

Management Gurus Tom Peters and Jim Collins: Providing Recognition for the Management Consulting Profession

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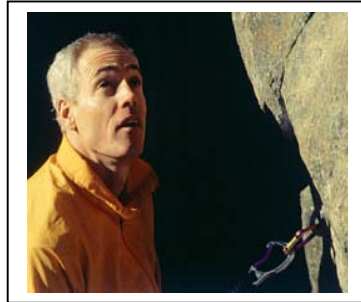
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Jim Collins



Tom Peters

By Stephanie L. Deighan

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Abstract

Tom Peters and Jim Collins are two consultants who are considered to be management 'gurus' as a result of their popular, widely read and successful books on management theory. These multi-millionaires are praised and criticized by the media, academics and the business world alike making some question whether they are good advocates for the management consulting profession on the whole. However, gurus are needed to create and popularize new ideas in management theory in the fast-paced economy that puts a great deal of time pressure on management. While these gurus are often criticized for being faddish and misdirecting management, it is the managers who are implementing these theories without taking carefully adapting them to the needs of their particular organization that are truly responsible for any ill results. Given the need to respond to the rapidly changing business milieu, it is management consultants who are needed to bridge the gap. Management consultants can take these popular management theories of the gurus and adapt them to help managers implement new and effective strategies specifically for their workplaces. Ultimately, management gurus like Jim Collins and Tom Peters create further recognition and opportunities for the consulting profession and thus have a positive impact on the profession of management consulting.

Introduction

In today's fast paced, ever-changing economy, the demands on managers are escalating and fads in management theory continue to emerge that seek to guide managers through the chaos. Tom Peters and Jim Collins are both professional management consultants who provide new and innovative ideas as well as guidance to managers and businesses. These management gurus are highly criticized for misdirecting managers with overly simplified theories and for jumping from one fad to the next. So, are these critics justified in their accusations? Are management gurus like Tom Peters and Jim Collins positively or negatively contributing to management theory and ultimately the profession of management consulting?

Tom Peters and Jim Collins are two well-known, modern examples of management gurus as a result of their successful careers and bestselling books on management theory. Both Peters and Collins are Stanford MBAs who spent some time working as management consultants at McKinsey & Co. before becoming the big names they are today. Peters' advice has been sought for over 20 years since the enormous success of his book *In Search of Excellence* (1982, co-written by Robert Waterman) that literally triggered the management theory boom that ensued.¹ Collins has been around for the same period; however, he attained the title of guru more recently with the success of his books *Built to Last* (1994) and *Good to Great* (2001). Collins is now considered "the hottest management consultant in the nation."² These two gurus are sought after by America's

¹ Peters, Tom. "Tom Peters's true confessions." *Fast Company* 53, (2001): 80

² Lenzner, Robert. "Room at the top." *Forbes*, 171, no. 9 (2003): 68.

biggest and strongest companies at the same time that academia criticizes them for being faddish and pushing common sense. After a brief look at both consultants' biographies and written works, the criticism of gurus and management theory will be discussed. It will become clear that the lessons from the scholars and critics surrounding gurus and management theory are further recognition for managers' need for guidance and support in today's turbulent marketplace. Ultimately, this displays the on-going need for the management consulting profession on the whole.

Management Gurus

First, what is meant by the term 'guru'? A definition offered by Accenture is "a business intellectual whose stock in trade is new ideas and advice."³ In this paper, the definition could be as simple as "leaders in management theory."⁴

The first management guru was Frederick Taylor whose concept of 'scientific management' in the early 1900's sold millions of books and changed the way managers ran their businesses. W. Edward Demings, another management guru, developed the concept of 'total-quality management' which was quickly adopted by post World War II Japan and later in America.⁵ In the world of management gurus, Peter Drucker must be mentioned for his significant contributions to management theory and for his influence on

³ Anonymous. "Ranking the gurus." *Electric Perspectives* 28, no. 2. (2003): 10.

⁴ Micklethwait, John and Wooldridge, Adrian, *The Witch Doctors: Making Sense of the Management Gurus* (New York: Times Books, 1996), Introduction.

⁵ Micklethwait and Wooldridge, *Witch Doctors*, 5.

business since the 40's. He has been referred to as the guru's guru to distinguish him from other so-called gurus.⁶ But it was not until the 1980's, when Peters' released *In Search of Excellence*, that the interest in management theory went through the roof. It was a time where the Japanese seemed to be doing everything better than America and American managers were ready for some advice.⁷ Through the eighties, nineties and into the new millennium, the global economy has been changing at a rapid pace putting all sorts of increasingly complex demands and pressures on managers. "The more complex their problems, the simpler are the solutions most managers seek."⁸ With the ever-changing macroeconomics milieu, managers are fearful of their businesses and their own futures.⁹ Management gurus like Peters and Collins as well as professional management consultants are able to capitalize on management's need for direction. These two gurus have been selected as examples of highly-publicized, well-known management consultants to briefly explore their biographies, teachings and contributions for which they are celebrated and criticized.

Tom Peters

Tom Peters is one of the first names that come to mind when term 'management guru' is heard. He recently rated in the top five on a study of the top 50 business gurus in

⁶ Micklethwait and Wooldridge, *Witch Doctors*, 63.

⁷ Micklethwait and Wooldridge, *Witch Doctors*, 6.

⁸ Barabba, Vicent, Pourdehnad, John and Ackoff, Russell L, "On misdirecting management." *Strategy & Leadership* 30, no.1 (2002): 5

⁹ Micklethwait and Wooldridge, *Witch Doctors*, 56.

America.¹⁰ “Every year thousands of middle managers gape in awe as Peters, arms flailing, brow sweating, voice hoarse with preaching, urges them to nuke hierarchy and learn to thrive on chaos.”¹¹ Peters is a zany man with extraordinary prominence and has been able to persuade more managers to *think* about their actions more carefully than almost anyone else alive.¹² He contradicts himself and is criticized for it, but it can be argued that he has been around for so long, in a rapidly changing business environment, that it would be very difficult for him to not contradict himself. Peters is changing with the times. He reacts to the criticism that many of the excellent companies in his book, *In Search of Excellence*, were no longer in existence five years later by saying that the information in the book was absolutely perfect... in 1982.¹³ Hindsight changes our perspective of things making it easy to criticize years later in a changed market.

Even Peters’ harshest critics are likely to admit that Peters has an incredible talent for making any topic interesting and that his in-depth knowledge of corporate life in America and around the world is astounding.¹⁴ Peters’ credentials are impressive as evidenced in this brief biography on his website:

“Tom is a graduate of Cornell (B.C.E., M.C.E.) and Stanford (M.B.A., Ph.D.) and holds honorary degrees from several institutions. He served on active duty with the U.S. Navy in Vietnam (a Navy Seabee) and Washington from 1966 to 1970, was a senior White House drug abuse advisor in 1973-74, and worked at

¹⁰ Anonymous, “Ranking the Gurus”, 10.

¹¹ Micklethwait and Wooldridge, *Witch Doctors*, 79.

¹² Micklethwait and Wooldridge, *Witch Doctors*, 80.

¹³ Peters, “True Confessions”, 86.

¹⁴ Micklethwait and Wooldridge, *Witch Doctors*, 81.

McKinsey & Co. from 1974 to 1981, becoming a partner in 1979. Tom is a Fellow of the International Academy of Management, The World Productivity Association, the International Customer Service Association, and the Society for Quality and Participation.”¹⁵

Peters’ lengthy time in the spotlight proves that he is not a fad. He is captivating and able to make his advice sound practical and easy. Moreover, he has an incredible knack for marketing his products and services.¹⁶ Overall, he is up on trends, big on intangibles and argues his books are more survival guides and are not get rich schemes.¹⁷ His main goal is to get managers to try new things and learn from it:

“...there’s no substitute for getting smarter faster. And the way that you get smarter is to screw around vigorously. Try stuff. See what works. See what fails miserably. Learn. Rinse. Repeat.”¹⁸

Jim Collins

Jim Collins is the latest in management gurus. He is best known as a Colorado rock-climber and a man who keeps to himself. He has produced two bestsellers since 1994 and has become so popular that he can only accept 1 in 25 prospective assignments. His going rate is \$1000 a minute for something as simple as a 45-minute speech.¹⁹

¹⁵ Tom Peters Company, *Tom Peters*, <http://www.tompeters.com/>; accessed 4 November 2003.

¹⁶ Micklethwait and Wooldridge, *Witch Doctors*, 82.

¹⁷ Micklethwait and Wooldridge, *Witch Doctors*, 90.

¹⁸ Peters, “True Confessions”, 92.

¹⁹ Lenzner, Robert, “Room at the top.” *Forbes*, 171, no. 9 (2003): 68

Collins tries to practice what he preaches. He actively tries to avoid contradictions and attempts to not subscribe to any particular school of management thought.²⁰

“The conclusions he has drawn from his research are, he says, applicable to all economic scenarios, from boom periods to recessions. And they can be applied to companies of all sizes, from publicly traded, multinational chains to independent restaurants or non-commercial foodservice.”²¹

Collins sees himself as an educator and his advice to the corporate world during these turbulent times is essentially “comfort food”. His message includes guidance, such as; exercising patience, sticking to companies’ core values, that CEO’s do not need charisma to succeed, and that technology enables greatness but does not assure it.²² Much of Collins advice has arisen from the research he did for his two books *Built to Last* in 1994 and *Good to Great* in 2001. Collins approach is to intellectually challenge people in hopes of making people change the way they see things. He is a man that urges companies to create BHAGs, “Big Hairy Audacious Goals”²³ along with the use of the “hedgehog” rule of management where managers “concentrate all energies and passion on one big goal.”²⁴

Collins’ resume includes a Stanford degree in applied math and a Master of Business Administration. He spent 18 months at McKinsey & Co. at the same time Tom Peters

²⁰ Useem, Jerry, “Most admired: Conquering vertical limits.” *Fortune* 143, no. 4 (2001): 86.

²¹ Hume, Scott, “Jim Collins.” *Restaurants & Institutions* 111, no. 26 (2001): 27

²² Lenzner, “Room at the top”, 68.

²³ Jim Collins.com, *Jim Collins*, <http://www.jimcollins.com/index.html>; accessed 4 November 2003.

²⁴ Lenzner, “Room at the top”, 68.

and Robert Waterman were working on the project which later turned into *In Search of Excellence*. That project is what sparked his interest in excellent companies that continues to drive his work today. Eventually, Collins taught entrepreneurship at Stanford after a brief period working as a product manager at Hewlett-Packard. Today, he works out of his own office in Boulder, Colorado.²⁵

Criticism of Management Gurus

Tom Peters recently commented on the difference between himself and Jim Collins. “Jim Collins, the Built to Last Guy ... likes incremental change & con-ti-nu-ity. I love V-E-R-Y CREATIVE & MESSY DESTRUCTION.”²⁶ Although these two differ in their style and advice, they both are criticized under the same category of ‘management gurus’. But according to Micklethwait and Wooldridge in *The Witch Doctors*, the gurus are not to blame; the real problem lies in the discipline of management theory.²⁷ They go on to describe the four main criticisms of management theory:

1. A lack of self criticism
2. A terminology that confuses more than it educates
3. That it barely rises above basic common sense
4. That it is faddish and full of contradictions²⁸

²⁵ Lenzner, “Room at the top”, 76.

²⁶ Lenzner, “Room at the top”, 69.

²⁷ Micklethwait and Wooldridge, *Witch Doctors*, 12.

²⁸ Micklethwait and Wooldridge, *Witch Doctors*, 12.

Arising from this critique is the allegation that the gurus simply seek to capitalize on the unstable market full of fearful and anxious managers. These managers pursue management theory and guru advice for comfort, direction and understanding.²⁹ Gurus are experts that are able to offer new ways of looking at things. After all, management is more of an art than a science which means solutions are aplenty but none will be permanent.³⁰ Especially in the fast paced knowledge economy that is the reality of today.

Just a Fad...

The charge of being faddish is a popular attack on management theory. In Miller and Hartwick's opinion, the real problem with fads is that they "fail to deliver on their promises, a factor that contributes to their short life cycles and rapid decline."³¹ They describe eight characteristics that business fads share:

1. Simple
2. Prescriptive
3. Falsely Encouraging
4. One Size Fits All
5. Easy to Cut and Paste
6. In Tune with the Zeitgeist
7. Novel, not Radical
8. Legitimized by Gurus and Disciples³²

²⁹ Micklethwait and Wooldridge, *Witch Doctors*, 56.

³⁰ Micklethwait and Wooldridge, *Witch Doctors*, 60.

³¹ Miller, Danny and Hartwick, Jon, "Spotting Management Fads" *Harvard Business Review* 80, no. 10 (October 2002): 26.

³² Miller and Hartwick, "Spotting", 27.

All of the characteristics of fads are often what the gurus themselves are charged with. This is likely because of number eight on the list: that gurus are a source of legitimizing fads. But, are the gurus to blame for misdirecting managers with the latest fads in management theory? What about a manager's accountability and role in the decision-making process? Are they not responsible for tailoring 'big ideas' to the actual needs, realities and capabilities of their own organization?

Eileen Shapiro offers a premise; "Theories don't pull companies in conflicting directions, managers do."³³ Ultimately, it is the managers that must bear the responsibility of making the tough decisions. Shapiro goes on to explain that it is the managers who do not wish to think for themselves and that buy into the fads because they are looking for quick fixes to complex problems.³⁴ In Peter Drucker's words, "We've been caught in a period of very rapid change; the feeling is that there must be a right answer. But also, thinking is very hard work. And management fashions are a wonderful substitute for thinking."³⁵

Management gurus Peters and Collins are highly educated individuals who have worked with other brilliant minds through their education and business experience. It is safe to say that such gurus rely on manager's ability to use their intellect to decipher and adapt their 'simple', 'prescriptive' and 'one size fits all' solutions. It is up to the managers to

³³ Shapiro, Ellen, "Managing in the Age of Gurus." *Harvard Business Review* 75, no. 2 (March/April 1997): 142.

³⁴ Shapiro, "Managing in the Age", 143.

³⁵ Barabba, Pourdehnad and Ackoff, "Misdirecting", 9.

determine how these theories might apply to the circumstances they face in their own firms. It is here that we run into trouble. Peters says it his own words: "...my feeling is that anyone who's idiot enough to read a business book and follow the words to the letter is just that—an idiot."³⁶ But arguably not all managers have the time or take the time to adapt the advice into something that will work for their firms. Is it the gurus who are making the recommendations who are truly responsible for misdirecting management?

Gurus and the Consulting Profession

It is well known how quickly the economy is changing and the enormous amount of information that managers must sift through. It is clear that management theory is not an exact science and cannot offer permanent, unfaltering solutions. And critics are quick to point fingers at the management gurus for supporting fads and preaching common sense for dollars. So, since management gurus Tom Peters and Jim Collins are inadvertently spokespersons for the management consulting profession, how are they impacting the profession at large? Or do they belittle it and add to the criticism that gurus, and hence management consultants, are merely con artists capitalizing on the latest fad?

Shapiro and Peters have drawn the conclusion that the true crux of the problems begin with the managers themselves. If the root of the problem lies in management's inability to find the time to think or to use their intuition to adapt external guru advice (or any applicable management theory for that matter) and solve their own organizational problems, then what? This simply points to the fact that management consultants are

³⁶ Peters, "True Confessions", 91.

needed to help interpret management theory – and its latest trends – to help managers think about their organizations and assist them in making sustainable, company-specific changes.

Peters has shown he is not a fad and that he can withstand the test of time while admitting that his theories can appear faddish in retrospect as his own advice evolves with the growing and changing economy. His success along with Collins', are testaments that people want and seek advice from management gurus and consultants. They may be criticized for it, but management gurus are needed to create and popularize new ideas that contribute to management theory. Managers on the ground need to take the advice from the gurus and think about how it may help their companies. But managers may not have the time or the ability to implement the necessary changes. Professional management consultants are the folks that can bridge the gap. Management consultants can take ideas from the theories that were popularized by the gurus, use their independence and objectivity to quickly appraise the situation on the ground from the managers, and adapt creative solutions for a particular workplace.

Management gurus bring constant recognition – both positive and negative – to a large and growing industry of management consulting. Masked in the hype and criticism is a tangible need for professional advice and professional help in managing modern organizations.

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