An interview with Ivor Kenny

Interview by Sarah Powell

Dr. Ivor Kenny is Ireland’s foremost management thinker. He is a Senior Research Fellow at University College Dublin, Chairman of Odyssey Plc and of the Smurfit Paribas Bank, and a director of Independent Newspapers and of the Kerry Group.

Ivor Kenny has been chairman or member of various government boards and commissions and he was Director General of the Irish Management Institute from 1962 to 1983, Chancellor of the International Academy of Management from 1982 to 1987, and Research Professor of Political Economy at Trinity College Dublin. He has also acted as a consultant to inter alia, the Governments of Canada, India and the United Kingdom (Northern Ireland).

Ivor Kenny has worked closely with some of the top Irish companies to explore how these organizations work, and what makes them successful. His most recent book, Freedom & Order: Studies in Strategic Leadership, published in February 1999, focuses on in-depth studies of major Irish enterprises carried out over some 15 years. He is author of seven other books including a best-selling trilogy on leadership.

In your book Freedom & Order: Studies in Strategic Leadership you have said that the only people who carry out recommendations with any energy are the people who have made them. How can leaders share their vision?

Kenny:

I think people in an organization need two things. They need a strong hand on the tiller, but they also need to be consulted, to be part of what’s going on. What you want is a leader who, above all, listens and crystallizes things, encourages consensus – and by consensus I never mean the lowest common denominator. I mean that people, through persuasion, and preferably through conviction, are brought around to seeing things in the same way.

You have emphasized the importance of giving people the freedom to make decisions. Is there evidence of a stronger tendency towards empowerment in organizations in recent years?

Kenny:

The answer is yes, probably for two reasons. The first is the higher number of knowledge workers, educated and trained, self-motivated and mobile. If they find themselves in jobs where they are pushed around or cannot express themselves, they’ll simply leave for greener pastures. Increasingly, I come back to the equation in my book: enthusiasm = efficiency. Without enthusiasm you have dead or dying organizations. There is no conflict whatsoever between freedom and order. In fact, you can’t have one without the other. Say you are totally fed up with your present job. You slam the door and find yourself out on the street. Do you turn right, left or cross the road? There is no one more unfree than someone who does not know where they’re going. That’s where order comes in.

A second reason is that we have fortunately discovered that many of our leaders and institutions have feet of clay. We now have intrusive and instantly accessible news media in a way we never had before. These media, however, can give us an illusion of democracy because we have had Tony Blair or Jacques Santer in our living room. But what they have contributed to is a palpable decrease in deference and an increase in criticism. Leaders can’t hide any more. People will either be empowered, empower themselves or leave. All the time of course we are talking about Western, market-driven economies.

Taking enthusiasm and optimism as similar outlooks, do you consider that this might predispose certain nations to business success? For example, it is suggested that Americans enjoy a more optimistic outlook than Europeans.

Kenny:
I do not think that enthusiasm and optimism are synonyms. Enthusiasm comes essentially from your love of the work you are doing. Optimism is more an innate predisposition to view the world in a certain way. From my own (limited) experience, I believe that Americans are probably more optimistic than Europeans who carry a greater weight of history. European cultures are older and more cynical than American ones. But optimism is also a question of the environment. It would be difficult to be optimistic in Kosovo at present. Ireland, the Celtic tiger, has never had it so good – we are the fastest growing economy in the European Union. Yet, at the edge of our consciousness is a feeling that it won’t last. So optimism is a function of both environment and genes.

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You have mentioned Ireland’s self-confidence and its current changing values. To what were you referring here?

Kenny:

What I meant was the change from the old dependency culture in which a unique brand of Irish Roman Catholicism played a part. This encouraged people to do as they were told, and wealth and success were not looked on with any great favour. This influence has disappeared over a very short period of time. I love the quotation from John Donne: “He who will live by precept will be without the habit of honesty.”

As noted in my book, Ireland has been undergoing change in its values, its economy and its society. A significant change in economic policy affecting the corporate sector has been the collapse of the campaign against privatization. A 1998 report put Ireland sixth, up from twelfth in 1997, among 46 countries, on “the extent to which government policies are conducive to competitiveness”.

Membership of the European Union has been the single biggest factor in change. It brought us considerable financial support which has helped our transition. But above all it introduced free trade and competition leading to a “sink or swim” culture. We have seen several years of unprecedented national growth.

That other element of dependency, on a seemingly superior British culture, has also been swept away. Meanwhile, the other side of the coin of our rising self-confidence and the decline in the influence of the Church has been a marked decline in morality. Only time will tell what new norms will emerge.

CEOs were a subject of in-depth personal scrutiny in your studies. Given the challenges of their roles, do you conclude that the opinions expressed about them were more/less complimentary, or indeed fair, than you might have expected?

Kenny:

Studies are based on the simple fact that what you see depends on where you stand. The word fairness does not enter into it. People were giving vent to their honest opinions about their CEOs. Instances where there was bitterness or hurt were simply not recorded. I have never laundered any of the participants’ views, however pungent. That would vitiate a study. I usually mail the feedback to the chief executive and then discuss it with him (so far it’s always been a “him”) only when he’s had time to digest it. On one occasion, the feedback was so tough that I brought it with me to the chief executive and sat before his desk while he read it. Suffice to say that it so affected him that he took the necessary action.

I did only one study which went wrong. That was because the chief executive of that particular company did not want to know what his subordinates had to say. The problem was that he was an owner-proprietor who also insisted on being in control. We had a stormy finish to that study and I resolved never again to work in a company where ownership and control were in the hands of the same person.

Your studies are described as a form of action research and action learning. This combination of a pooling of in-depth inside knowledge and opinion with independent external assessment would seem tailor-made for companies experiencing difficulties. Yet you emphasize that you work only with “good organizations”?
Kenny:

There are turbulent times and there are "normal" times. An organization that was in a continuous state of turbulence could not survive. It would become psychotic. All a study would produce would be a graphic illustration of the turbulence. But nearly all organizations go through periods of turbulence and relative calm. For example, a study I shall be beginning shortly was delayed for a year until a major reorganization had settled down. I mentioned in the book that I'd walked away from four potential studies either because the time was unripe, or, more to the point, because I felt I would be used by the chief executive to help him get his way. That is hardly a job for a grown man. I am not a company doctor. A study is essentially to help a good company to be better.

You have emphasized problems of communication (i.e. dilution of messages whether filtered upwards or downwards). What do you see as solutions?

Kenny:

Let me quote Abe Maslow, one of the best: "There is a clear assumption in enlightened management that people need to know, that knowing is good for them, that the truth, the facts, and honesty tend to be curative, healing, to taste good, to be familiar etc." You may remember that in my book I quoted from another favourite author, James Thurber. His cartoon is of an eager swain saying to the object of his ardour, "What do you want to be inscrutable for, Marcia?"

The most consistent criticism of CEOs I have met within my studies is that they were aloof, reluctant to get out and mix it with the troops, to listen and argue, even to change their minds occasionally, genuinely to share with their colleagues their vision of the future, the actions necessary to attain it – and the actions or behaviour that could inhibit or damage the organization and that could not be tolerated. I mentioned that we are living through an information revolution. It would be dissonant to have expectations in our civil life greatly at variance with what we can expect in organizational life. I believe you should never underestimate people's intelligence and never overestimate their information. A familiar plaint from chief executives in a study, when they have read over what their colleagues have been saying, is, "How could they say that, when I told them?" One thing is sure. Where there is a vacuum of truth it will be filled by rumour, speculation and rubbish. The simple advice to all managers is, "Shut up and listen". One-way communication is an oxymoron.

In your book, you remarked that the longer you work with managers, the more you are impressed with their inability to forecast the future. To what do you attribute this inability?

Kenny:

I am tempted to answer a rose is a rose is a rose, that managers' inability to forecast the future can be attributed to their inability to forecast the future. In your recent interview with Warren Bennis, he said dramatically that successful people were running scared because of the "almost seismic, tectonic shifts in the business landscape". An Irish chief executive whom I admire is Denis Brosnan, managing director of the Kerry Group, a world leader in food ingredients, a company he brought from literally nothing. He says a chief executive has to sense the future. This is close to Mintzberg who says that strategy-making is a complex process that involves at times the most subconscious of human cognitive and social processes. To strategize, to forecast the future with any degree of credibility, you need two things: to be immersed in the business and to be immersed in the marketplace. If you are remote from either – aloof again – you are strategizing in "never-never land".

We now need organizations that are immensely flexible. At times of rapid change, rigid bureaucracies make awful mistakes. Where does flexibility come from? It comes from enthusiasm and empowerment, from people who see the problems and solve them themselves, not from the Victorian six in a bed: when father says turn, we all turn.

That said, we are surrounded by circumstances beyond our control. Who would have known or could have forecast a year ago what we are seeing in Kosovo for example? Looking forward in a business environment, the answer is to tap the deep pool of knowledge that exists within every organization where employees are at the coalface, whether that be in manufacturing or, particularly, marketing. The more you are immersed in the market, the more you sense the changes in it. The more you understand present reality - and that is the only concrete reality - the more confidently you can move into the future. In Ireland we are the privileged generation – to be living through, participating in, the most profound changes the country has ever seen. It's good to be alive.