

Work in the Post-Corporate World

The Corporation ↔ You

Employees need to forget their jobs,
they must look for the work that needs doing

John P. Kotter

**THE
NEW
RULES**

How to Succeed in Today's
Post-Corporate World

The Free Press, 1995
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The Author: John P. Kotter

- Graduate of MIT and Harvard
- Joined the Harvard Business School faculty in 1972
- Became in 1980 professor on Leadership (at age of 33)
- **13 business books,**
the last: What Leaders Really Do (1999)
his next: The Heart of Change, will be published in 2002
- ***Harvard Business Review* articles sold in 1.5 million copies.**
- His books have been printed in over 20 foreign languages, and total sales are approaching 2 million copies
- 2001 survey in *Business Week* magazine conducted of 504 enterprises rated J. Kotter **the #1 'leadership guru' in the US**

What is success at work ?

**Success at work for most people means
a job that is:**

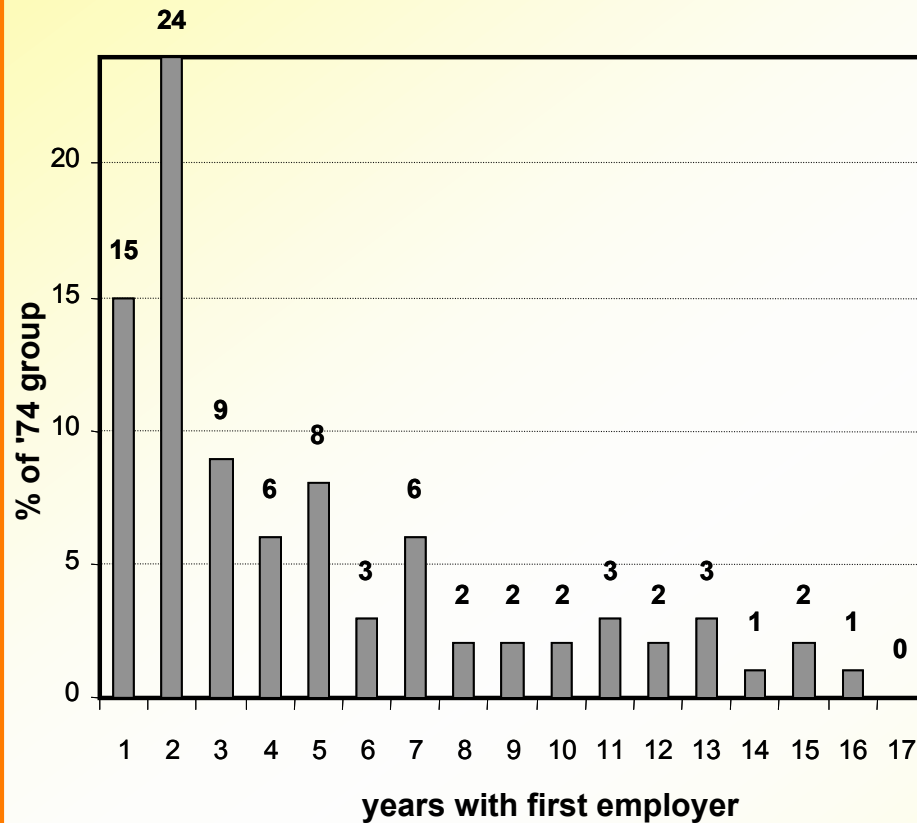
- Economically and psychologically satisfying,
- That makes a contribution to society, and
- That supports a healthy personal or family life

The Study

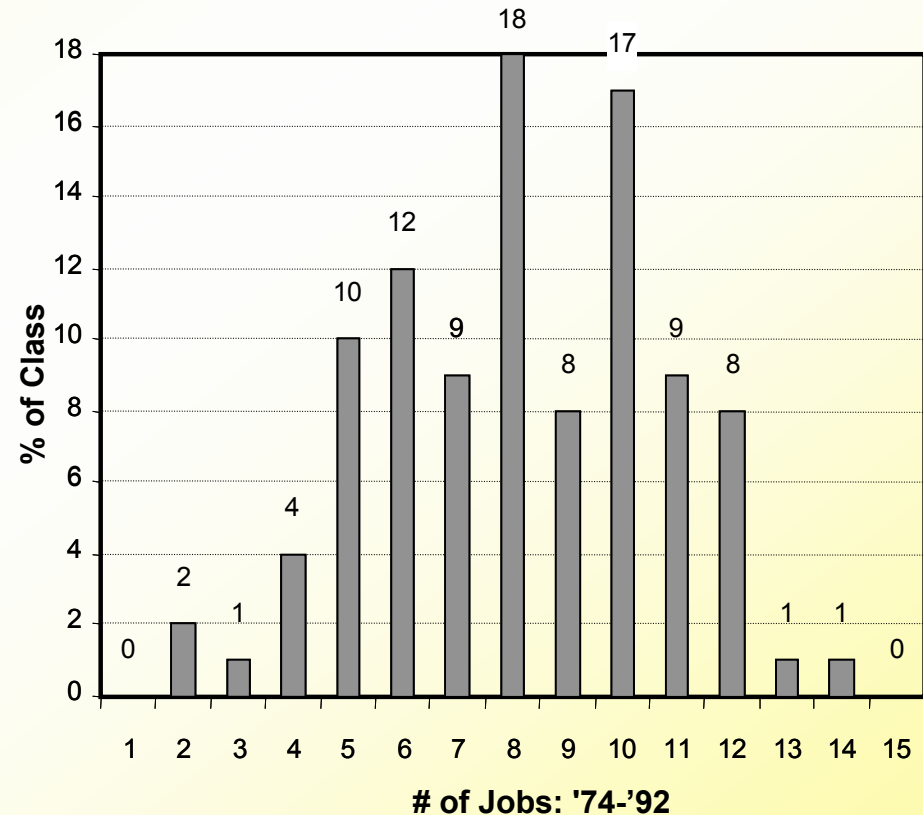
- 115 Harvard MBAs from Class of '74
- Followed their careers from 1974 to 1994
- Questionnaires; Interviews
- Identified key factors that determined success (professional and personal)

⇒ **8 Rules: « The New Rules »**

In June 1974, Class '74 graduated with MBA from HBS (2-year MBA) ⇒ back to professional life.



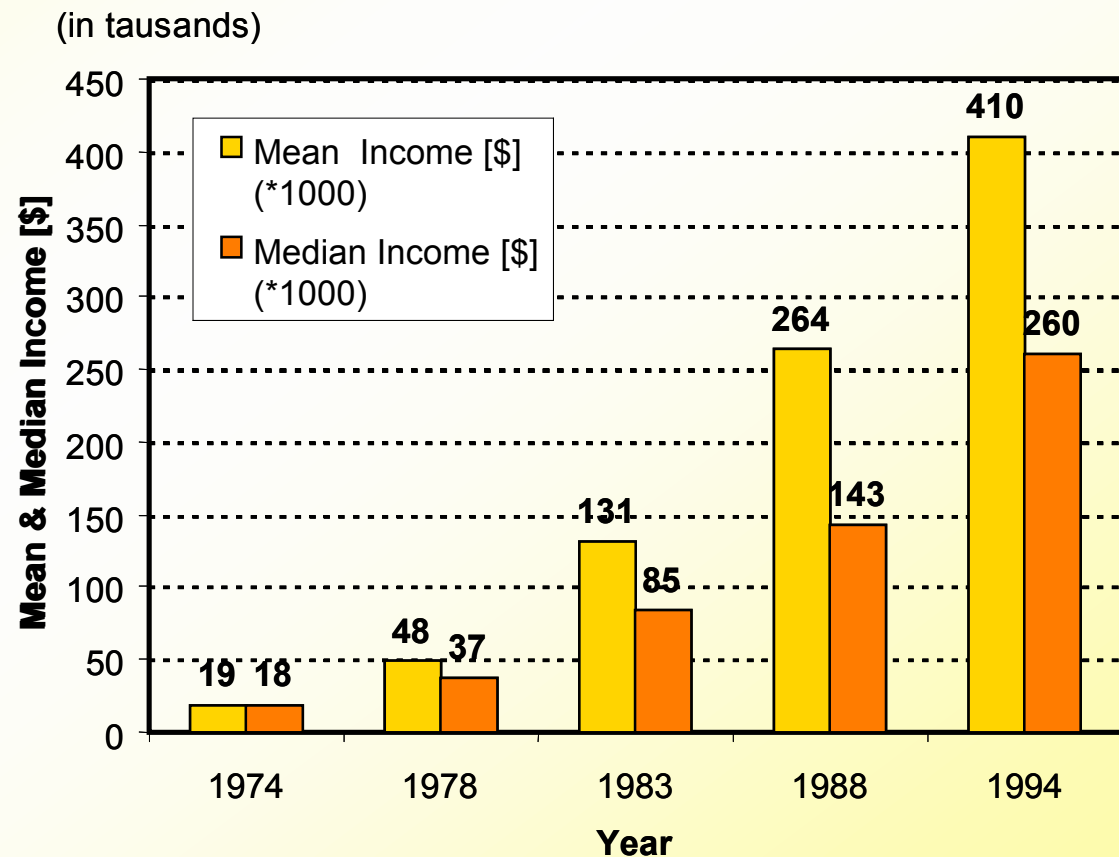
Number of years the graduates from Class '74 stayed with their first employer, as of 1992.



Number of jobs hold by the graduates from Class '74, for the period 74-92.

Income for Class '74: 1974 versus 1994

- Their titles,
- the budget,
- the # of subordinated,
- their powder
- Income



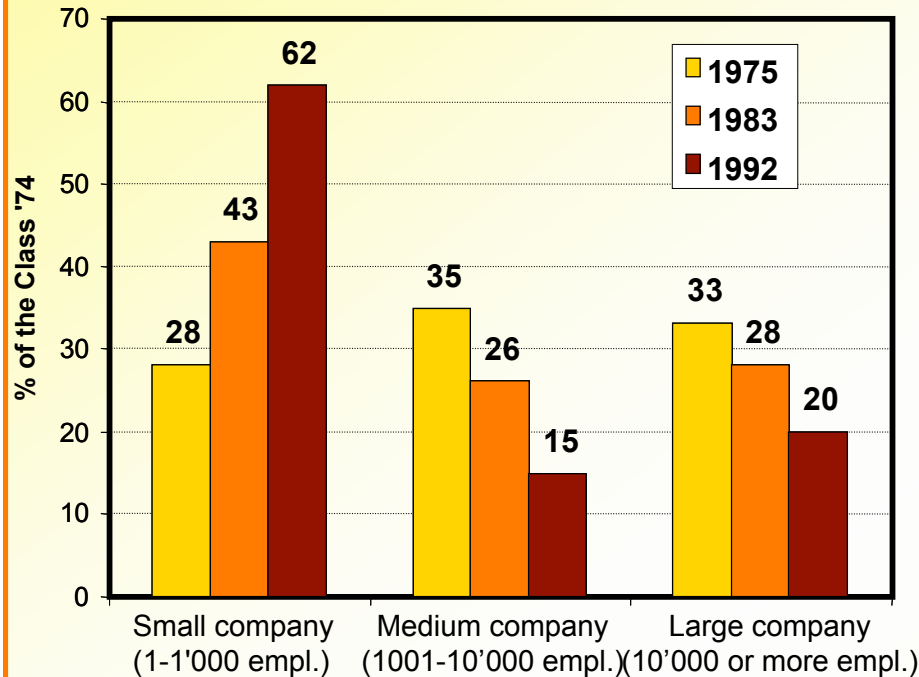
strongly increased over the period 1974 to 1994.

Satisfaction in family life (self-assessments)

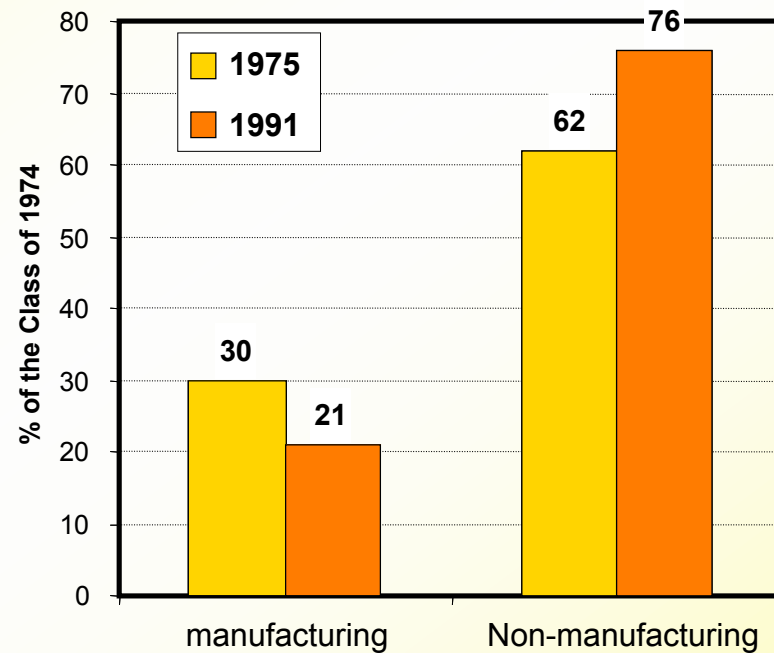
- Extraordinarily satisfied: **28.1%**
- Very satisfied: **33.3%**
- Satisfied: **24.0%**
- Somewhat satisfied: **5.2%**
- Dissatisfied: **10.4%**

Satisfied with work	Yes	1%	80%
	No	2%	17%
		No	Yes
		Satisfied with non-work aspects of life	

New Rule #1: Unconventional Career Paths



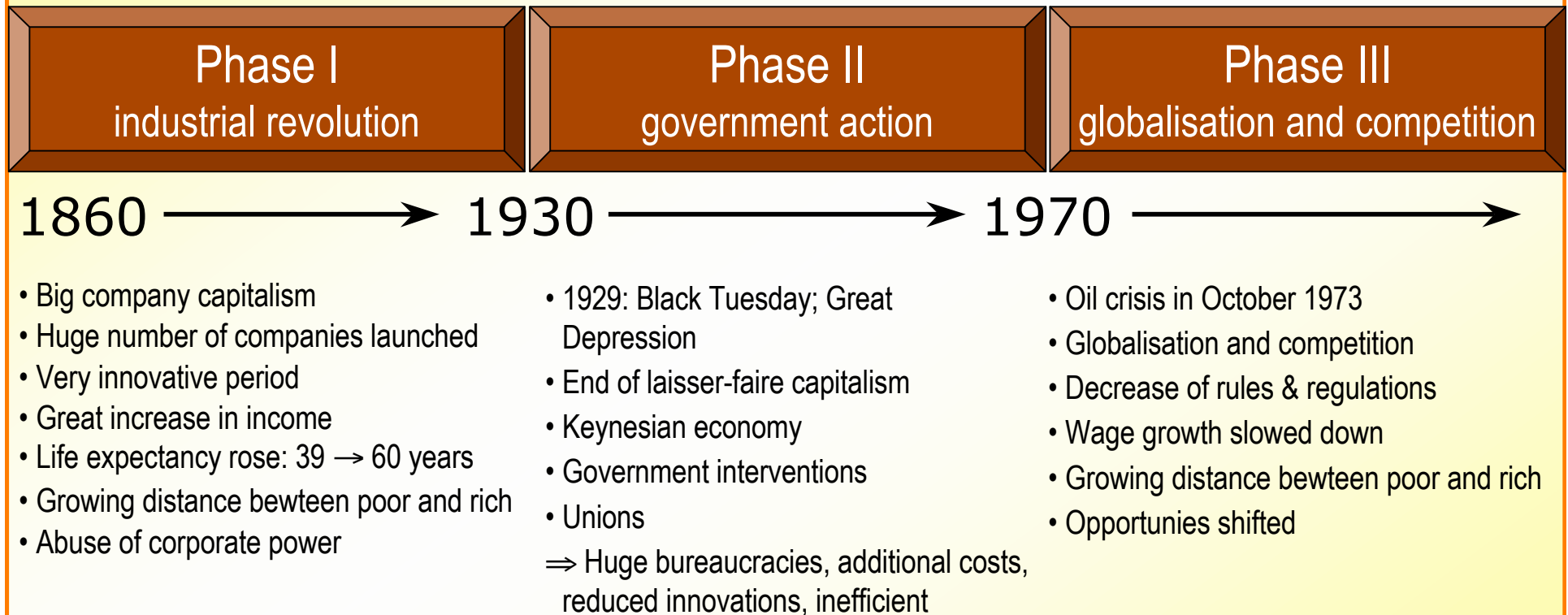
Size of employers for graduates of Harvard's MBA Class of '74, and how these have evolved from graduation year until 1992



Industries in which graduates from Class of '74 work

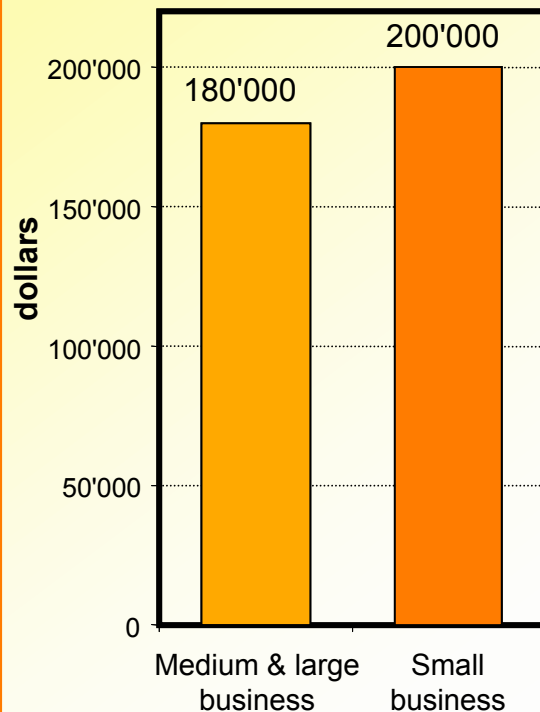
The location of opportunities is shifting. Succeeding at work today demands strategies and career paths that are often different from the mid-20th century norms. Increasingly, the new rule is: beware of the conventional and traditional. In a time of rapid change, **the unconventional often wins.**

New Rule #2: The Post '73 Economic Environment



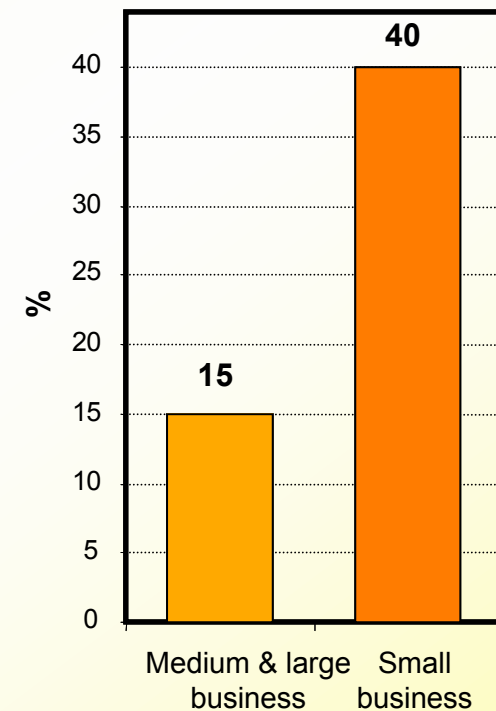
Globalisation of markets and competition is creating enormous change. The new rule is: to succeed, one must **capitalise on the opportunities available in the faster-moving and more competitive business environment** while avoiding the many hazards inherent in such an environment

New Rule #3: Founding and Growing Small Businesses



Difference in median income in 1992

- In 1992, most Class '74 MBAs worked for a 550 people firm that manufactured nothing
- In small firm:
 - more feedback
 - more autonomy
 - oversee work from A to Z
 - can use ones judgement
 - fewer complains
- Profile of person in small entrepreneurial company:
 - more independent
 - hard working
 - need for autonomy
 - lesser need for security



% with titles of Chairman, President, CEO or COO in 1992

Increasingly, **success is going to the small and entrepreneurial**, not the big and bureaucratic. The new rule is: people who found and grow small organisations are often receiving both more job satisfaction and more income than most of those in traditional large organisations

New Rule #4: Consulting to and Assisting Big Business

- Most left big firms, but continue to add value from outside: suppliers, distributors, bankers, consultants, ...
- Big corporation responded to globalisation & competition: decreasing employment inside and increasing employment outside (outsourcing)
- Why do big firms use consultants?
 - Outsider might be more objective
 - Easier to bring bad news
 - Consultant can specialise on certain kinds of problems
 - Good consultants do not like working for big firms

Huge and inwardly focused hierarchies perform poorly in fast-moving and competitive environments. As a result, big organisations everywhere are being forced to slim down, become less bureaucratic, and form closer relationships with customers and suppliers.

This trend offers great opportunities – for small distributors, suppliers, and specially business consultants.

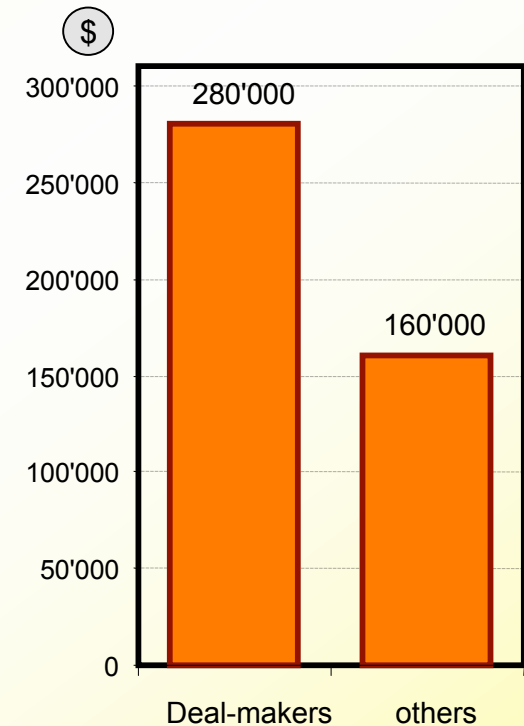
New Rule #5: Providing Leadership

- **Leadership is about coping with change**
- **Without leadership careers are increasingly limited**
- **Outstanding leaders are people who (what they do):**
 - *Give a clear and sensible direction*
 - *Help create a vision for the future*
 - *Design strategies to achieve that vision*
 - *Are good at motivating and inspiring people*
 - *Produce change at the individual and the organisational level*
- **Character-traits of leaders (What they are):**
more oriented to power, recognition, prestige, grow – less to security.
- **Traits set before puberty:**
drive, intelligence, no neurotic baggage, integrity
- **Leaders acquire their skills at the jobs**

Success in managerial jobs increasingly **requires leadership, not just good management.** Even at lower levels in firms, the inability to lead is hurting both corporate performance and individual careers. Organisations that stifle leadership from employees are no longer winning.

New Rule #6: Doing Deals

- Today, financial dealers play crucial role in economy (mergers/acquisitions, match money S&D)
- In 1993, 25% of Class '74 are financial deal-makers
- Public is looking with scepticism at deal-makers
- Make low contribution to society (self-interest)
- Make more money than others

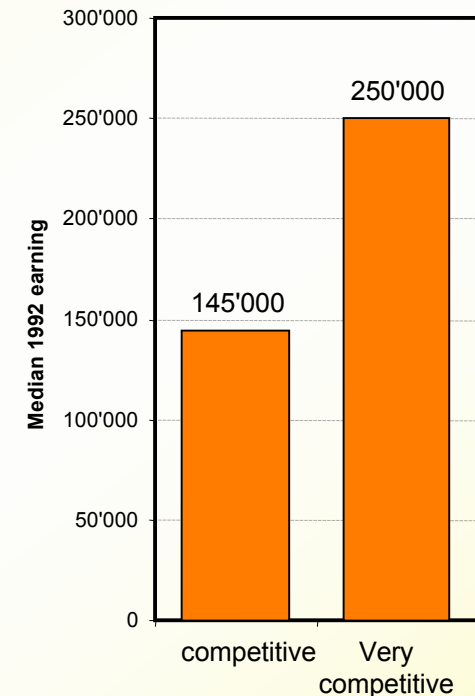


Median income in 1992

Today's global business environment offers **huge opportunities for financially oriented deal-makers**. The new rule is: **deal if you can, but be careful**. Some of those opportunities are not in anyone's best interest except the deal-maker's. Because some people are capitalizing on those socially questionable possibilities, the public is increasingly looking at all financial deal-makers (and, to a lesser degree, all business people) with suspicion and contempt.

New Rule #7: Competitive Drive

- In order to succeed:
above all drive to compete and win
- Engaged into competitive situations
- Origin of drive: parental values
- Assets needed to compete effectively:
healthy body, good mind, solid education, useful role models, track records of success stories, failures do not stop them, self-confidence, helpful friends.



In the increasingly competitive and fast-moving global business environment, winners reap big rewards while those who are unable or unwilling to compete can encounter huge problems. The new rule is: **you have to be an able competitor**. Effective competition requires many things, especially high standards and a strong desire to win.

New Rule #8: Lifelong Learning

- Able to turn good and bad events into learning experiences
- Class '74 graduates do not run away from tough times
- Reflect on their own experiences to grow
- Without ambition, the pain of growth looks too big, and with avoidance comes stagnation
- Lifelong learning has become key to economic success

In a rapidly changing and competitive environment, formal university education is very important, but insufficient. Success at work demands huge growth after a terminal degree to **learn new approaches, skills, techniques**, and more. A turbulent environment offers many opportunities for growth for those willing to take some risks and **reflect honestly on their experiments**.