

Matthew's Book Club Summary #2

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Title: Managers not MBA's

The book club started as an informal, fun way to explore and consider business ideas relevant to our work with colleagues. The format consists of one person (usually Matthew) reading a book and writing a summary for discussion during team meetings. This allows the other team members to benefit from the book's insights, without carving time in their schedule to read the full volume.

The idea was to summarize *an interesting part* of each chapter in a paragraph or two, and where applicable, note how these could be relevant to the workplace. This provides the reviewer with practise condensing a mass of data into a few pieces of key information: an underappreciated skill. The reviews are meant to be accurate but light-hearted, on the assumption that people learn more when they're having fun.

Matthew's company gave permission for these to be distributed to non-employees as long as the employer-specific content was removed, for which he is sincerely appreciative.

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About the author:

After teaching MBA students at McGill for fifteen years, Henry Mintzberg concluded that something was horribly wrong in management education. He eventually set up an alternate MBA-type program (the IMPM) in conjunction with universities in Japan, France and the UK.

Ch	Title	Summary
1	wrong people	<p>MBA's aren't like MD's. The MD will always be a better doctor than someone who hasn't had formal training. But non-MBA's are often better managers and leaders than MBA's.</p> <p>MBA programs attract people who want high salaries and status; not by people who want to become better managers. And people who aren't interested in managing... probably don't make good managers.</p>
2	wrong ways	<p>Many MBA programs use the case study method, where students use analytical skill to learn from real-life cases. This creates the illusion that someone with analytical skills can solve any problem, even if they're new to a company (or department). To create a true and lasting solution, you first need to deeply understand the problem. Techniques that work at Wal-Mart probably won't work for Google, given the different corporate cultures.</p> <p>To put it mathematically:</p> <p style="text-align: center;">Confidence – Competence = Arrogance</p>
3	wrong consequences I: corruption of the educational process	<p>Top MBA schools discourage students from working for non-profits after graduation, because that decreases the school's "average starting salary" number, which is used for schools' rankings.</p> <p>Along these lines, there's often a <i>temptation to focus too much on the metric, instead of the target.</i> A Director with 1000 e-mails in their inbox, but who spends an hour each day focussed on strategy is probably doing a better job than the Director with a clean inbox, who doesn't spend time on what really matters. I've been bitten by this before.</p>

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4	wrong consequences II: corruption of managerial practice	In 1990, a Harvard Business School prof profiled nineteen HBS "superstar" graduates. As of 2003, only five could have been labelled successful – the rest drove their companies into bankruptcy, got forced out, or at best, helped the firms tread water. The latter had a "near fatal tendency to pursue a formula – some kind of generic technique – in disregard of nuance" .
5	wrong consequences III: corruption of established organizations	Basically, this chapter argues that MBA's don't make good entrepreneurs, and can't lead tech companies. No entrepreneur would sit in a classroom for two years – they'd be too busy running one business or another. Also, tech companies need to invest heavily in R&D. MBA-led firms tend to invest less in R&D (and in the end enjoy less success) than scientist-led firms.
6	wrong people	Basically the chapter argues that a focus on "shareholder value" makes leaders concentrate on short-term metrics instead of long-term targets, and ignore their societal responsibilities. And that MBA schools are in large part responsible for this fad.
7	wrong ways	Some schools now offer part-time EMBA (Executive MBA) programs. There are no known cases of acting executives having enrolled.