

“Thinking you can succeed makes a difference”

*Rosabeth Moss Kanter talks to Tim Smedley about her latest book, *Move*, and the importance of having a sense of purpose*

Portrait ___ Jason Grow



AS ONE OF the world’s pre-eminent leadership experts, Harvard Business School professor Rosabeth Moss Kanter surprised many – herself included – when she tackled transport infrastructure in her latest book, *Move: Putting America’s Infrastructure Back in the Lead*. A constant business traveller, both nationally and internationally, she found herself delayed time after time by traffic jams and airport hold-ups. “To move is to thrive,” she writes. “To be stuck is to lack opportunity.”

Unsurprisingly, having written leadership books for some four decades, Kanter also has something to say on the subject in *Move*, notably what happens in the absence of leadership and a lack of coherent direction.

She jokes that she has been writing “the same book over and over”. Yet the diversity of subject matter argues otherwise: *SuperCorp* (2010) tracked the rise of values and corporate responsibility in the likes of IBM and Procter & Gamble; *Confidence* (2004) looked at the importance of psychology in business and sport; *The Change Masters* (1983) tackled how organisations seek innovation through employees; and her first book, *Commitment and Community* (1972), looked at extreme cultural identities in America’s utopian communities.

But there is a common thread in her work: a belief in the power of leadership and business, in the right hands, to do good. As she said in her 2013 TEDx talk: “Without vision and values, leadership is hollow. How important [it is] for any leader to know what they stand for.”

Work, caught up with the Ernest L Arbuckle professor of business administration to talk about *Move* and

why some of the key themes from her previous books remain equally relevant today.

Why did you choose to write about transport infrastructure?

I wasn’t planning to write this book. Most of what I do concerns leadership and change management, but I knew there was a problem in the US. Traffic congestion costs \$70bn a year in time wasted, or 5.5 billion in hours lost through delayed commutes. We heard it in surveys of businesses, and from the general public. I experienced it every day and it was becoming an embarrassment, as well as a major national and international problem.

In the book, I apply all the things I know about change and leadership and try to find the opportunity for solutions. Cities are already changing the world over, moving toward public transit and away from automobiles. There’s the rise of new technology and business models like Uber, which has gone from talking about itself as a software platform with no responsibility, to describing itself as a ‘congestion solution’. That shift of perspective makes me very optimistic about our ability to find solutions.

It is the same problem that companies have, writ large. You have a legacy system, people get complacent and the problems start mounting. But then you begin to find new solutions.



In the 19th century, the Shakers boasted 6,000 followers. But their numbers had dwindled to 12 communities by 1920 as the cult lacked the commitment and larger purpose needed to hold a utopian community together

Do you think employers are strangely quiet on this issue, given the lost time and health effects on workers from gridlocked transport?

We all know that rush hour is now a three to four-hour period in many cities. That won't be solved by just building more roads. We need alternative means of transport that are easy and convenient, so that people do not have to own a car. Business leaders are concerned – we saw that in our research. But it's been rare for anyone to put together all of the facts and figures in one place and say: 'Hey, this is a big human resources problem. Where are we going to find people? How are they going to get to work? And if they come to work tired and frazzled, or don't get home in time to see their family, will that have a huge impact on their lives, and on their children's future?'

Industries lobby in their own interests and there don't tend to be 'wellbeing' lobbies. But business leaders do get involved in their city – civic and business leaders have formed alliances that have pushed for change. The pressure and interest tends to come at the regional level, where employees experience it every day.

Could the rise of remote working solve the problem?

Remote working doesn't necessarily mean sitting at home. IBM found, almost 10 years ago, that around 50

per cent of their people were not in an IBM office at any one time. However, that didn't mean they were at home, they were off meeting a customer or a client.

Being chained to desks or in factories is not necessarily the best way to work. Remote work is an important part of work flexibility in general – I have been an advocate my entire career for empowering people to make decisions [on flexible work]. But travel will always play a part. There was an interesting study at a company that installed video-communication systems so that people could communicate without having to travel. They found that, as people used those systems, travel actually went up, because they found more reasons to get together.

In Confidence, you looked at the importance of psychology to business success. What relevance does that have in a post-financial crisis world?

I tell my MBA students that 'culture' is the most important thing leaders do. It's not the technical side, the knowhow, the accounting. What makes the difference in performance is whether people believe they can succeed and put in the effort to do so. That effort has to be orchestrated; it has to be consistent with other people's efforts as part of a team. To turn anything around, whether it's a country, a

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marriage or a company, you have to build expectations and make sure people are motivated. If they feel it's futile, that's when they give up. My definition of confidence is 'an expectation of a positive outcome'. You can be under-confident, which leads to hopelessness and passivity, or you can be overconfident, take success for granted, be complacent and arrogant, and feel you don't have to put in the effort because you are entitled to success. The financial crisis was a period of overconfidence. If you are more careful you don't get the huge upside of exuberant cycles, but you also don't get the big downside.

In SuperCorp, you talk about how corporately responsible and progressive businesses perform better. Why do you think that is?

Companies that have long-term, enduring success tend to have a sense of purpose beyond chasing today's deal. That sustains them in downturns, and has them look for things that add social value and are enduring and motivating to their people.

IBM is a good example. It has had some financial problems in the last couple of years, but it has built an innovation that is so big it represents the future of the company: Watson artificial intelligence software. That comes from having a long-term sense of possibilities as a company. Even when IBM was making a lot of money through its consulting business and traditional software, it was also in research labs working on this new idea.

As long as a business has innovation as a value, you have a base from which you can continue to grow. Change is all around us and comes at a fast pace. But the companies with a culture that values their people, that infuses their activities with purpose and meaning, I would argue, are more likely to innovate and have enduring success. Of course, there will be bumps in the road, but the question is how you get over those bumps.

How can we tell the true values-led organisations from the fakes? Enron famously had the values 'Respect, integrity, communication, excellence'.

Anyone can write the words down and put them on the wall, on the website, on cards in wallets. The problem with abstract values statements is if they are unconnected to the decisions you make every day. In companies where it becomes real, it's part of daily decisions, it's what is discussed in meetings, the criteria for whether you engage in a certain activity or not. That's what we mean by culture – it's conversations about what we stand for and how we behave. When you have the conversation it makes it more likely that someone will come forward when they see an ethical lapse.

Of course products have to be good, customers have to want them and you've got to have good financial systems. Top management has to live by the values too. What leaders say, do and enable others to do – those are the three keys to leadership. We want bottom-up, crowd-sourced concepts, but the CEO needs to enable that by setting up the mechanisms and reinforcing the message.

Does the Harvard Advanced Leadership Initiative you chair give experienced leaders a second chance to realise their values?

We want to deploy a force of leaders who have been very successful to tackle some of the world's problems [by helping them transition into social and environmental roles]. There are two points in the life cycle when people have the time, energy and commitment to think about solving big problems and working with a social purpose: before their career and after their main career. During their main career they can get very narrow in their focus because they are thinking about their company and function. They are preoccupied with raising families, and rightly so. Then they reach a point where they think 'what about those ideals I had early on in my life?'

One of our fellows is a great story. When he was younger he served in the US Peace Corp in Liberia and then he became a corporate lawyer. He was still interested in social causes, he was on a school board, but he was still a corporate lawyer. He always had it in mind that he wanted to go back to Liberia and do something really meaningful. He now runs a non-profit venture in which he is bringing affordable, alternative energy to the country.

You started your career writing about utopian communities. Does an interest in how to create a perfect world run through all of your work?

When I wanted to study high and low performance [in *Confidence*], I chose sport as the perfect place to study it. Utopian communities were a wonderful way to look at organisational commitment. Why do some people become committed and under what circumstances? They were called 'utopian', but they weren't perfect places. Some were cults, and those that weren't didn't always have the sense of commitment and larger purpose needed to hold them together.

I am always looking for ways that things can become better, but I don't think they can ever become perfect. Perfection is a trap. Best is the enemy of good. Doing as well as you can, to constantly try to make things better, that's innovation and continuous improvement. **W**

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