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Life in the Fast Lane: The Templeton Graduate Management Programme

The Templeton Graduate Management Programme (GMP) is for companies who take their talented young managers seriously. This modular programme for high potential graduates brings participating organisations all the benefits of a first-class management education – a combination of focused residential tutoring, self-learning and workplace projects – without the need for participants to be away from the office for extended periods of time. More focused on individual needs and more tailored to the concerns of participating companies than open MBA programmes, GMP has all the advantages of one of Templeton’s commissioned programmes while meeting the rigorous standards of the University of Oxford’s postgraduate qualification.

How is this achieved? Presentations from faculty introduce frameworks and techniques, and consider best practice; discussions build on participants’ experience, and put new ideas into context. Workshops provide practical experience of applying models and techniques to business. Sessions with senior managers from participating companies bring corporate issues to the fore, identifying and sharing emerging challenges. Team projects on topics determined by the companies develop collaboration and communication; participants gain hands on experience of applying new ideas, while giving an immediate return to the sponsoring companies. The programme stretches participants to deal with problems more strategically, focus on best practice and think more critically about business issues.

The Templeton Graduate Management Programme has been developed from KMDS, the hugely successful Kingfisher Management Development Scheme (see page 4). Like KMDS, it offers the chance to gain a postgraduate qualification – the Postgraduate Diploma in Management Studies – from the University of Oxford.

‘The partnership between Templeton and Kingfisher established a very successful fast-track graduate programme, which we thought the College should offer to other corporate clients,’ says Gerd Islei, Fellow in Information Management, who developed KMDS. ‘We decided to adopt a consortium approach because it enables teams of young graduates from different industries to learn from one another. The advantages are accelerated learning through sharing of ideas and stimulation through exposure to and interaction with different business environments.’

The first cohort of the new programme is scheduled to begin work in the middle of this year, finishing 18 months later.
Elizabeth Howard, Fellow in Retailing, was programme director for two of the KMDS programmes and is working on the GMP. ‘The programme is quite strenuous – for the programme directors as well as the graduates! The participants are very bright, rapidly developing practical experience of business issues – as well as their own ideas,’ she says. ‘They want the theory which helps them understand what is going on, but are not interested in academic models for their own sake. They want better ideas, not the ones they see that have failed elsewhere.’

‘The individual tutorials I’ve given to participants working on projects have been some of the best times,’ she adds. ‘It’s the chance to analyse issues – and the topics people tackle are fascinating. Last year, for instance, I worked with one person who was studying the ethical issues in buying internationally, trying to cut through the woolly thinking in this area and understand the quite different value systems which can be applied by different people, and then – the real challenge – develop some guidelines practical enough to be used with the organisation for which she worked.’
Flying High:
The Kingfisher Management Development Scheme

Kingfisher is Europe’s leading home improvement retailer and third largest electrical business. With over 1,300 stores in 16 countries, the Group’s 90,000 employees span the globe, working in places as diverse as Brazil, Canada, China and Turkey. The Group sums up its vision as ‘To enable people to enjoy their home and lifestyle better than any other retailer’.

Today Kingfisher includes household names such as B&Q and Comet in the UK, Castorama, Darty and BUT in France, BCC in the Netherlands, ProMarkt in Germany and Vanden Borre in Belgium, as well as Datart in the Czech and Slovak Republics, NOMI in Poland and KOCTAS in Turkey. Until the recent demerger of the international Home Improvement and Electricals business from the largely UK-based General Merchandise Division, Woolworths and Superdrug were also part of the Group.

As one of Europe’s leading retailers, the success of Kingfisher’s business has always depended on its ability to recruit, develop and retain bright young graduates. With different industries competing for fast-track talent, the retail industry is not necessarily the obvious choice for potential high-flyers. The Kingfisher Management Development Scheme (KMDS) was developed in 1995 as a Group-wide programme for trainee managers, with the aim of taking high quality graduates and moving them into senior management positions within seven to ten years. An added attraction was the chance to gain a postgraduate qualification from the University of Oxford, the Postgraduate Diploma in Management Studies.

If the scheme was to achieve its potential, Kingfisher recognised that full support from all parts of the Group and its operating companies would be essential. From the start, KMDS was sponsored by Sir Geoffrey Mulcahy, the Group’s Chief Executive, who recognised the value of a challenging management development programme. The KMDS Steering Committee, which consisted of managing directors and directors from each operating company, was set up to champion the programme and provide essential direction. Mentors were selected to support and challenge trainees’ views. Line managers acted as personal coaches for individual trainees. Past trainees offered advice on coping with the requirements of the programme, and the corporate KMDS team measured the programme’s success.

The business benefited from its increased ability to attract and retain high quality graduates – as well as from the trainees’ project work on real issues, which contributed to improving the quality of management across the Group as a whole. Trainees benefited from the opportunity to develop their potential.
An essential ingredient of the scheme’s success was Kingfisher’s partnership with Templeton. A close and productive working relationship with the College quickly developed, allowing KMDS to grow and develop in line with the organisation’s evolving needs. The result was that KMDS had a real impact on the Group as a whole. More than 200 Kingfisher management trainees have passed through it and graduated with the University of Oxford Diploma in Management Studies. In the early days, most of these trainees came from the UK – more recently, around a third were graduates of European universities, reflecting the Group’s international focus.

‘The programme that Templeton ran for us was held in the highest regard,’ says Ian Williams, Group Management Development Manager, Kingfisher plc. ‘It enabled us to attract high quality graduates. KMDS developed their capability and confidence, while the content and intellectual stimulation enabled them to challenge Kingfisher’s senior management effectively. Working with the team from Templeton was always a pleasure; they were pro-active partners who always sought to raise the quality of the programme and were responsive to our feedback.’
Alumni Association Reunion

12 October 2001

The annual alumni reunion was attended by some 100 people and distinguished guests. Alumni from 1969 to 2001 represented Templeton’s programmes from its Oxford Centre for Management Studies days to the present.

During the afternoon, participants were invited to updates on the Oxford Advanced Management Programme and the Oxford Strategic Leadership Programme; such was the popularity of these seminars that the agenda had to be hastily rearranged so as to allow guests to attend both.

After the workshops and drinks, Professor Leszek Balcerowicz, President of the National Bank of Poland and a former Deputy Prime Minister and Minister of Finance in Poland’s first non-Communist government since World War II, gave the keynote address. His lecture on Poland’s post-Communist economy and its efforts to join the European Union (see next page) was of great interest to the alumni and provoked many questions.

The centrepiece of the dinner which followed was a spectacular arrangement of seafood – rapidly consumed with quantities of other food and drink by the appreciative guests. As ever – and at the end of an incredibly busy period – the whole College team pulled out all the stops to ensure that everything was in place and immaculate.

University of Oxford
North American Reunion 2002

Since 1991, the University has honoured its North American alumni by holding reunions in New York City. In addition to reconnecting with fellow alumni, the Reunion provides an occasion for learning about current University projects and programmes.

As part of the programme of College events Templeton College and the Said Business School are hosting a gathering at the Waldorf Hotel from 1800 – 2000 on 16 March. The President and Dean of Templeton and Dean of the Said Business School are extending their invitation to alumni of Templeton’s executive programme as well as graduates. If you would like to attend please contact Dorothy Cooke at Templeton, email dorothy.cooke@templeton.ox.ac.uk
The Challenges of European Integration
Professor Leszek Balcerowicz, President, National Bank of Poland
12 October 2001

Poland was the first of the Eastern European countries to end Communist rule in 1989. It has since introduced radical changes with the ultimate aim of membership of the Western alliances.

Professor Balcerowicz’s lecture had two themes: transformation and European integration. Since 1989, he said, a peaceful revolution has taken place in Poland. It had been much quicker to establish elections than to privatise a state-run economy; the challenge was to strengthen democracy so as to facilitate the right economic decisions. Under Communism, the state had tried to control everything, with the result that the whole edifice was crumbling. Over the last 12 years, the standard of living and quality of life had increased enormously.

Since the Communist regime was overturned, Poland has been building economic ties with the rest of Europe. Previously the country’s main economic partner was the Soviet Union – this was an imposed, artificial relationship. Its main partners now are in the European Union – not because of any government imposition, but because of economic forces. Most of the economic adjustments necessary to becoming a full member of the EU have taken place: in fact, Poland is probably now in better economic shape than such countries as Greece, Spain and Portugal were before they joined. The EU should encourage further fundamental changes, but should not make these a condition of membership. It should show some moderation in insisting upon sudden increases in public spending related to such goals as environment. It should offer reasonable transition periods. It would be a good idea to establish some sort of Free Trade Agreement between the EU, Ukraine, Russia and other countries of the former USSR so as not to leave them behind.

‘We have lost a lot of time,’ Professor Balcerowicz said. ‘We are not free to shape our system. I would like to catch up and be admitted to the European Union ... one can make a very, very strong economic case for entry. We are not asking for charity. We are asking for understanding economic arguments and calculations.’

Building Bridges

As part of Templeton’s mission to bridge the worlds of academe and practice, Jonathan Reynolds, Senior Tutor and Fellow in Retail Marketing, designed and ran the first ‘Bridge to Business’ programme for 20 second-year undergraduates studying for non-management degrees at St Edmund Hall, another Oxford college. The programme, which ran for two weeks in July 2001, was funded by Ian Laing, an alumnus of the Hall, Chairman of Milton Park – one of Europe’s largest mixed use business parks – and Director of Oxagen Ltd and Oxford Asymmetry International. After the course, participants undertook an eight-week placement in companies with alumni mentors. A two-day ‘follow-through’ workshop consolidated the placement experience and provided advice on career and interviewing skills.
Switching Figure and Ground: From Global Business Towards World Views

A personal view
Kunal Basu, Fellow in Strategic Marketing

11 September has changed the world, or so it is claimed. Has it changed ours – the world of management education? Apparently not. The same words still ring in our classrooms – Global Strategy and Market Leadership, for example – the same cases – a US firm opening a subsidiary in Asia and ‘conquering’ local challenges – the same models of political risk, stock arguments in favour of globalisation. If anything, 11 September is now the preamble that is meant to strengthen the old message further – the world is an unpredictable, even dangerous place and the task of management education is to make it appear manageable – ‘winnable.’

In private, among serious practitioners, a different conversation is taking place. A brooding, and self-critical conversation. Have we got it all wrong? Having discovered and paraded the mantra of Global Management, have we slipped unexpectedly to discover that the world is larger than our ‘globe’? Have we left an assumption unchallenged for too long – that business issues must dominate the stage while people, places, cultures – indeed civilisations – constitute the backdrop, to be studied and researched only to achieve a ‘best fit’ with business decisions? Have we mistaken figure for ground?

Traditional management education treats the world simply as a context. In doing so, it turns it into a passive recipient of business actions. Actions such as opening a sweatshop in a poor country, or engaging in global advertising for a brand. Just as a recipient must be made ready to receive, the thrust of much management education is to prepare the context, so that business actions might proceed without hiccups – that customers should buy and employees should produce without the irritation of ‘cultural differences’, and ‘conflicting values’. Business gives and society receives. That is the assumption, with managers seen as clever transaction agents.

Not surprisingly, such a passive view of the world as context makes it static in our minds. All that is needed is clever measurement, a few simplifying frameworks to order the disorderly streams of data, and forecasting models that project the past into the future. Much of ‘cross-cultural studies,’ for example, has chosen to examine in minute detail that which is less important – such as the angle of bowing in Japan – while ignoring complex forces of societal change.
In the world before 11 September, all this had seemed perfectly normal. If indeed the context was not to explode, was happy to continue serving as a backdrop, then why would it need special attention? Management educators were well advised to leave the history to the historians, the sociology to the sociologists, the culture to the culturalists. Herein the fatal fallacy.

Perhaps the world of business will change as a result of the recent events, not simply in terms of bankruptcies, mergers, and share point shifts, but fundamentally. What absolutely has to change is how management educators present the world to their students in the classroom.

For the world is not the ground, but figure. It has always been so, and always will be. Its currents are deeper than the drivers of business success – they propel humanity towards change, shape our desires that manifest in every aspect of our lives. Understanding such complex, ever-present, forces of civilisations requires more than studying their immediate manifestations in limited domains – such as taste differences among cola drinkers in Europe and Africa. Of course, such a complex understanding will not yield easy answers – it may not, for example, clue us into the next mega brand idea, but might help explain and prepare our managers for much of what seems inexplicable today. Why, for example, do crowds spontaneously smash up McDonald’s restaurants when they are unhappy with US policies? Why can’t businesses be bullet-proofed against terrorism? Why are patent regimes routinely flouted by countries who see themselves as victims of the emerging international order? Why do employees deliberately subvert the careful plans set forth by their supervisors?

It might even prepare the next generation of managers to recognise that society does not exist for business but business for society, and that business actions are as much responsible for the explosions that we see around us – the wars, the rivalries, the hate. If they see themselves living in dolls’ houses – their companies – chaperoned by ‘friendly’ politicians, yet with the power to subject customers and employees to their own values, then they’ll never be prepared to face the inevitable consequences.

Engaging in business must mean engaging with the world – and not on one’s own narrow terms. It must mean learning both generally and specifically about major evolutions and revolutions, about religion and spirituality, about popular and classical cultural traditions, about local and national rivalries, about historic schisms and historic affinities, about nature, about prejudices, about emerging ideas. Learning about the world cannot be treated as ‘training’ – learning a few useful tricks, that is. It must be diffused enough to provide the right sense, not necessarily a direction.

Much of management education is obsessed with finding answers. Which is why courses on International Management, International Finance or International Marketing have tended to pose stock questions that have elegant answers. An American-led post war fascination with models has invested our trust in abstract formulae and made us suspicious of descriptive richness. It is difficult to find a management educator who can hold an audience through knowledge of an industry or a region, developing a holistic feel for the phenomenon, relatively easy to find an expert who knows how to wield a functional theory or model.

Yet, it’s the whole, and the intuitive and finely honed sense of that whole that conveys the world better than standard frameworks. It is arrived at through idiosyncratic experiences, in part through formal learning, and through serendipity. It is that non-deterministic and creative journey that we must encourage in our classrooms. Management education must strive to open minds, replacing the mindset of Global Business with that of World Views. Anything else would mean mistaking figure for ground.

‘Traditional management education turns the world into a passive recipient of business actions.’
Fellowship Elections

Michael Earl, formerly Professor of Information Management at the London Business School and a Templeton Associate Fellow, has been elected Fellow in Information Management and Business Strategy.

Chris Sauer, formerly Research Fellow in Information Management, has been elected Fellow in Information Management.

Dorothy Cooke, Director of Business Support Services, was recently elected an Administrative Fellow and joins the Governing Body. As co-ordinator of the Oxford Centre for Management Studies Alumni and the Templeton Alumni Association, Dorothy is well-known to many Templeton Views readers. Since joining the College in 1972 as Courses Registrar, she has held numerous posts on both a full and a part-time basis, more recently working particularly with the Oxford Strategic Leadership Programme. She is currently responsible for promoting the College’s executive programmes.

Marc Bertoneche, Mike Harper, Chris Townsend and Theodore Zeldin have all been elected Associate Fellows.

Marc Bertoneche is Professor in Business Administration at the University of Bordeaux and a Visiting Professor at the Harvard Business School. He has been on the Faculty of INSEAD for more than 20 years. Marc has a long connection with Templeton. He was Visiting Fellow in Finance in 1997, has taught on the Oxford Advanced Management Programme for more than 10 years and has been involved with the Oxford Senior Executive Finance Programme since its inception.

Mike Harper is President of Harper Consulting, Inc and practises internationally with a principal interest in strategic leadership and organisational transformation. A former US Army Colonel, he was in Washington DC as Chief of Army War Plans and then Director of the Army Chief of Staff’s strategic planning group during the transformation of the US Army from the end of the Cold War until his departure from active service in mid-1995. He was awarded the Distinguished Service Medal for his service. He has been involved with the Oxford Strategic Leadership Programme as lecturer and tutor for five years.

Chris Townsend is Director of E-Commerce and Interactive Services at Telewest. He previously spent six years at BSkyB, now Sky Digital, where he was Director of Customer Marketing, responsible for the launch marketing of Sky Sports, the Sky Movie channels and the Sky Multi-Channels. He was also a member of the BSkyB flotation team. He initiated and launched British Interactive Broadcasting (BiB), subsequently branded Open, and is a member of the DTI Retail and Consumer Services Foresight Panel and Chair of the DTI E-Retail Task Force. Chris is a long-standing member of Templeton’s Oxford Retail Futures Group and has taught on commissioned programmes.

Theodore Zeldin is Senior Fellow, St Antony’s College, Oxford. A writer and broadcaster, he is President of the Oxford Muse, a new Foundation developing more inspiring ways of working and of expanding human potential. His books, which include The French, Intimate History of Humanity and Conversation, have been translated into 21 languages. Picked as ‘one of Britain’s leading intellects’ by Management Today’s New Guru Guide 2001, he is on the advisory councils of the Demos Think Tank and the Vivendi Universal Futures Institute. He was made a CBE in the New Years Honours List. He contributes increasingly to Templeton programmes, including the Oxford Strategic Leadership Programme and many of the commissioned programmes.
Uwe Kitzinger awarded Honorary Fellowship

Uwe Kitzinger, Templeton’s first president, was awarded an Honorary Fellowship at a dinner held in his honour at the College on 25 October.

Sir David Rowland warmly recalled Uwe’s time at the College, where he was President from 1984–91, having previously been Director of the Oxford Centre for Management Studies (OCMS). Sir David remembered that Uwe’s article in the American Oxonian entitled ‘A College in Search of a Founder’ had resulted in John Templeton making contact – and ultimately in the benefaction without which ‘we wouldn’t be the size and shape we are today’.

In response, Uwe spoke about his time at the College, and some of the people – both faculty and staff – who had most influenced its development. When we see the way the world is being managed today, he said, management studies are important if humanity is going to survive: ‘We need more management studies, and very serious management studies that go far beyond business – and Templeton’s always gone not for business management, but for management.’

Rosemary Stewart and Ashley Raeburn were also presented with certificates in recognition of their Honorary Fellowships.

MPA Annual Dinner

The Major Projects Association held its annual dinner at the Savoy in London on 26 November. Attended by 120 members and their guests, it was a memorable gathering of leaders and opinion formers from industry, business, the financial world and government.

Lord Hattersley of Sparkbrook spoke after the dinner and, as was to be expected, was both entertaining and forthright. His main message was that industry and government appeared again to be in a potentially damaging phase of short-term thinking. For example, the ways in which many public service projects were now being financed could well, in the future, turn out to be poor value for money.

Marshall Young, Chris Sauer and Dorothy Cooke represented Templeton at the dinner.
David Whyte, the poet who has taken poetry into the corporate world, has become a frequent visitor to Templeton in recent years. David, a Yorkshireman who makes his home in the American North West, is one of the most highly rated contributors to a number of commissioned programmes.

On the publication of his new book, *Crossing the Unknown Sea*, the College was able, in November 2001, to host a one-day workshop for the first time. Organised in partnership with the Industrial Society, the occasion drew delegates from a wide range of backgrounds. As well as representatives from large private-sector organisations, including BT, Thames Water and Canada Life, participants came from local authorities, schools and major charitable organisations. A sprinkling of entrepreneurs made for an eclectic mix.

A number of delegates shared their thoughts and comments with me afterwards, but as one despairing email put it: ‘The workshop was fantastic. The only drawback is that it is very hard to explain why, or even what we did!’

Having worked with David often over recent years, I know precisely that feeling. How do you explain to someone who has not attended one of his sessions the power of poetry and his philosophy to unlock some of the most critical issues we are all facing in relation to our organisations, our work and ourselves?

In an attempt to share with you what it was like to be there, I offer you some comments I have received and, in particular, a letter from Romy Briant, Manager and Chief Executive of Relate Oxfordshire, who for me caught in a special way some of the value and enlightenment of the day.

One delegate said during the workshop that the issues being uncovered were the really ‘hard’ issues that organisations and individuals have to face, yet we call these the ‘soft’ issues. We have it the wrong way round. Considering the ‘hard facts’ is relatively easy. Looking at ourselves is not.

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A Participant’s View

Romy Briant, Manager & Chief Executive, Relate Oxfordshire

*Poetry is something more philosophic and of graver import than history*  
Aristotle

*Poetry is the breath and finer spirit of all knowledge*  
Wordsworth

*Poetry should be great and unobtrusive, a thing which enters one’s soul ... it should strike the reader as a wording of his own highest thoughts and appear almost a remembrance*  
Keats

Or, to express it more prosaically, ‘poetry reaches the parts which other words cannot reach......’ So how can I conjure for you the experience of a workshop with David?

The impact is evident. To attend a workshop is to be reoriented, revitalised, held mesmerised. Perspectives are changed, wells of energy tapped and a new enabling language makes it possible to face entrenched problems as a quest. Electricity positively charges the room from the moment David speaks until the final word.

And Templeton provides a welcoming, unobtrusive yet attentive surround for this experience – as we trace paths through mellow autumn woods the effects settle deep.

David does not use paragraphs of management analysis, however penetrating, to address the complexity of organisational culture or provide a staff development strategy. Instead he savours and releases the power of a few short
words, precise yet resonant. These are words so rich they tease the analytical mind, entrance the senses, embrace the emotions and reach to the very sinews. They are honed through generations and across cultures, gathering richness as they travel. They hold universal truths and the human condition and they speak to us all. As David describes besieged cities where silent battering rams break down the walls – it slowly dawns on us that this is also what is happening to us in this room – and you can hear a pin drop.

But to what purpose?

David brings a philosophy certainly: that we all have a vocation and a place where we can be truly creative if we have the courage to create or find the right environment...

... always this energy smoulders inside when it remains unlit
the body fills with dense smoke.

Out on the Ocean
David Whyte

and David entrances us with a simple image in a poem by Rilke to convey the possibility of transformation. We see the ungainly gait of the landbound swan becoming, in an instant, a gliding elegance – but only once the awkward fall into the water is accomplished.

He brings a conviction that the creativity in us all is not to be banished to the margins of our lives while we get on with the practical issues that occupy us at work: but to be released as a vital force at the centre of our working lives and that of our businesses. If only we have the courage...

It is the heart after years
of secret conversing
speaking out loud in the clear air.

............

It is the man throwing away his shoes
as if to enter heaven
and finding himself astonished,
opened at last,
fallen in love with solid ground.

The Opening of Eyes
David Whyte

Throughout are themes of shedding encumbrances and accustomed habits, embracing loss as well as gain, knowing that the richness of life includes times of waning as well as waxing, finding a heartfelt reality.

So the workshop is inspiring – yes. Challenging – yes – and also lightened with humour. It asks us to let go of the familiar, question what we are doing, have the conversations we dread to have; to wake up with Dante in a dark wood and to understand that it is only when we forgo our customary guidebooks that we open the way to the profound or the illuminating.

But was this just an ‘island’ experience? A day of nourishment but one which will be relegated to the background to be pondered in spare moments? My own reply is that it is only now, a fortnight on, that I begin to realise quite how precisely the power of the workshop is summarised in the few short words of its title. By drawing on these evocative poems and stories through which to view our work, I find an energy, an excitement and therefore a courage to look again at themes which are problematic for us. They seize the imagination and provide a wealth of creative language to name and define some of the tasks we need to undertake together and to embark on conversations we need to have.

So now, if you will allow, and guided by Beowulf, I must join my colleagues to plunge and wrestle with Grendel’s mother. May I offer you a quest? Find the last verse of a poem by Robert Frost with which David began the workshop. It has the beguiling title Two Tramps at Mud Time. Here, if ever there was one, is a mission statement for the perfect working environment. And, since fire (or at least smouldering energy), water and solid ground have already made their presence felt, I leave you in the air.

I am thinking of the way the intangible air
passed at speed
round a shaped wing
easily
holds our weight.
So may we, in this life
trust
to those elements
we have yet to see
or imagine,
and look for the true
shape of our own self,
by forming it well
to the great
intangibles about us.

Working Together
David Whyte
Putting on a New Hat:
The Oxford Advanced Management Programme

The Oxford Advanced Management Programme has always featured a different approach to learning – never more so than during the recent programme when, presenting the case of the Tyndall Furniture Company, programme directors Kunal Basu and Terry Hill decided to swap roles. Graphically illustrating his new perspective by putting on a safety helmet, Kunal as Operations Manager led half the participants as Tyndall’s operations management team. Terry, meanwhile, assumed the role of Marketing Manager, with the remaining participants forming the marketing team.

Both teams then studied the data relating to their specific function and put together a plan for the company’s future direction.

Marketing decided that the company should concentrate on the growth areas of bedroom and upholstered furniture, rather than continuing to specialise in its standard ranges of tables and chairs for the kitchen and dining room – and that it should sell through outlets such as galleries, which display many different sets of furniture in mock room settings.

Operations management took the opposite view: chairs were the best option in terms of ‘contribution per line hour’. Production managers had been concentrating on high volume, low cost operations and were planning to reduce reliance on external suppliers by investing in their own rough mill. They were horrified that the marketing department was now asking them to become a low volume, batch manufacturer.

To quell revolt, Kunal and Terry switched back to their usual roles and addressed the issue of functional integration directly:

- The customer is king. Dreams are the key to the kingdom. Customers buy lifestyles, not chairs – which is why they flock to the galleries.
- Tyndall is known for durable high quality tables and chairs for the dining room and kitchen. That brand identity could be a hindrance – or something on which to build.
- ‘The missing piece of the puzzle’, said Kunal, ‘is business strategy.’ What is the group looking for, overall, from its furniture business? Strategic direction is vital as markets move ever faster.
- It is important to develop a transparent strategic consensus within the company. Every functional development implies a strategy, even if an unconscious or undeclared one. An integrated strategic view building on the market is essential, not just for CEOs but for divisional heads and functional managers, such as marketing and operations. In fact Terry never used the word ‘marketing’, preferring to use ‘business’ instead.
- The leadership challenge is to produce a corporate culture in which essential cross-functional ‘conversations’ can take place.

In reality the Tyndall company had – rightly – cancelled plans for its internal mill facility, increased its chair production capacity so as to be able to grow the successful dining and kitchen ranges, and re-focused on galleries and mass merchandisers.

‘There are professional lessons for faculty like us as well,’ said Kunal, taking off his helmet. ‘We must get out of our separate academic silos and work, as business is having to do, in a functionally integrated way.’
Oxford Institute of Retail Management (OXIRM)

OXIRM’s Retail Futures Group, a networking club of 30 retail and consumer service company directors, met twice during the Michaelmas term. Its September meeting in Oxford reviewed the early findings of Templeton research into the financial performance of the top 500 retail companies worldwide (to be published in 2002). There was a lively discussion around some of the reasons behind the poor performance in terms of value creation of many of the largest retail businesses. In one of its regular off-site meetings, the Group met in Kingston in November as guests of the Conran Design Group to review the role of design in store performance. The new format MFI store served as an excellent backdrop to the discussion.

Meetings in the early part of 2002 will include a critical assessment of the role of direct mail in the retail promotional mix, hosted at Consignia’s London Mail Media Centre, and – in April – an evening in Oxford in the company of famously-plural Allan Leighton who, in concert with Templeton’s Keith Grint, Fellow in Organisational Behaviour, will consider the changing nature of leadership in retailing.

E-loyalty Research Continues

Following the successful completion in October of a collaborative research project on ‘e-loyalty’, Jonathan Reynolds, Fellow in Retail Marketing, agreed a continuation of the project to encompass the Christmas 2001 period online. The research, co-ordinated by the OXIRM team led by Richard Cuthbertson, is funded by KPMG and involves research teams at the Australian Center for Retail Studies (Monash University) and the Retail Management Institute in Santa Clara University.

More Funding for marketspace

The Department of Trade and Industry, which provided pump-priming funding for OXIRM’s marketspace website – www.marketspace.org.uk – has offered to fund a second year of activity. This will allow the site, designed to be a ‘one stop shop’ for those interested in trends and forecasts on UK business-to-commerce e-commerce, to develop online registration and email services. The scope of the reports database held on the site will also be extended.

Retail Location Analysis
4 – 6 February 2002

Careful development of new sites remains important for many retail and consumer services businesses. For others, particularly in a more uncertain economic climate, the rigorous assessment of an existing portfolio of outlets and issues of site performance and contribution have become higher priorities. In the only programme of its kind in Europe, the Oxford Institute of Retail Management offers managers with planning, development and site assessment responsibilities the opportunity to explore the latest thinking in retail location analysis.

The programme consists of a mixture of subject briefings and technical workshops. Subject briefings range from discussions of changing retail planning policy to retail property futures. Technical workshops provide ‘hands-on’ experience of the full range of methods and approaches to retail location analysis.

We are grateful for the support of GeoBusiness Solutions in sponsoring the 16th Retail Location Analysis programme.

For more details of the Group’s activities and to enquire about membership, contact
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Complexity and Chaos: 
The Challenge for Leadership

Keith Ruddle, Fellow in Leadership, Organisation and Change

CEOs Debate Leadership

How can a leader transform and sustain renewal throughout a complex organisation? This was the key question debated at another successful Templeton CEO dinner discussion on 29 October. Sir David Rowland chaired the debate, which was led by John Weston, Chief Executive of BAe Systems plc and Richard Pascale, Associate Fellow, Templeton College. Around 20 chief executives contributed – with a ‘home team’ of Templeton Fellows and Associate Fellows facilitating and reporting themes from each table. Keith Ruddle organised the meeting.

A Decade of Challenge at BAe

John Weston, Chief Executive of BAe Systems plc, has progressed through the aerospace industry in his career. He described two key stages in his own personal leadership challenge. In the early 1990s British Aerospace emerged as a privatised industry with ‘1960s style’ practices – and notably poor industrial relations. Its strong product portfolio was spread over a series of businesses with no real value in the group as a whole. In five years of radical change, John learned the success factors involved in waking up and transforming such a slow ‘overweight and monopolistic’ organisation. A significant focus from the top team on vision, values and the use of cross-company groups to initiate different behaviour drove new ways of working and a new belief. During this period John was able to benchmark and measure a significant shift in employee attitudes, beliefs and understanding of what the company stood for – with positive ratings from employee surveys all moving from 20–30 per cent to 50–70 per cent.

The more recent merger between British Aerospace and Marconi Defence systems, out of Arnold Weinstock’s GEC, was John’s second leadership challenge. In this merger the normal complex issues of integration were significantly aggravated by major cultural differences between the two organisations. During the merger process John and the team effectively started to build a new combined company – including the ‘reappointment’ of around 6,000 managers – into a new entity defined by a new vision, set of values and target behaviours.

John described the challenge of taking the people with you. He concluded that ‘if you want the company to add value you must find time and spend it personally with the senior management’ and a ‘clear strategy for success includes getting the team united around the objectives’. He emphasised the importance of understanding and ‘working with’ the culture and finally raised the challenge of leading change from the top while still achieving local ownership and empowerment.

The Challenge of Transformation and Renewal

Richard Pascale, reflecting on John’s comments, set the group three questions around leadership. The first of these was the issue of achieving transformation while sustaining an inbuilt capability for renewal afterwards. Points raised in debate included the need for a stimulus, usually external, to provide the impetus for transformation. Often the role of leadership might be to create such a stimulus from the top. Each transformation situation was different, but a real focus on people and on cultural issues was common, including the notion of ‘capturing hearts and minds’. Some interesting contrasting themes emerged:
the choice of detailed measures to drive and track change – particularly in attitudes and behaviours – versus a broader process of ‘sensing’ or ‘judging’ whether ownership was being taken

different views of leadership as ‘brave and courageous’ or as ‘having conviction and taking people with you even when what you are doing is against mainstream thinking’
different mindsets and metaphors used by the CEOs: some with machines or levers, some with people and culture, some the political view (reminding us of Morgan’s images of organisation)
the need to build on powerful cultural strengths of the past, which have allowed organisations to survive and flourish, versus the need for new purpose and values, often brought in from the top down.

Finally the paradox was raised as to whether the CEO as an agent for change from the top down was simply part of a broader system of change and emergence – particularly for organisations with some built-in ability for self-renewal.

The Challenge of Merger Integration
Experience and lessons from mergers was the second question to be debated. Examples here were first mergers of equals (such as SmithKline Beecham and the BAe-Marconi example), where the change process attempted either to pick the best from both sides, or – more challenging – to create a new culture. On the other hand acquisitions disguised as mergers, such as British Airways takeover of British Caledonian, demonstrated less of a transformation and more absorption into an existing set of styles. Behind the debate perhaps also lay unsurfaced rationale for mergers such as power, city pressure and incentives – which could often drive the process (‘context driving content and process’). A broader debate here raised the challenge for CEOs to manage the many different groups of stakeholders through such a change – be they employees, customers, shareholders or others.

Tapping into Distributed Intelligence
A third question for debate was how to tap into the ‘distributed intelligence’ in the organisation. John Weston had talked about the need for company objectives and purpose to connect with many parts of the organisation – where managers and teams clearly had the ability to set and achieve their own new and different objectives. The paradox for the leader is how to set purpose and direction while leaving managers in the organisation free to lead through uncertainty and change – the classic empowerment debate. A strong focus from the top on clarifying purpose and values must be at the heart of empowerment. A leader, however, must also tap into the diversity, or even deviancy, of the workforce – in order to tap into new ideas, and healthy chaos.

Leaders in Complex Systems
In his closing comments, Richard refocused on the challenge for leadership in a world of complexity and suggested that we might begin to look at organisations as complex adaptive systems – in a way which is closer to our understanding of the way the living world works. Four principles from that world suggest an agenda for leaders in such systems. First, a healthy system rejects a state of equilibrium; a degree of natural disturbance and chaos might be a recipe for change and survival. Secondly, the ‘distributed intelligence’ throughout a complex system could itself show signs of self-organisation from which change could emerge. Given this, thirdly, one role for the leader was to disturb the organisation ‘at the edge of chaos’ acting as the catalyst for change. Finally, the leader must recognise that the linkages through the system are not always direct and clear. Rather than relying on a prescriptive direct connection, it might be better for the leader to focus on ‘disturbing the system’ and allowing these complex linkages to spread change.

A practical view of leading in complexity is given in the original article on ‘Surfing the Edge of Chaos’ by Richard Pascale, published in the Sloan Management Review, Spring 1999, Vol 40 No 3, and in the subsequent book with the same title.

Richard Pascale

‘healthy systems reject a state of equilibrium’
The profitability of the world’s top 20 global performers is increasing dramatically – and so is the gap between the best and worst performing companies. The third annual Templeton Global Performance Index ranks 246 of the world’s leading multinational enterprises according to the profitability of their foreign operations. This year’s star performer is French refining company TotalFinaElf – a new entry to the Index – while last year’s number one, Nortel Networks, has dropped to number 231.

‘2000 was a very good year for some of the world’s largest MNEs,’ says Michael Gestrin, Administrator, Organisation for Economic Co-operation and Development, Templeton DPhil student and co-author of the report. ‘TotalFinaElf was the best global performer overall due largely to a combination of the company’s considerable experience of running foreign operations and to the general improvement in this sector’s performance in 2000.

Nortel Networks, on the other hand, had a disastrous year, falling from first to 231st. This was due partly to the slowdown in the telecom sector overall and partly to an aggressive and ill-timed international expansion strategy. According to Gestrin, ‘Although some companies did really well this year, many had a hard time in foreign markets. In many cases companies have found that they over-stretched themselves during the international M&A frenzy of the late 1990s. In fact, some companies have responded by simply abandoning their international ambitions, in effect adopting de-globalisation strategies. Waste Management and Rover are two prominent examples.’

The pharmaceutical industry topped the global performance rankings by industry for the third consecutive year, with three companies in the top five and five in the top 20. ‘This is all the more striking given the industry’s low level of consolidation – no pharmaceutical company has more than a 10 per cent share of the market,’ says Gestrin. ‘The industry’s success can be attributed to the fact that, unlike many other industries, the challenge for the pharma companies lies not in the actual running of foreign operations but rather in managing a profitable pipeline of products. As long as the pipeline doesn’t dry up and demand for the products remains strong, the foreign operations of these companies will continue effectively to print money,’ he adds. ‘However, recent developments at the World Trade Organisation concerning international intellectual property rights will probably see this performance dented next year as these companies increasingly find themselves competing against much cheaper generic products in international markets.’

One of the biggest industry falls was in building materials, from 6th to 20th place. Entertainment fell even further, from 9th to 25th. The biggest improvement in industry performance was in petroleum, which moved from 25th to 4th place. ‘The oil and gas industry enjoyed strong profitability due to several pretty fundamental factors, including improvements in productivity across the industry, cost reductions and, above all, high oil and gas prices,’ comments Gestrin.

The emergent foreign investment profitability gap identified in last year’s Index has been reversed. Foreign assets are once again generating a
disproportionate share of firms’ total earnings, with the 40 per cent of assets – the highest level ever – held in foreign companies producing nearly 45 per cent of total profits. This is consistent with overall foreign direct investment trends, which saw global FDI flows reach record levels in 2000 of $1.3 trillion.

The Templeton Global Performance Index, now in its third annual edition, significantly expands on the previous two editions. More companies are covered, and the appendices (which are available separately) now feature detailed lists of different aspects of global performance by industry and country. This wealth of information on the international operations of the 246 companies in the Index makes them an invaluable tool for strategic competitor analysis and corporate research.

The Templeton Global Performance Index by Michael Gestrin, Rory Knight and Alan Rugman, published by Templeton College, University of Oxford, November 2001, is available in pdf format only, cost £110. To enable users to analyse the data according to their individual needs, the Ranking Tables are also available as Microsoft Excel spreadsheets, price £300 (includes pdf).

What Do Knowledge Workers Want?

The Oxford Executive Briefing Innovation, the Psychological Contract and the Knowledge Business was officially launched at this well attended event sponsored by The Empower Group. Marc Thompson, Research Fellow in Employee Relations, presented the findings of the report, which was co-authored with Paul Heron, Research Associate, alongside a number of other speakers including Janine Nahapiet, Fellow in Strategic Management, who demonstrated the importance of social capital (building networks inside and outside the firm) to the generation of knowledge in organisations. Bill Parsons, HR Director at ARM, the FTSE 100 chip design firm, talked about his organisation’s approach to innovation and some of the dilemmas facing the business as it grows. Finally, David Arkless, CEO of The Empower Group shared his views on the organisational and HR architecture required to build a new global professional services firm.

Delegates explored the relevance to their own organisations of the conceptual and empirical material presented in lively discussions over lunch and during the day.

If you would like to know more about Templeton’s research in this area, please contact Marc Thompson, tel +44 (0)1865 422728, email marc.thompson@templeton.ox.ac.uk

Innovation, the Psychological Contract and the Knowledge Business (2001), price £65.00.
Student News

New Graduate Students Represent 14 Nations

Jonathan Reynolds, Senior Tutor 2001–2002

The start of the new academic year in October saw one of the highest numbers of new graduate students being admitted to the College, with 22 new students joining those already on our books to read either for the MBA or for a research degree. The Egrove community continues to be a cosmopolitan one: 14 different nationalities were represented in the 2001–2002 intake alone. With an Australian Common Room President and a French Junior Dean, the year promises to be a culturally exciting one! Because of its access to business and its particular mix of activities, Templeton also continues to attract some of the most interesting candidates to membership of the College. This year, these include a leading light in the charitable sector, an investment consultant, a surgeon, a co-founder of a (successful) internet company, the CEO of a small software company, and managers from businesses as diverse as Siemens, Océ, Schneider Electric, Royal Dutch Shell and the European Commission.

The College remains committed to growing its intake of graduate management students. We offer an attractive mix of scholarships to both MBA and research student candidates. Our aim is to provide a residential base for up to 25 per cent of Oxford’s graduate management community over the next five years. This ambitious target will require the realisation of financial resources to build further graduate accommodation on the Templeton site, adjacent to the existing prize-winning Egrove complex.

Scholarship Awards

Templeton is delighted to announce the following scholarships for the academic year 2001–2002.

Leyland Scholarships: for students registered for a postgraduate degree in Management Studies at the University of Oxford
Saliya Jayaratne
Josephine Ngure
Lina Salazar

Clifford Barclay Memorial Scholarship: for UK MBA students with limited financial resources
Ya’acov Leigh

Templeton MBA Scholarship
James Flexman
Rebecca O’Dwyer
Amanda Howard
Walter Smith
Aerospace Research Gets Off The Ground

The UK aerospace sector employs some 150,000 skilled workers, turns over some £18bn and contributes over £2bn to the UK’s trade balance. A globalising industry, it also owns more than £4bn in overseas assets and employs over 38,000 people. It is and always has been cyclical in nature and some downturn in business was expected as the world economy slowed. However, 11 September has had considerable ramifications for the sector worldwide. In the UK, job losses are mounting as the industry restructures. This presents a challenging backdrop for Templeton’s research on people management in the industry.

Marc Thompson and Paul Heron are conducting the third wave of research on people management practices and organisational performance across the 1,500 or more establishments that make up the UK aerospace industry. The research is funded by the DTI and co-ordinated by the sector’s trade body, the Society of British Aerospace Companies (SBAC). The last survey was carried out in 1999 and showed how the adoption of innovative HR practices between 1997 and 1999 was associated with significant improvements in value added per employee (ranging from 20–34 per cent). Detailed case studies in seven firms identified organisational barriers to the diffusion of innovations in people management.

The current research has two strands. First, Marc and Paul are producing an issues report examining the implications of long-term business challenges (eg industry consolidation and supply chain reconfiguration) for the future character of HR strategies. This will be launched at the Industry Conference in March 2002. The second strand is a third establishment-level survey of people management practices and organisational performance which will help us understand the diffusion of innovative HR across the industry and the consequences for firm performance. The results will be featured at the International Farnborough Airshow in the summer.

Obituary

John Wright
Emeritus Fellow, Trinity College, Oxford
1929–2001

In 1961, John Wright visited business schools in North America, bringing back ideas for the development of business studies in Oxford; ideas which were instrumental in the foundation of the Oxford Centre for Management Studies, headed by his friend, Norman Leyland. John himself was a member of the OCMS Council, which he attended regularly. He was an invaluable source of sound advice, particularly concerning OCMS’ relationship with the University.
Faculty News

Keith Blois, Fellow in Industrial Marketing, recently published ‘L’économie des couts de transaction et la creation de valeur dans les relations interentreprises’ (Transaction cost economics and value creation within business to business relationships) in (ed) Joffre, P, La theorie des couts de transaction (Vuibert: Paris) and ‘Retailing in Bangkok: an intriguing example of agglomeration’, International Journal of Retail and Distribution Management Vol 29:10 (with Rujirutana Mandhachitara and Tasman Smith). He also gave a paper on Using value equations to analyse exchanges to the 17th IMP Conference, at the Norwegian School of Management in Oslo.

Sue Dopson, Fellow in Organisational Behaviour, gave the key note speech at the symposium From Knowing to Doing at the UK Evaluation Society Conference December 2001 in Belfast.


Ian Kessler, Fellow in Human Resource Management, is working on a short project on European Works Councils, funded by the European Foundation for the Improvement of Living and Working Conditions. With Templeton researcher Paul Heron he recently published an article entitled ‘Steward Organisation in a Professional Union: The Case of the Royal College of Nursing’ in the British Journal of Industrial Relations (November 2001). He recently began a research project on the development of a new reward system at the Royal and Sun Alliance.

Karl Moore, Associate Fellow, recently published Foundations of Corporate Empire: Is history repeating itself? with historian David Lewis (Financial Times/Prentice Hall 2000). The book, which has a foreword by another Templeton Associate Fellow, Richard Pascale, traces the evolution of commercial activity and organisational forms over the past 5,000 years. This new era of globalisation is not so new – it actually has its roots in ancient Rome, the authors claim. ‘The key points of the book are that some of the things we think are so modern have antecedents in the past, and we shouldn’t be quite as proud as we are,’ says Karl. His article ‘Globalization is a Myth’, written with Alan Rugman, Thames Water Senior Research Fellow, appeared in the Montreal Gazette, 17 April 2001.

Jonathan Reynolds, Senior Tutor and Fellow in Retail Marketing, spoke on Uncertainty and the Future Consumer to an audience of retail CEOs at the Winnowing Club; on addressing consumer behaviour in a changing DIY market to over 300 European manufacturers and retailers at the Federation of European DIY Manufacturers’ Association in Brussels; and on Moving to e-Retailing to the European Retail CEO Forum organised by Marcus Evans Conferences in Paris. Recent publications include a chapter on ‘E-Tailing’, in McGoldrick, P J, Retail Marketing (McGraw-Hill 2001), ‘Retailing wakes up late to global ambitions’, Mastering Management (FT/Pitman Publishing 2001), Reynolds, J, and Cuthbertson, R, (2001),

Keith Ruddle, Fellow in Leadership, Organisation and Change, was academic advisor to a global research study involving more than 800 executives in 22 countries, published by Accenture as Liberating the Entrepreneurial Spirit. He is currently assisting Enterprise Insight, a new initiative to encourage a national culture of entrepreneurship set up by the Department of Trade and Industry, Confederation of British Industry, Institute of Directors and British Chambers of Commerce. In another collaboration with Accenture, he is advising on a short study called Business in a Fragile World, developing global scenarios for business to be debated at Davos in 2002. In March 2001, the British Cabinet Office (Performance and Innovation Unit) published a study on Strengthening Leadership in the Public Sector. Keith Ruddle was one of the team members seconded over six months to advise the Unit and Keith Grint contributed a contemporary literature review published in the report.

Chris Sauer, Fellow in Information Management, served on the European Conference on Information Systems Doctoral Consortium in Bled, Slovenia in June 2001. At the same conference he chaired, and together with Leslie Willcocks, Associate Fellow, participated in a panel on Building E-Business Infrastructure. In August he spent three weeks as an official visitor at the University of Melbourne’s Department of Information Systems, teaching MSc classes, presenting two executive programme days and giving an academic seminar. During his stay in Australia he also gave a seminar at the Queensland University of Technology and presented two executive programmes at the Australian Graduate School of Management in Sydney. His article ‘Where Project Managers are Kings’, which identifies project management lessons for IT based on construction industry practices, has been published in the Project Management Journal (December 2001). Earlier in the year he led a one-day seminar for the Major Projects Association on Transfer of Project Management Competence Within and Across Industries.

Rosemary Stewart, Honorary Fellow, recently published Evidence-based Management: a practical guide for health professionals (Radcliffe Medical Press). Intended for managers in the health service, the book is also relevant to other managers, particularly those working in the public sector.

Marc Thompson, Research Fellow in Employee Relations, gave a paper, co-authored with Templeton researcher Paul Heron, on Searching for complementaries: compensation strategies, HR practices and firm performance at the Global HRM Conference in Barcelona in June. He also presented a paper arising from his three year ESRC-funded research programme on Innovation and reward at the Academy of Management Conference in Washington DC in August.

Bob Vause, Emeritus Fellow, recently published the third edition of his Guide to Analysing Companies (The Economist 2001). The book was first published in 1997 and is now available in six languages – including Hungarian.
Fellows and staff at Templeton recently planted 30 trees during the Esso National Tree Week, raising, with the College’s support, a total of £300 for the Tree Society.