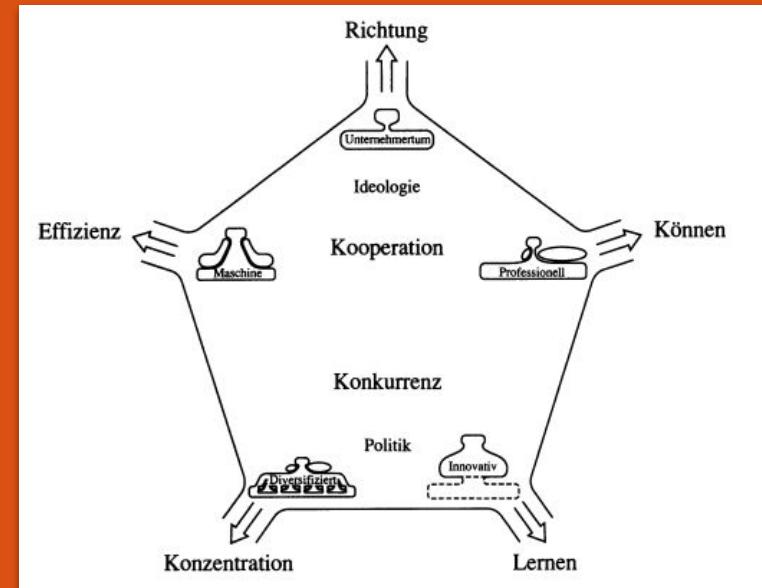
(4) Henry Mintzberg, Mintzberg on Management, pp. 127-261

How can types of organizations change?

How can types of organizations change?

“Configuration as an integrated framework of fundamental forces that affect any organization.” [15]

- Dominant force can become too powerful and thus have a contaminating effect on the other forces
- Risks getting out of control
- Other forces needed as a *counterbalance* to the dominant force

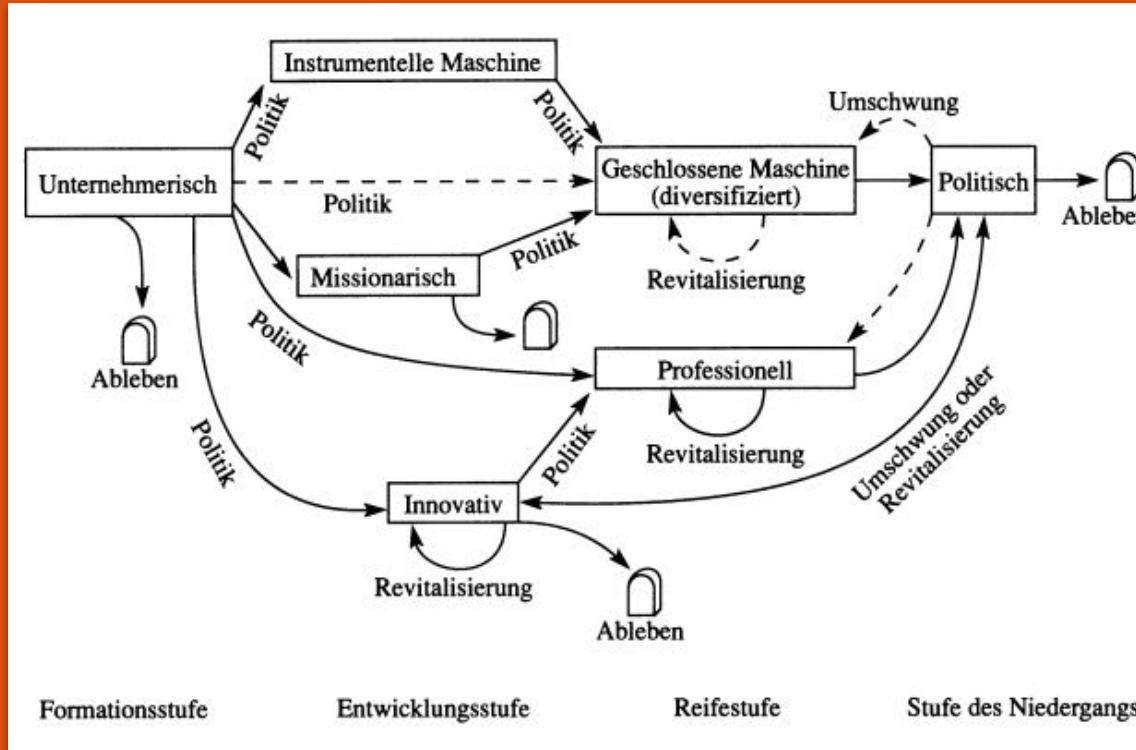


[15] Henry Mintzberg, Mintzberg on Management, p. 261
(5) Henry Mintzberg, Mintzberg on Management, p. 264

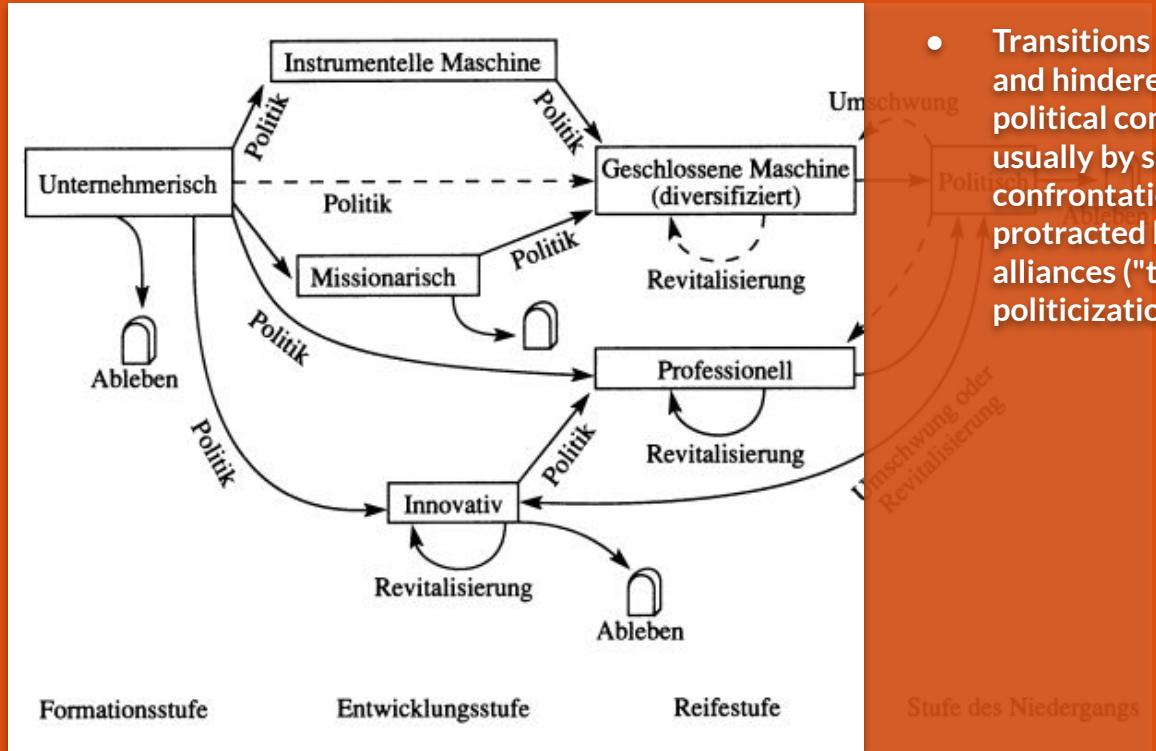


A life cycle model of organizations

A life cycle model of organizations



A life cycle model of organizations

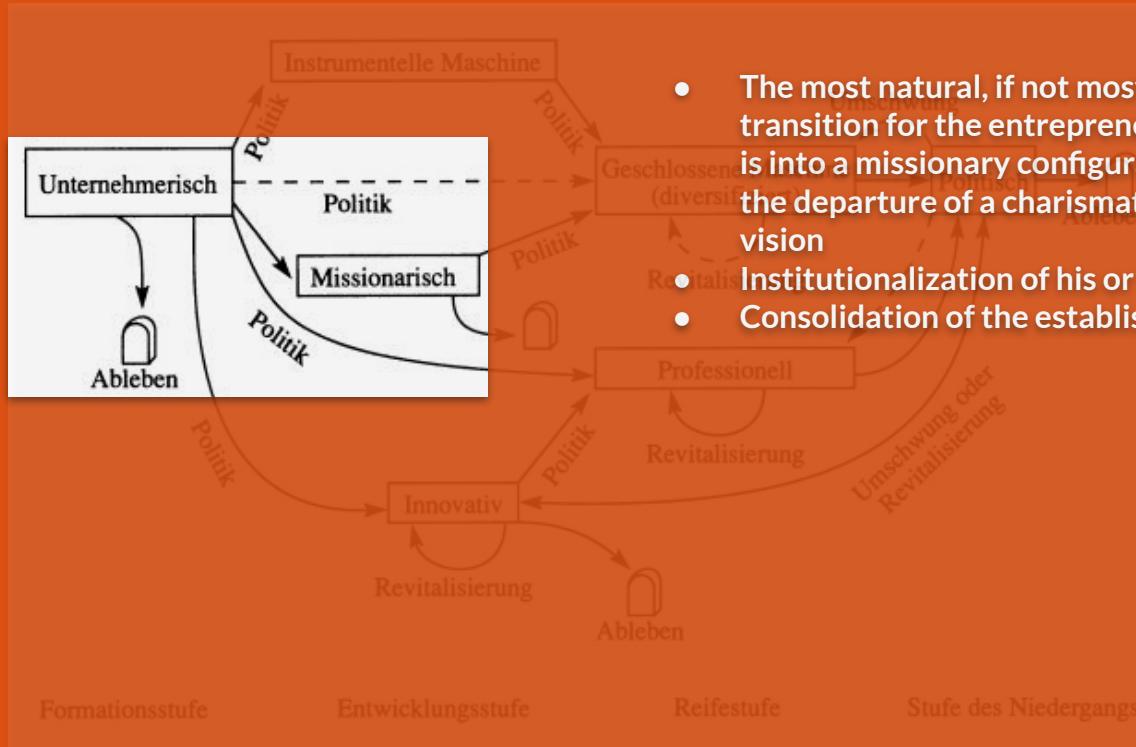


- Transitions tend to be favored and hindered by forms of political configuration, and usually by short-lived confrontations, sometimes protracted by uncertain alliances ("transitional politicization")

A life cycle model of organizations

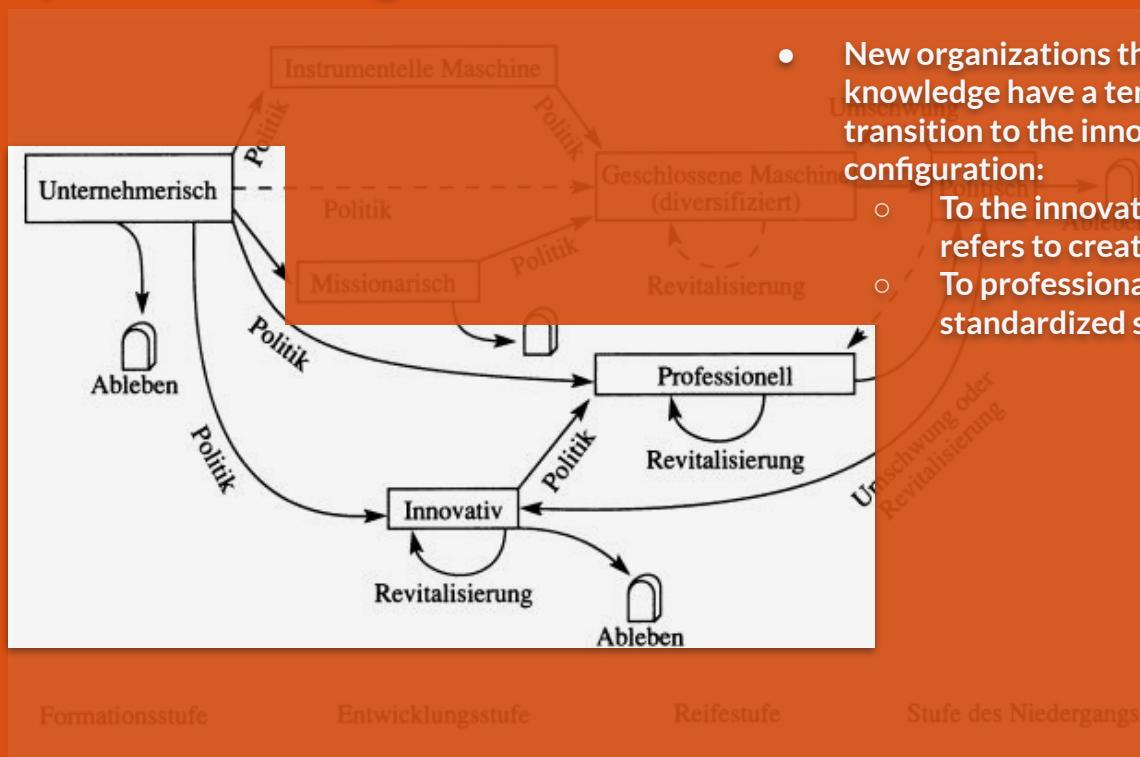


A life cycle model of organizations

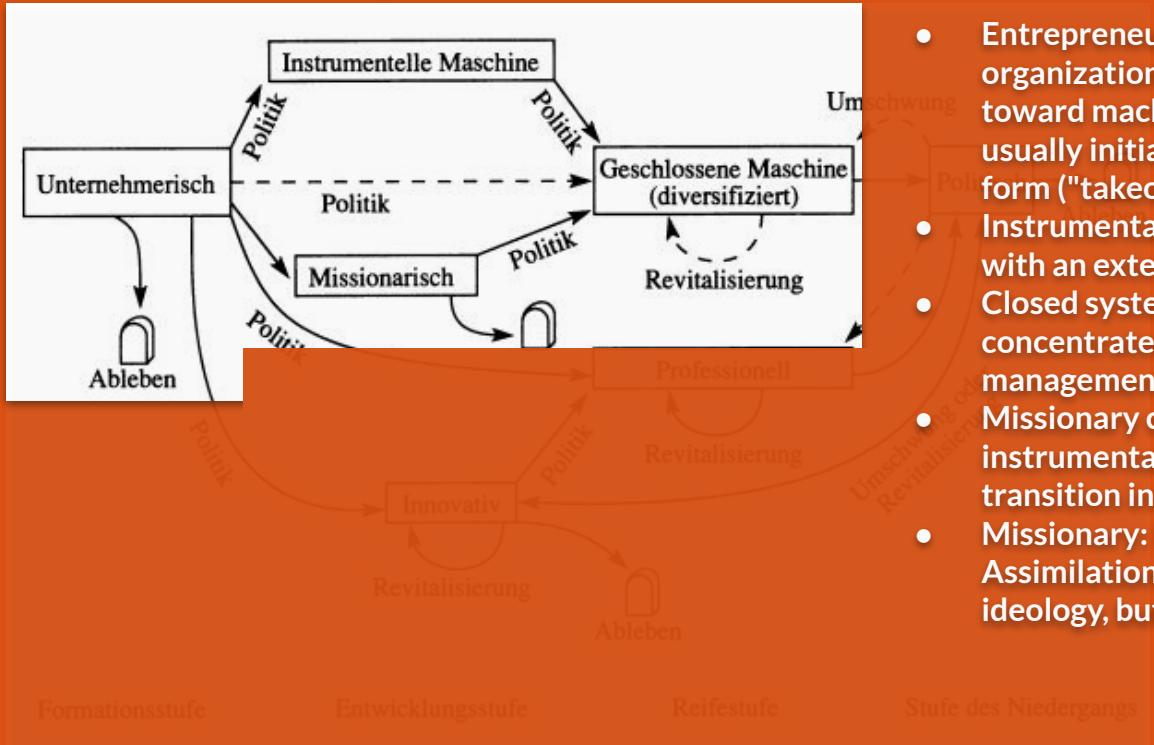


- The most natural, if not most common, transition for the entrepreneurial organization is into a **missionary configuration**, at least after the departure of a charismatic leader with a vision
 - Institutionalization of his or her charisma
 - Consolidation of the established belief system

A life cycle model of organizations



A life cycle model of organizations

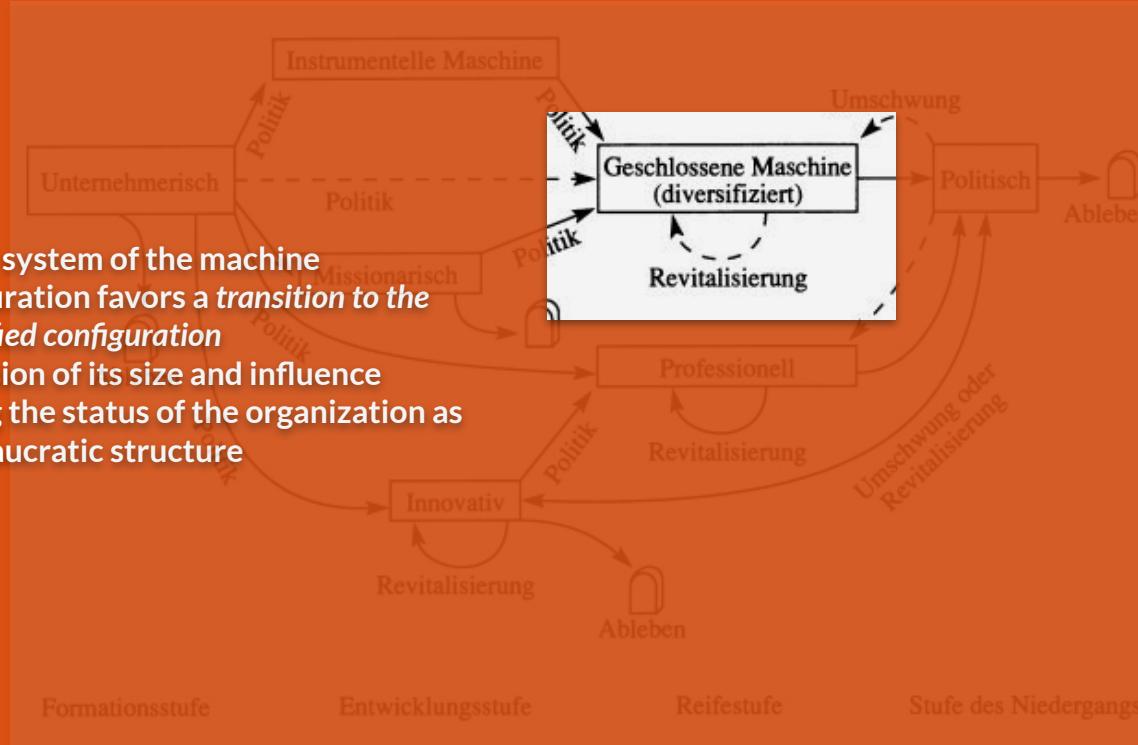


- Entrepreneurially led organizations eventually tend toward machine configuration, usually initially in its instrumental form ("takeover")
- Instrumental machine: power lies with an external influencer
- Closed system: power is concentrated with internal management
- Missionary configurations an the instrumental machines tend to a transition into a closed system
- Missionary: Isolation und Assimilation may preserve the ideology, but kills the organization

A life cycle model of organizations

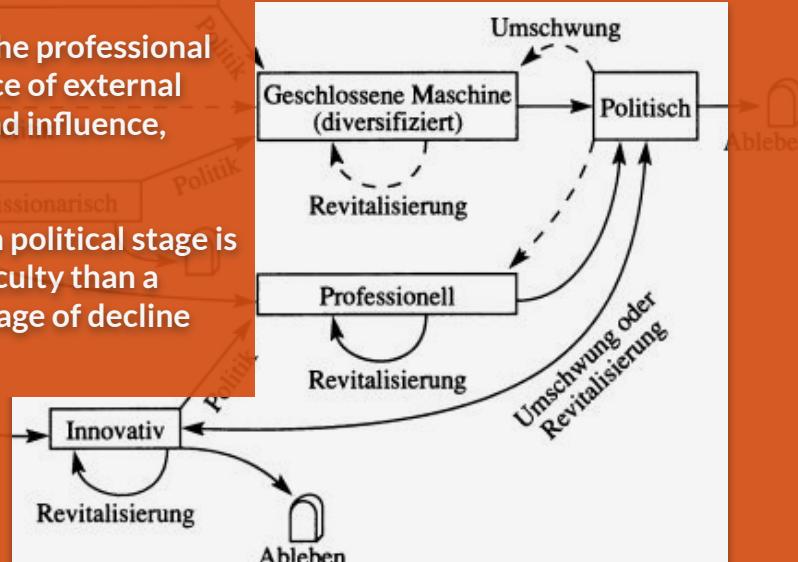


- Closed system of the machine configuration favors a *transition to the diversified configuration*
- Expansion of its size and influence
- Raising the status of the organization as a bureaucratic structure



A life cycle model of organizations

- The closed machine and the professional configuration: The absence of external control tends to have a bad influence, ("final politicization")
- Moral decline
- Innovative: transition to a political stage is more of a temporary difficulty than a permanent change to a stage of decline



Formationsstufe

Entwicklungsstufe

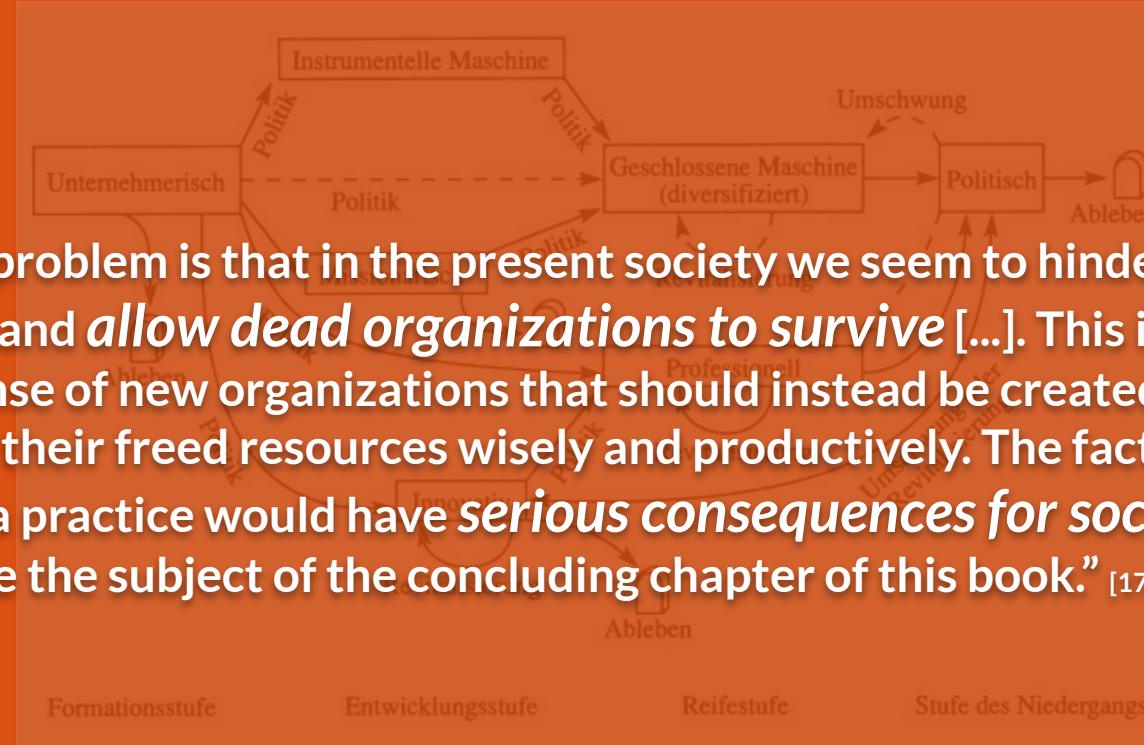
Reifestufe

Stufe des Niedergangs

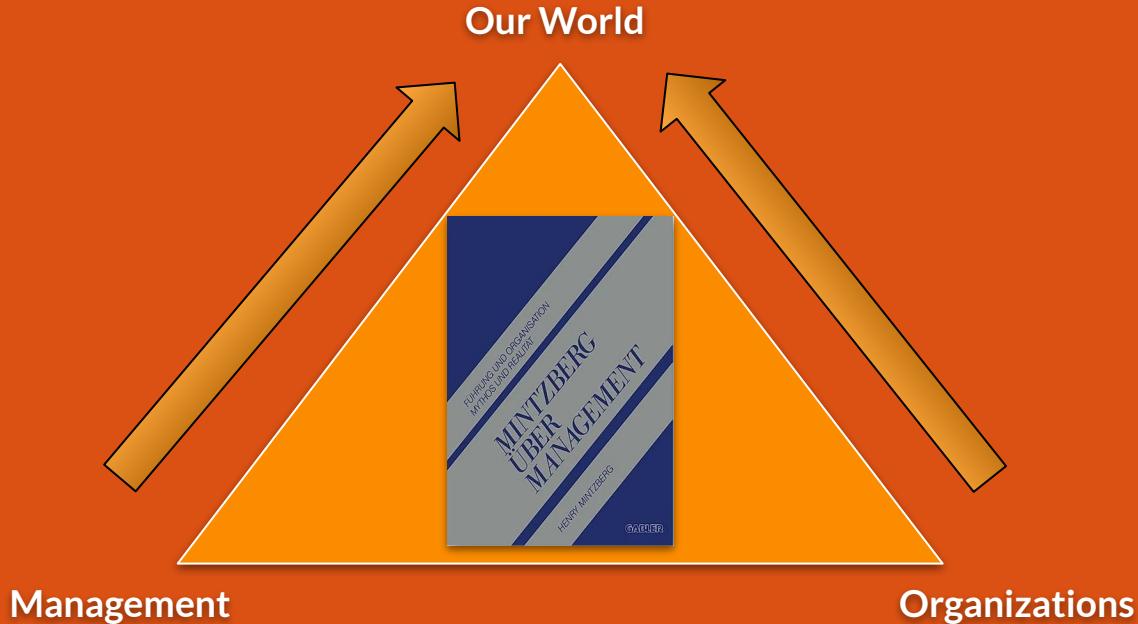
A life cycle model of organizations

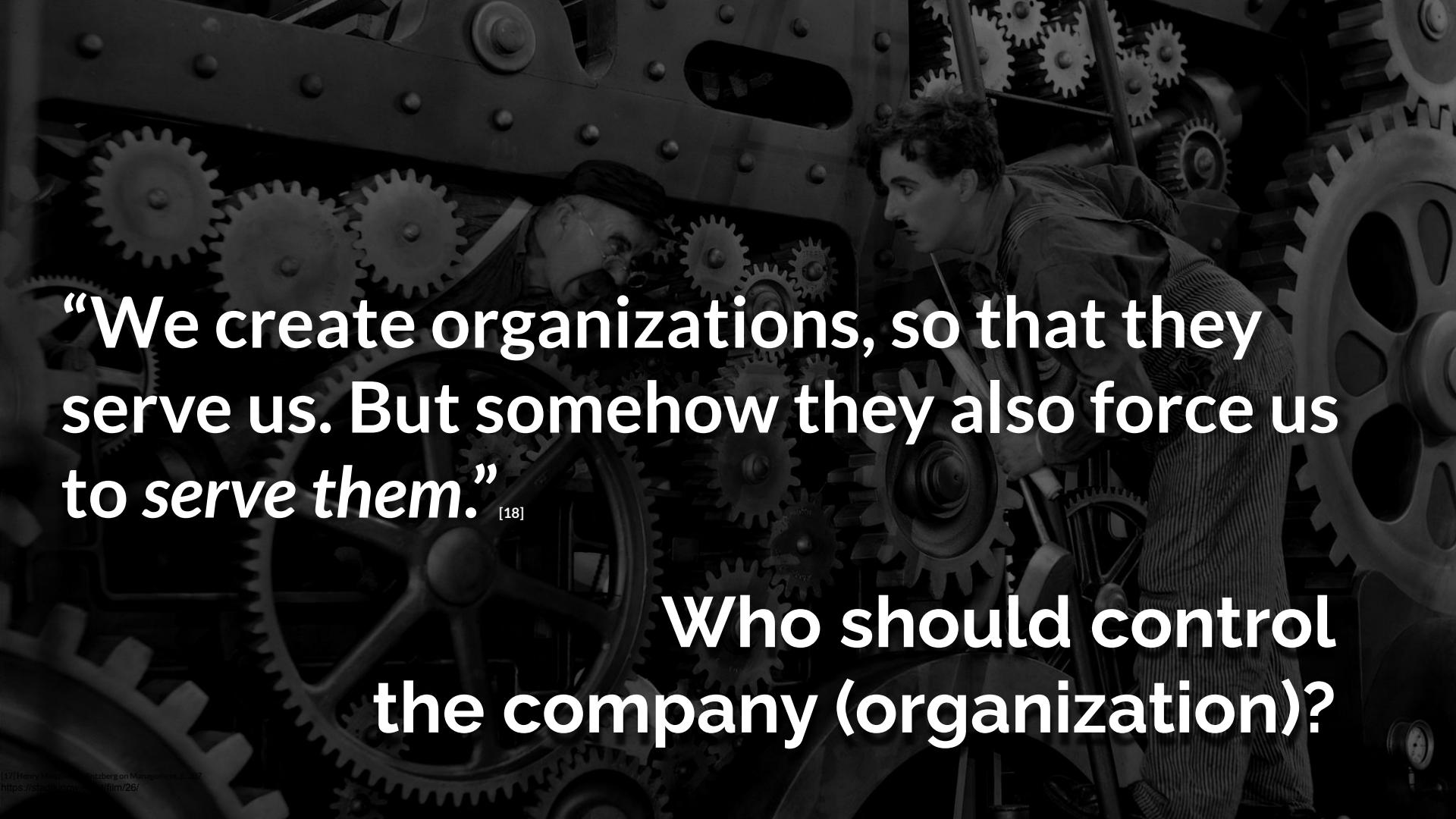


A life cycle model of organizations



*“The problem is that in the present society we seem to hinder the cycle and **allow dead organizations to survive** [...]. This is at the expense of new organizations that should instead be created by using their freed resources wisely and productively. The fact that such a practice would have **serious consequences for society** will be the subject of the concluding chapter of this book.”* [17]

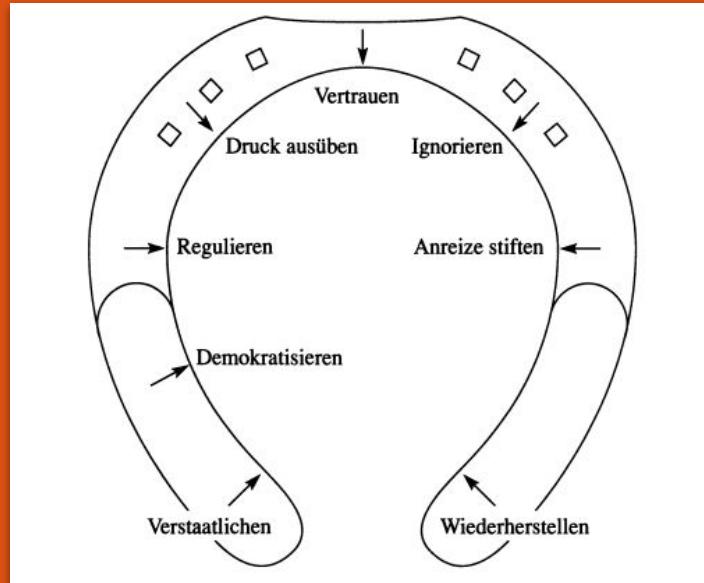




“We create organizations, so that they serve us. But somehow they also force us to *serve them*.^[18]

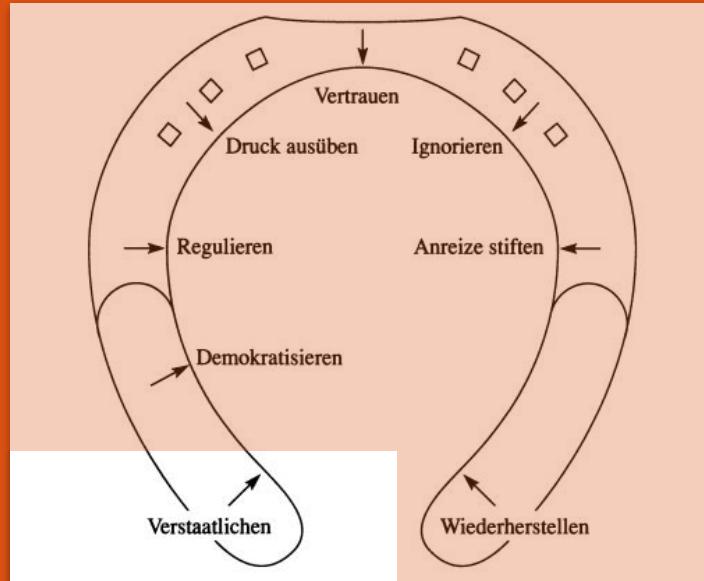
Who should control
the company (organization)?

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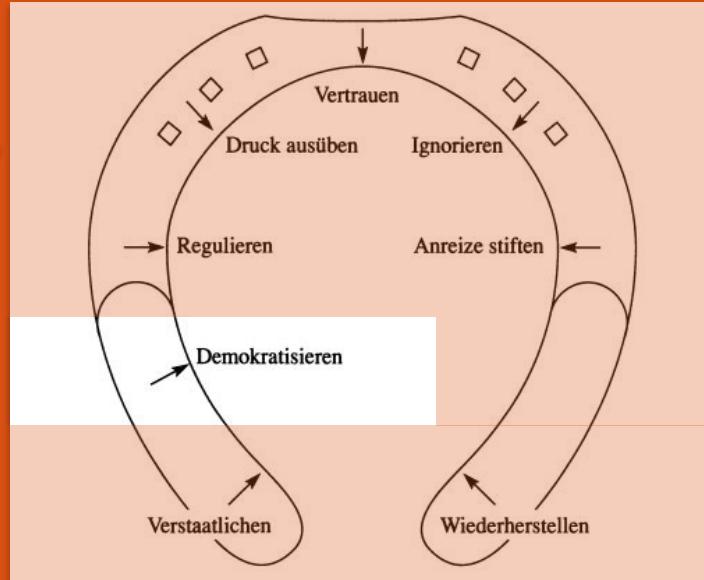
Who should control the company (organization)?

- Task is considered important in a society but is not adequately covered by the private sector
- When the activities of an organization must be so closely related to government policy that it is best run as a direct arm of the state



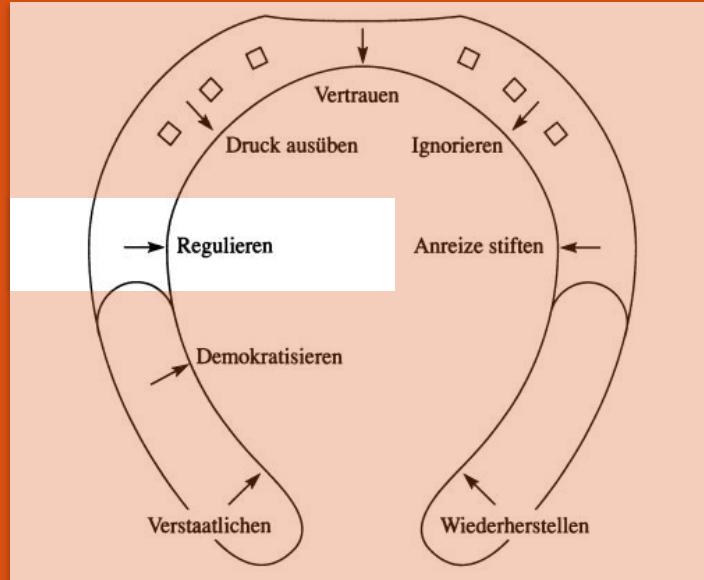
Who should control the company (organization)?

- Facilities to broaden the management of the company
- Power is to be constitutionally decentralized



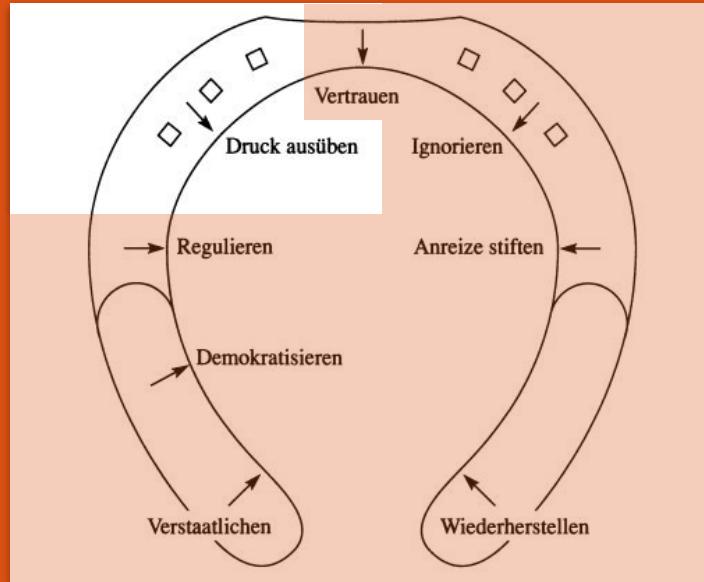
Who should control the company (organization)?

- Companies can be committed to social concerns that they must submit their activities to a higher authority, usually the government, in the form of a regulatory body or through the courts
- Boundaries are imposed on companies from the outside, while their internal management remains with the managers



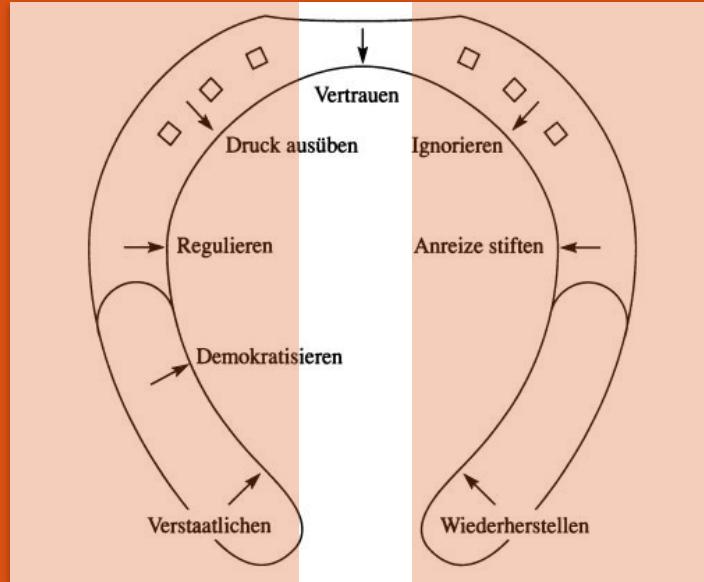
Who should control the company (organization)?

- Encouraging companies to take action beyond certain behavioral baselines
- Activists organize campaigns to put pressure on one or more companies to be responsible towards social needs

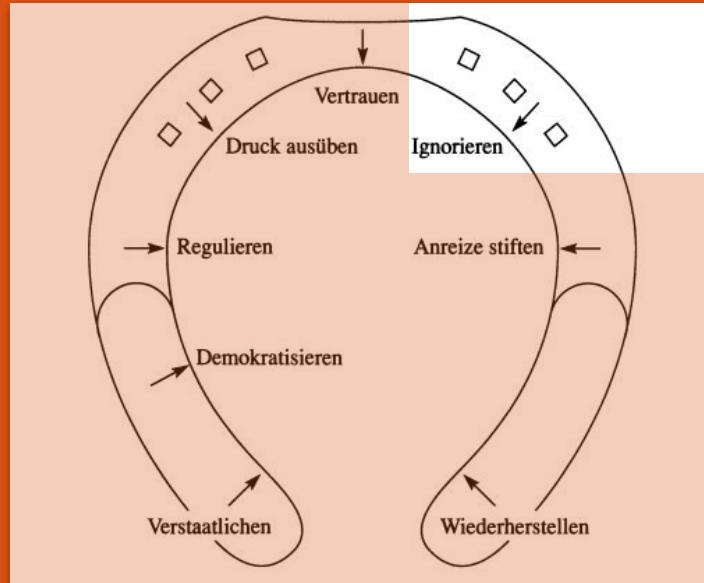


Who should control the company (organization)?

- Belief that business leaders can be trusted to observe social goals for their own sake, simply because it is “a good thing to do”

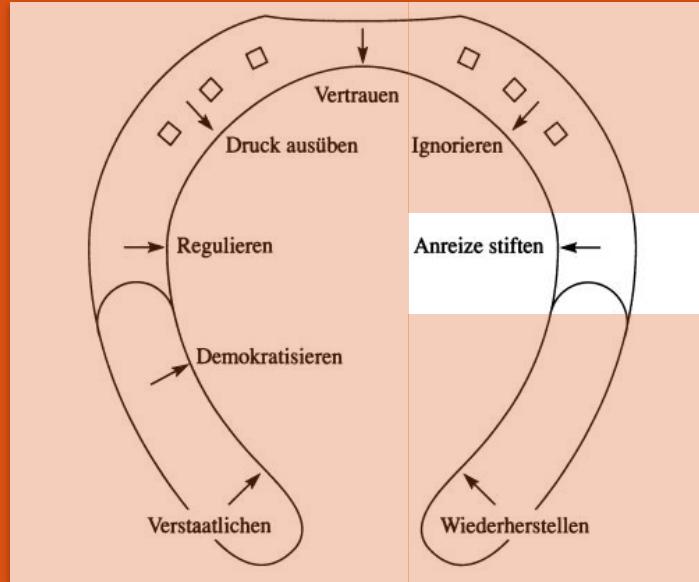


Who should control the company (organization)?



- "Ignoring" is not the same as "trust"
- It presupposes that social needs are met in the context of pursuing of economic goals

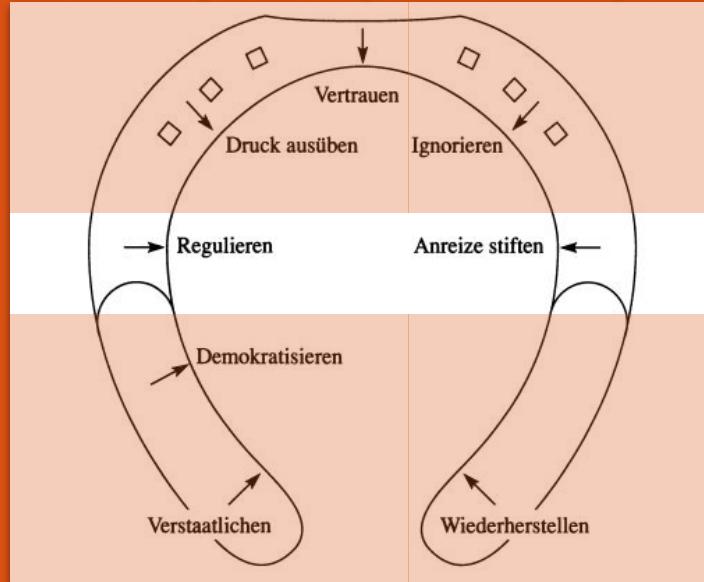
Who should control the company (organization)?



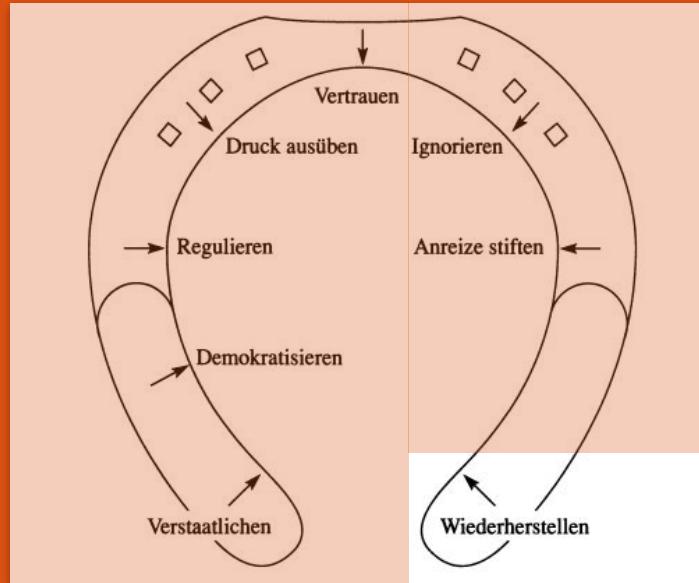
- Subsidies for the companies
- The companies are to be rewarded for their restriction

Who should control the company (organization)?

“Financial incentives do not belong where, where a company has caused a problem, but rather has the ability to solve a problem caused by others.” [18]



Who should control the company (organization)?



- Restore the original state of a "strictly managed" instrument
- Profit counts
- Freedom is equated with "free" entrepreneurship

Who should control the company (organization)?

“ [...] we must treat the conceptual horseshoe as a portfolio of positions that we can access depending on the circumstances.” [19]



Last but not least...

(Attention! Pessimism ahead...)

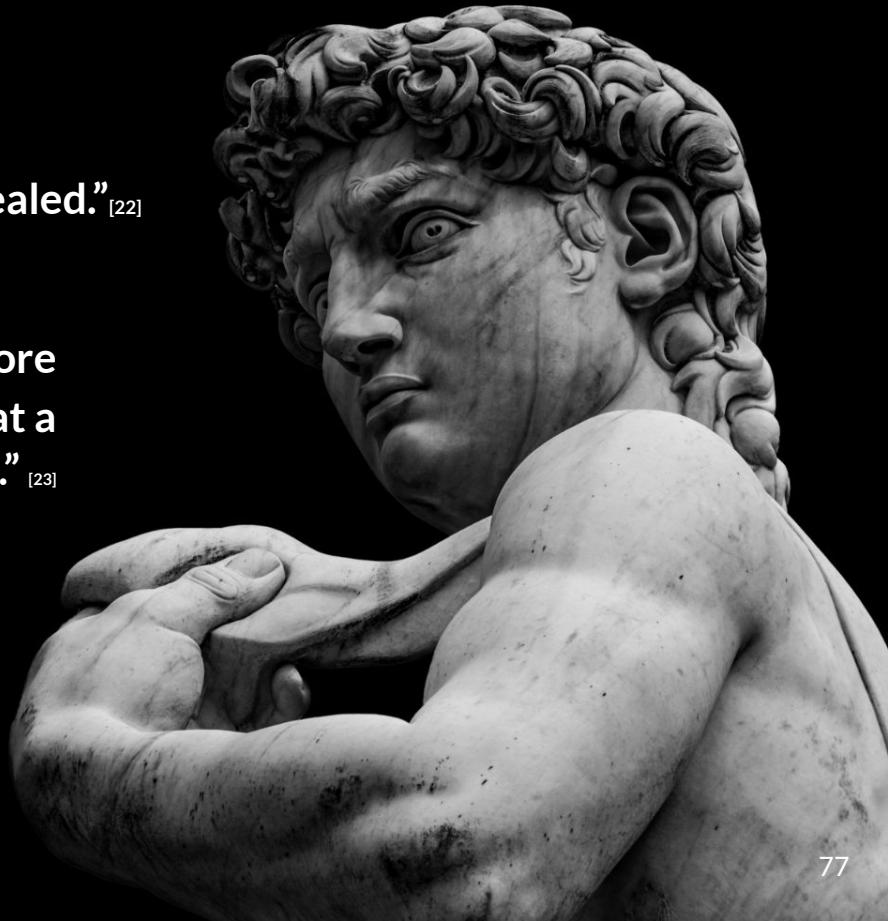


“Our machinery in the broadest sense, not just our technologies, but our social systems and especially our organizations, have comparably dulled our senses, suppressed our *intuition*, and make it increasingly difficult to get out of our problems.”^[21]

“My thesis is, first and foremost, that society has become uncontrollable as a result of management.”^[22]

**"Strategic planning" turned out to be a myth:
no systematic path to strategy formation was revealed."** ^[22]

**"The effectiveness of an organization lies more
in the *integration* itself than in the form that a
particular integration happens to take."** ^[23]



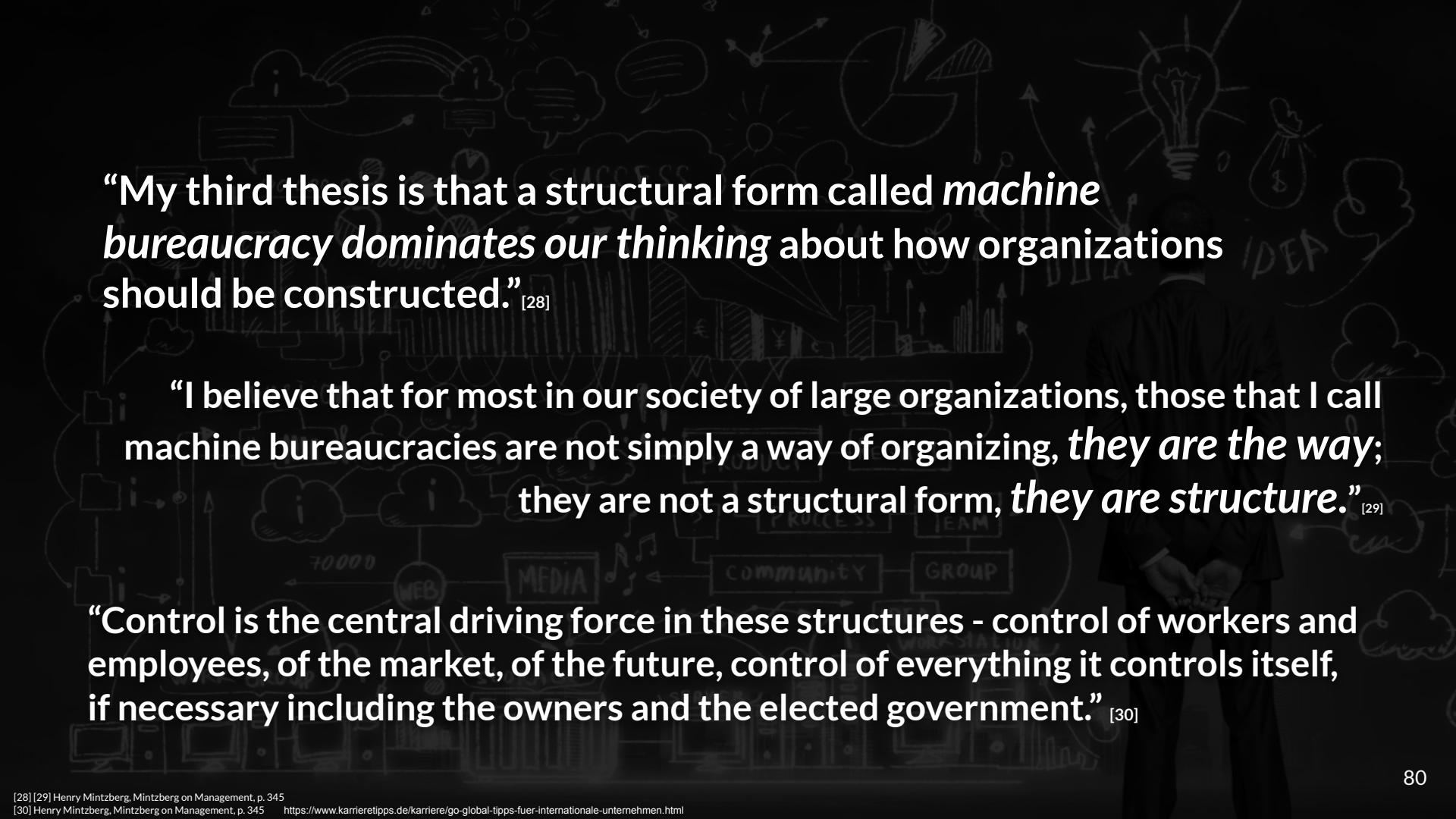


“My first thesis is that our society is a *society of organizations*.^[24]

“What happens in it happens *within the framework of organizations*, from our birth in the hospital to our burial by a funeral home, including the most of our labor and recreation.”^[25]

“My second thesis is that our society is to a large extent *a society of large organizations*.²⁶

“Organization theory is better suited to explain social behavior than the established social sciences.” [27] *(basic types of organizations)*

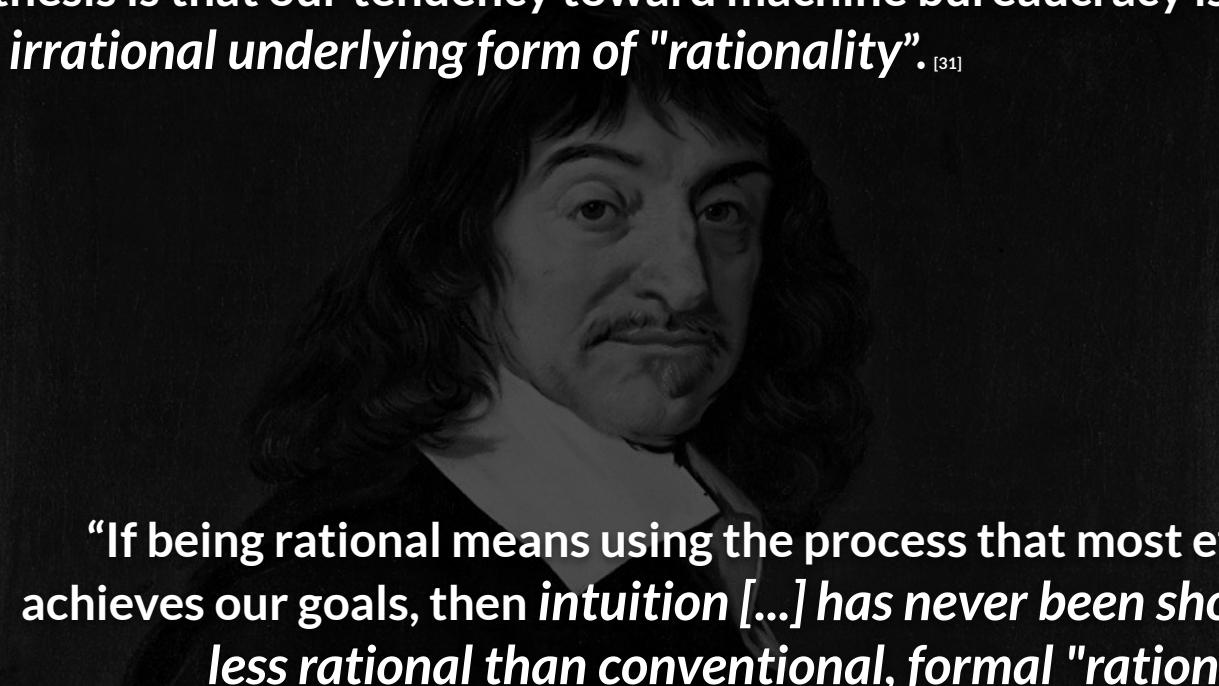


“My third thesis is that a structural form called *machine bureaucracy* dominates our thinking about how organizations should be constructed.” ^[28]

“I believe that for most in our society of large organizations, those that I call machine bureaucracies are not simply a way of organizing, *they are the way*; they are not a structural form, *they are structure.*” ^[29]

“Control is the central driving force in these structures - control of workers and employees, of the market, of the future, control of everything it controls itself, if necessary including the owners and the elected government.” ^[30]

“My fourth thesis is that our tendency toward machine bureaucracy is based on an *irrational underlying form of "rationality"*. [31]

A dark, monochromatic portrait of René Descartes, a French philosopher, mathematician, and scientist. He has long, wavy hair and a mustache. He is looking slightly to the right of the viewer.

“If being rational means using the process that most effectively achieves our goals, then *intuition* [...] has never been shown to be less rational than conventional, formal “rationality”. ” [32]



“My fifth thesis is that a society of large, "rational" machine-bureaucratic organizations dictates an era of capitalized MANAGEMENT, so called professional management, which often turns out to be *poor, superficial, and sometimes immoral.*” [33]

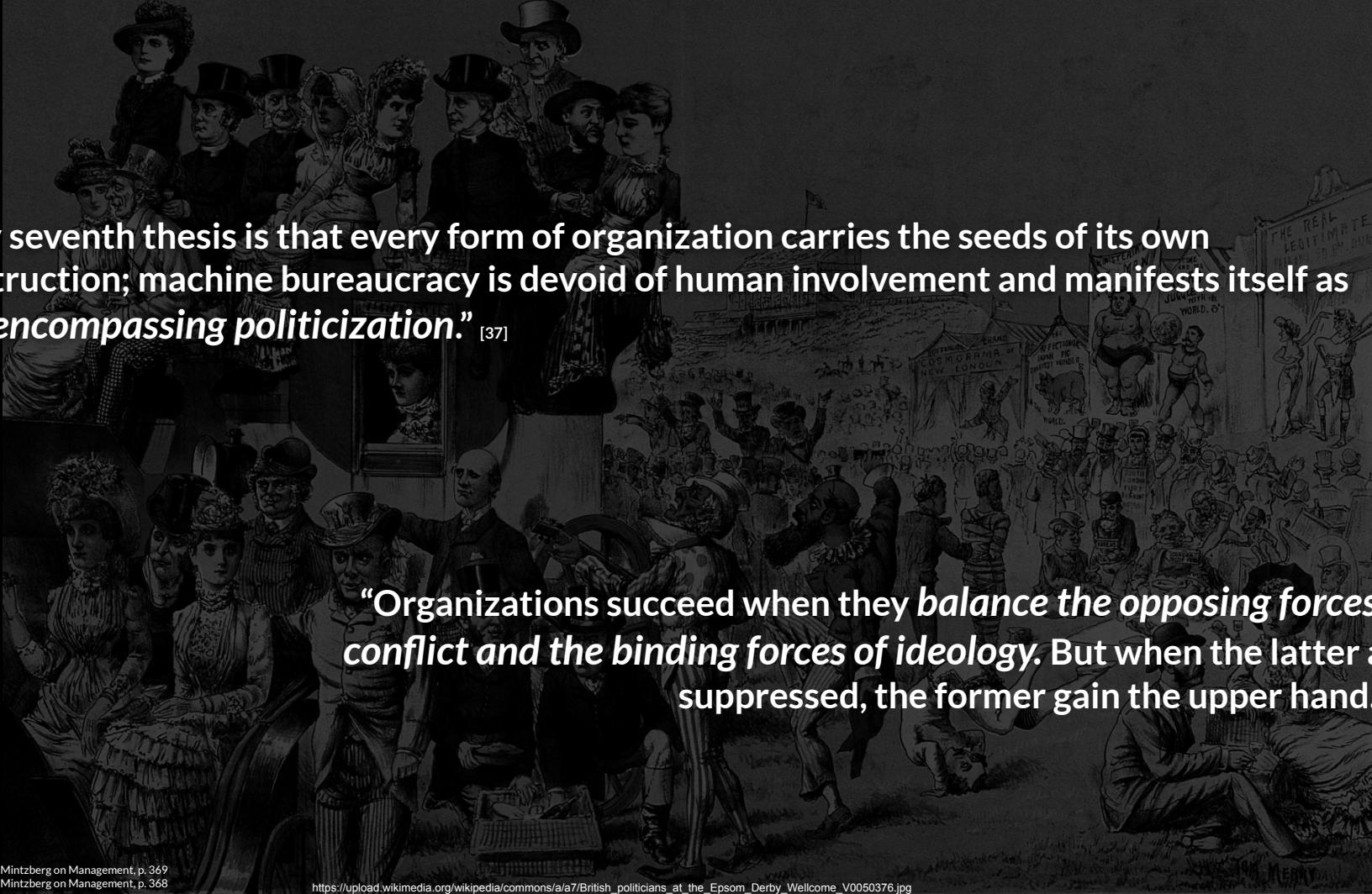
“They [the managers] are specialists in nothing other than the management process itself. The context to which it is to be applied is irrelevant.” [34]

“My sixth thesis is that machine-bureaucratic organizations, led by professional management and emphasizing quantification, displace commitment and thus reduce people to impersonal shells.” [35]

“Every system needs a skeleton. But an organization that consists only of a skeleton is no more than an empty shell. Only when it is *animated with human spirit*, then the organization becomes alive. And this energy cannot be exclusively at the top of a formal hierarchy, just as our human energy cannot come exclusively from our brains.” [36]

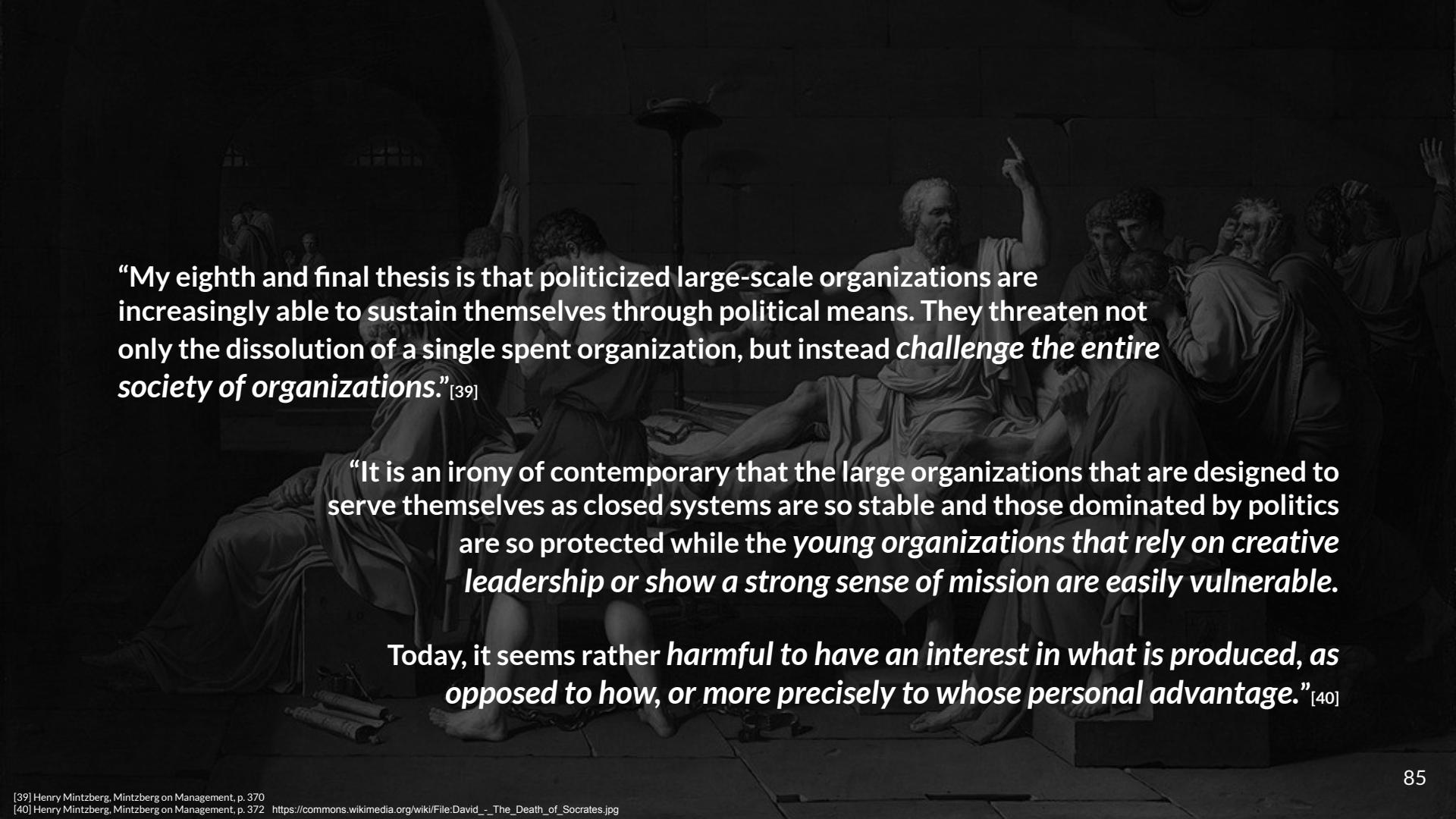
[35] Henry Mintzberg, *Mintzberg on Management*, p. 367

[36] Henry Mintzberg, *Mintzberg on Management*, p. 368 <http://www.pez-artwork.com/>



“My seventh thesis is that every form of organization carries the seeds of its own destruction; machine bureaucracy is devoid of human involvement and manifests itself as all-encompassing politicization.” [37]

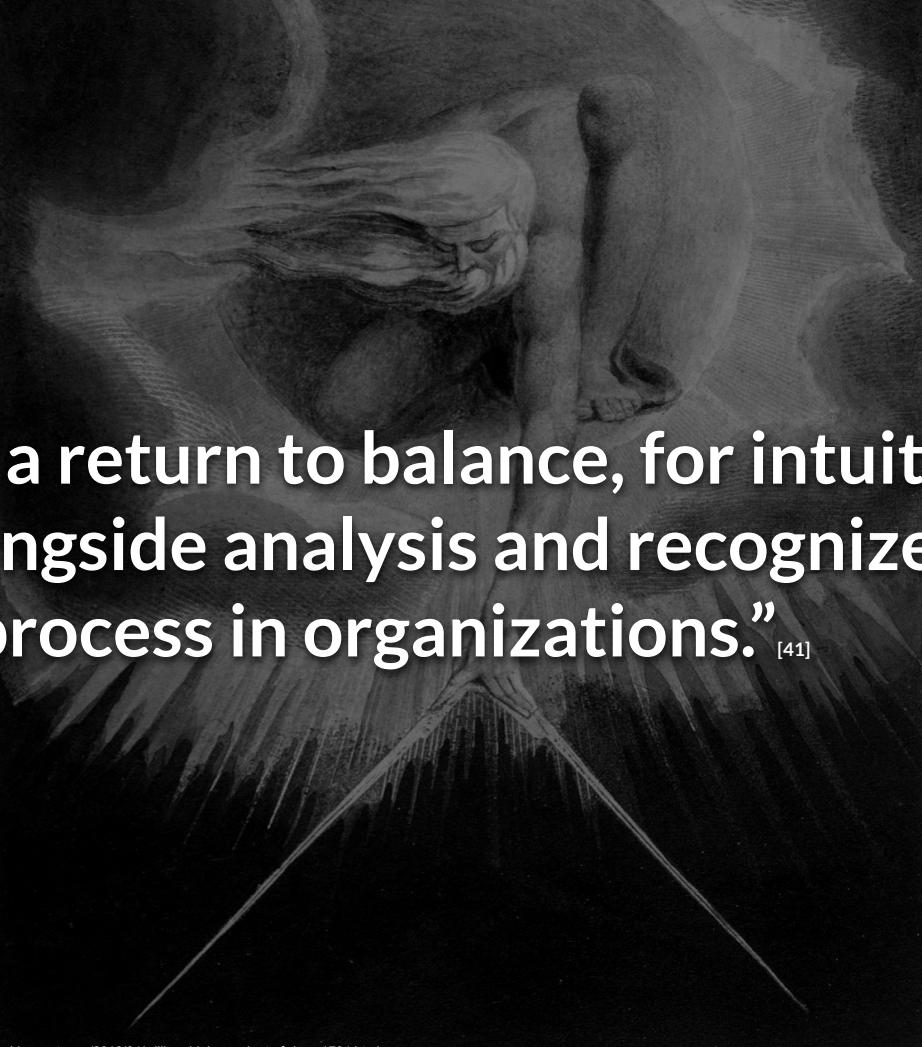
“Organizations succeed when they *balance the opposing forces of conflict and the binding forces of ideology*. But when the latter are suppressed, the former gain the upper hand.” [38]



“My eighth and final thesis is that politicized large-scale organizations are increasingly able to sustain themselves through political means. They threaten not only the dissolution of a single spent organization, but instead *challenge the entire society of organizations.*”^[39]

“It is an irony of contemporary that the large organizations that are designed to serve themselves as closed systems are so stable and those dominated by politics are so protected while the *young organizations that rely on creative leadership or show a strong sense of mission are easily vulnerable.*

Today, it seems rather *harmful to have an interest in what is produced, as opposed to how, or more precisely to whose personal advantage.*”^[40]



“I argue for a return to balance, for intuition to be allowed alongside analysis and recognized as a necessary process in organizations.” [41]



Thank you!

HENRY
MINTZBERG
**REBALANCING
SOCIETY**



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