

Loss of faith in managers: Viewpoint . Sumantra Ghoshal and Donald Sull: The brightest and best no longer aspire to a management career. Why has this happened?;

Ghoshal, Sumantra, Sull, Donald. Financial Times. London (UK): Jun 6, 1997

When we asked 140 MBA students at the London Business School to describe their career ambitions, only six aspired to management positions in established corporations.

Most hoped to derive professional satisfaction by constantly broadening and deepening their personal portfolio of skills, and by contributing to society in meaningful ways. As managers in established companies, they felt, they could neither develop personally nor contribute to social and economic progress.

It is easy for corporate executives to write these students off as arrogant or naive. Easy but dangerous. Managers must confront the reality that the best and the brightest from other professional schools, universities, and technical programmes are not joining established companies.

This inability to attract and retain talented young people is only one symptom of a more profound challenge to managers of large corporations - society has lost faith in them.

The evidence of lost faith is overwhelming. Corporate executives fare poorly in polls of public trust. We admire football players for their multi-million pound contracts, but vilify managers who prosper from performance-based incentives. The best selling Dilbert series argues that management positions exist as places where the least competent employees can do the least harm.

This crisis of faith in management has serious implications, not only for business, but for society as a whole. Unless the tide is turned firms will not replenish their management ranks with talented young people; executives will find themselves increasingly hemmed in by regulations designed to limit their influence; and managers will lose faith in themselves. These trends could hobble the large businesses that now represent society's main engine of economic progress.

From its beginnings in the 19th century, management has stood out as the ungainly stepchild among the professions. The goal of law is justice, the goal of medicine health. Management, in contrast, lacks a clear ideal. Professionals in other fields may fall short of their lofty goals, but at least they have ideals to fall short of. Some argue that managers create wealth for society, but this goal too easily blurs into personal greed, so losing social legitimacy and inspirational power.

Moreover, few managers of large companies are seen to be generating new economic value. In contrast to entrepreneurs who are lionised for creating wealth and institutions *de novo*, managers of ongoing concerns are viewed as mere rentiers, living off their companies' past legacy like dissolute heirs squandering the family fortune.

Bill Gates becomes a cult hero by creating , while Michael Eisner wins at best grudging recognition for transforming from a tired theme park operation in the US to a global creative powerhouse.

The spate of recent restructuring, layoffs, and divestment has further eroded confidence in managers. Through repeated bouts of restructuring many managers have elevated efficiency to the corporation's highest goal. While they are a necessary means, operational efficiencies rarely succeed as a goal to attract, impassion and retain motivated employees.

Moreover, employees in contracting companies see few attractive opportunities for professional development. Nor, in an age of layoffs and downsizing, do employees trust companies to manage their careers for them.

The first step in reversing this growing crisis of faith is to recognise that corporations and their managers act as the primary engine of social and economic progress. Progress requires innovative combinations of resources, technologies and knowledge to create new products and services. Innovation requires human will and creativity to impose change on the world.

While individual entrepreneurs often provide the initial creative spark, large organisations are generally necessary to stoke the flame. computers started in a garage, but the MacIntosh was produced by an established company, as were the Walkman, synthetic fabrics, and AZT.

Placing societal progress at the heart of the company's vision and purpose is not a public relations gimmick. Rather, the ideal of progress underpins the success of the companies we most admire. The precise vision of progress varies across companies, with different companies aspiring to change the world through technological innovation (, ,), social activism (The), and empowering the underdog (,). These visions of progress infuse organisations with a sense of purpose that allows them to attract, motivate, and retain committed employees.

Inertia is the enemy of progress. Past insights ossify into cliches, processes lapse into routines, and commitments become ties that bind companies to the same course of action. Perhaps the most vital and fulfilling element of a manager's job is to prevent inertia. To seize the promise of the future, managers must constantly overcome the burdens of the past.

A manager's role therefore, is not to toil long and hard to make the inevitable happen. His or her job is to make happen what otherwise would not happen.

Companies are the repositories of a society's stock of physical, technological, social and human resources. It is these resources that enable companies to create new value. People are the most precious of these. By inspiring ordinary people to produce extraordinary results management drives social and economic progress. has no monopoly on geniuses, nor . What has allowed these companies constantly to create new value - to the benefit of their customers, employees, shareholders and others - is their ability to inspire their people to create and fulfil their own dreams.

While managers in these companies have been passionate about recruiting the best talent they can find, they have been even more obsessive about creating an exciting work environment in which their people could constantly develop their own knowledge and skills.

By aligning corporate purpose with individuals' passions, management facilitates outstanding collective performance and allows people to pursue their convictions and expand their portfolio of capabilities.