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THE BOOK OF DANGEROUS WORDS IN MANAGEMENT

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INTRODUCTION

In the world of information technology, every effort is made to keep computer systems free of viruses and malware. Their dangers are obvious, which is why systems and networks must be secured. The best way to do so is by continual updates, allowing computers to correct themselves, repair damage, and learn to deal with threats.

But how to prevent "viruses" from infesting the thoughts and ideas of human beings? How to prevent "malware" in the form of misguided ideas and dangerous misconceptions from entering our heads – and particularly the heads of executives in societies' countless organizations? How can we prevent the functioning of our organizations being "hacked"? A still more important question is: How can the thinking of executives be provided with the right updates, containing the concepts that point the future?

What's new doesn't have a name yet

These questions are important because we are witnesses to the emergence of a New World. Economy and soci-

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ety are undergoing one of the greatest transformations in history. The Old World, as we knew it, is turning into a New World, which we still can know only in outline, and in some of its rudiments. We can conjecture a little more, from which we can infer that in this New World, nearly everything will be unlike it is today.

The greatest challenge is to move from the Old World to the New, for in the period of transition, the Old World will keep functioning *less and less*, while the New World is *not yet* up and running. Since 1997, I have been referring to this process of profound change as "The Great Transformation21" and offered a detailed discussion of it in my books. In order to describe it, I needed a largely new language – that of cybernetics, from which the term "governance" is borrowed. The language of the Old World masks and distorts nearly all the New World's important traits, precisely because they are new. In fact, we probably do not yet even have words for what may turn out to be the crucial properties of the New World. In times of transition, we are in particular danger of failing to notice such properties until we are suddenly confronted with them.

Such was also the case with earlier transitions. What was new did not have a name. After all, what to call an apparatus able to do something that, according to the "laws of nature," *was not even possible*? The Germans came upon the imaginative idea of calling it *Flugzeug* or "flying-tool." The English word *aeroplane* (or, in American usage, *airplane*), derived from the French *aéro* and the Greek *planos*, "wandering," seems more lyrical, but similarly baffled by the sheer novelty of what it seeks to

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describe. If we tried to describe today's computerized world in terms of the mechanized office of the 1960s, we would struggle to understand computers.

Nearly everything is going to change

Many of the terms used today are "dangerous" because they describe the new wrongly, because they prevent its understanding and thus impede progress. For nearly everything will change in the course of the Great Transformation21: *what* we do, *why* we do it, and *how* we do it – and consequently also *who* we are. One day, we may look back on it as the most profound transformation in history, greater that the Industrial Revolution, than the Renaissance and Reformation, and the earlier transformations of the thirteenth century. The Great Transformation21 is taking place all over the world and affects all areas of society, above all its millions of organizations.

The Great Transformation21 is driven by four principal forces, which join to form a new reality. The most important drivers are technology, particularly digitalization and biotechnologies, the profound changes in the demographic makeup of most modern states, the global ecological challenges as well as the global economy and above all its debt. These four forces are closely interconnected. They influence, reinforce, modify, and hasten each other. From their interconnection, a new, all-encompassing reality emerges: exponentially growing, dynamic, and self-reinforcing complexity on a scale hitherto unknown.

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The more complex the world becomes and the more it changes, the clearer our thinking needs to be if it is to help us find our way. And the clearer must also be the language and terminology that enable us to communicate effectively.

What we already know

What can we already know about the Great Transformation21 today? After all, it is not beginning only now, nor did it begin only with the iPhone. A more useful date might be 1994, when Netscape released the first web browser accessible to non-specialists and inaugurated the internet as we know it – the General Public Internet, as it were. Previously, only specialists or enthusiastic hobbyists had used it. The scientific foundations for the Great Transformation21 were already laid in the late 1940s by Cybernetics, which studied nature's third fundamental entity: information.

We know that the new society is at once a knowledge society, an organization society, and a complexity society. We know that it needs to be an effectively functioning society and that, in order to be so, it needs effectively functioning organizations. And thus, we also know that it will be a society in which management will be the key function, and that such management must be of the systems-cybernetic kind, based on sciences of complexity – on systems theory, cybernetics, and bionics. On account of their inherent risks, some types of organization began early on to work systematically to achieve ever better functioning, among them airports and hospitals.

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In a world of functioning, the previous ideologies will be of little significance, for they are typically Old World modes of thought. Just as the natural sciences were never socialist, capitalist, or imperialist – or Catholic, or Buddhist –, the functioning of organizations, too, will come to be considered outside any ideological framework. Yet perhaps it will bring forth a meta-philosophy of applied *functionism*, as I have suggested in several of my books: by functioning management for functioning organizations. Only thus will true leadership be possible for the first time.

Effective communication will be decisive for functioning societies in the New World, at the level of computer networks, and of organizations and the people working in them. A functioning language may thus turn out to be crucial to the New World and its functioning. This does not pose much of a problem for computer networks, which have always made use of the cybernetic properties of feedback networks to correct themselves, have long worked with "Double Loop Feedback" and, in doing so, became self-teaching systems. Much greater difficulties are faced by people – not people taken by themselves, but people in organizations.

More than the finer points of language

Language exerts a decisive influence on perception, thought, communication, and action. Language is the foundation of right leadership, and language is the tool of those who use it to mislead. My concern in this book is with neither the finer points of usage nor questions of

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style or preference, but with right thinking and effective communication *in management*. But this is not an issue just of lucidity and concision. It is easy to put the greatest nonsense in clear and simple terms. All some people need is 280 characters and a few hashtags. Clarity has nothing to do with a statement's inherent accuracy.

At stake are clarity, accuracy, and professional precision. "Dangerous" words are sources of misunderstanding. They impede accurate understanding and sensible communication. They lead to misguided expectations and wrong behavior in people and organizations.

A clear and precise terminology is the hallmark of developed sciences and disciples. Professionalism and competence depend on a command of the core concepts. Nobody in a scientific or technical discipline could expect to be taken seriously without grasping the distinction between speed and acceleration. A lawyer unaware of the difference between possession and ownership would be not just incompetent, but dangerous. Precision is key when subtle but important decisions are at stake.

Analogous problems are not a rarity, but a common occurrence in management, where we are still far from the precision and clarity long ago attained by and indeed taken for granted in advanced disciplines. In virtually every discussion, my experience is that executives, as professional as they may be in their respective specializations, either lack a clear sense of the meaning of certain terms or assume that the same clarity obtains in management as it does it their own disciplines. As a consequence of this assumption, they are often surprised to find themselves in a linguistic quagmire.

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Of all the "dangerous words in management" collected here, barely any single one is misunderstood as often as *management* itself. Major uncertainty exists as to what management actually is, what it is not, and what it ought to be. This is the main source of misunderstanding and error, and the reason for the slow advance of this practical discipline, for the recurring fads plaguing the profession, and for the Babylonian confusion and disorientation in which so many people feel stuck.

It is also one of the principal reasons for the animosity – often latent but increasingly open – and indeed hostility toward management and managers. In my work as teacher, coach, and adviser to executives, I was nearly always able soon to ensure clarity and to reduce or assuage such antipathy by means of the distinction between right and wrong, good and bad management that I have developed over decades.

Right and good management I take to be the societal function that allows a society's organizations and systems to function in a right and good manner. That is why, in this new edition, I have decided to include the worst misunderstandings surrounding the concept of management itself.

In this book, I address a selection of words whose careless use I regard as a widespread habit as well as often being, in the sense outlined above, dangerous, confusing, or deceptive. Examples are *charisma* or *gut feeling*. Others are words – *motivation*, for instance – around which a

misguided practice or comprehensive misjudgments – as in the case of *emotion* – have accrued. Such words have been so much used in recent years that they have entered the standard vocabulary of management and appear to have a clear meaning. In this *apparent* clarity and *apparent* intelligibility there lie dangers.

In part, these words are the expression and consequence of fads. Indeed, few other areas are as prone to the vagaries of fashion as management. But to a large extent the words addressed here are also the consequence of insufficient or one-sided training in management. The "danger" of these terms goes beyond that of general miscommunication. They steer thought in action in wrong directions. They transport ideas about leading businesses, treating employees, and dealing with customers that are harmful and can sometimes lead businesses to collapse.

The terms I class as "dangerous" are put to numerous purposes. They are uses to shape opinion and policy, to do business, to bolster interests, and to legitimize status. They are also terms that are used to impress. Trying to impress is the strategy of a particular kind of expert. To create an impression is their crucial means of making a living – after all, they have no other. That is why they will do anything to maintain semantic illusions. Their tools of choice are cloudy language, high-flown terminology, and fashionable but empty phrases. Yet good executives are not so easily impressed, but demand precise knowledge. They use the strongest heuristic device to obtain it. They ask, *well, is any of that right?*

Knowledge can help guard against most mistakes and immunize against fads. It saves time and money, the la-

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borious learning and unlearning of misconceptions. Each of the words discussed here represents a moment of imprecision, a logical fallacy, a misguided theory, or a widespread but erroneous opinion in management – and to correct them is to work on the bridge leading to the New World, to contribute to better, functioning, and responsible management.

I wish to thank Tamara Bechter for her uniquely sensitive contributions to this new edition's conception, style, and content, Selina Hartmann at Campus Verlag for taking good care of the manuscript and Joe Kroll for his unmistakable feeling for the subtleties of the English language which is just for this text so important.

St. Gallen, Switzerland, September 2019

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CHARISMA

"We need charismatic leaders!" is a demand that recurs periodically, and in recent times quite emphatically. Little wonder, for we face great challenges. Of course, it is not enough for managers to be able to read and write and otherwise be averagely decent human beings. But why fall into the opposite extreme? Somehow, an idea has taken hold that managers, especially those at the top, ought to be a mix of a Nobel Prize winner, a Roman military commander, and a TV personality: a jack-of-all-trades, if you will, or the perfect Renaissance man.

We have learned to tolerate, or rather to suffer, a great deal of nonsense in connection with management. But to add charisma makes the nonsense dangerous. In the light of the experiences of the twentieth century, should we not be a little more careful what we wish for? Was not the last century that of consummate charismatic leaders – Hitler, Stalin, and Mao? Are we safe in the knowledge that such history will not repeat itself, is over and done with?

I am far from denying the effect charismatic leaders have on people. But this is precisely why what matters is not *that* we are led, but *where*. The effect of leaders is important. It must be tempered with responsibility. Historically, charismatic leaders have all too often wreaked disaster – in so many fields.

Charismatic leaders can be dangerous because, knowing the effect they have, they flout rules. They can be unpredictable and pursue utopias. Charismatic leaders are