

PROFILE

TO SHELL AND BACK

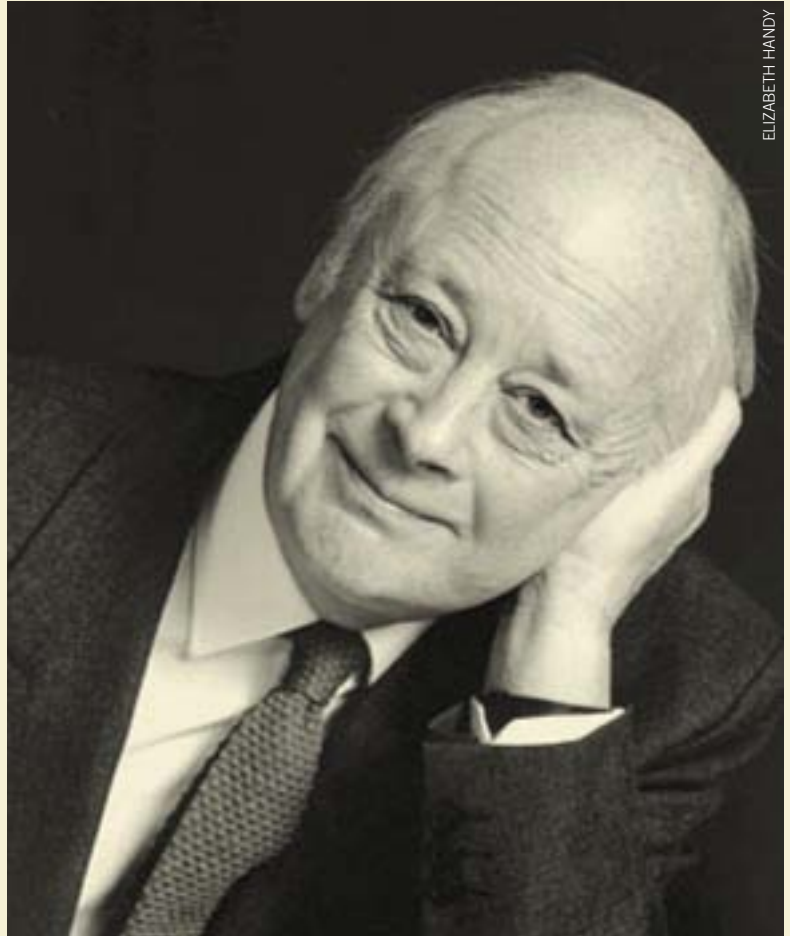
THE NEW OIL

The British social philosopher Charles Handy celebrates his 80th birthday in 2012. His work provides a powerful link between the leading pioneers of management thinking and the future of work. Ideas really are the new oil. Stuart Crainer examines Handy's unique contribution.

Meeting a former oil executive on a cold, wintry English morning is hardly the stuff of professional dreams. There is a long walk up a hill to his home. Eighty years old this year, the oil exec has a myriad of interests and projects underway. He has recently been working with a housing estate in Dublin and the church in Wales. He is also keen to talk about some of his recent rail journeys throughout Europe, his re-reading of TS Eliot, not to mention projects with his photographer wife.

Charles Handy is an unlikely oil executive. Ideas are his natural terrain, but the Irish-born son of a parson began his working life with Shell. "In the 1950s you either went into a profession or joined big business. The idea of starting a business on your own didn't really exist as an option," he explains.

He worked for Shell International in Southeast Asia and London, where he claims to have been so bored by paper-shuffling that, for the only time in his life, he kept one eye on the clock and leapt for the doors at exactly 5:20 every afternoon.



ELIZABETH HANDY

CHARLES HANDY: AN UNLIKELY OIL EXECUTIVE AND PERSUASIVE THINKER

In Southeast Asia, at least, it was a "wonderful life". But, fundamentally he wasn't cut out for the corporate world. Eventually, there was talk of sending Handy to Liberia. "I felt that I was buying security but I had handed over my life to Shell. I left," he says. "When I was working for an oil company my goals were quite clear: to get more responsibility. I'd already sold my time to them for the next 40 years so the only question was what was I going to do with that time. And they would tell me that.

The only real question, therefore, that I could negotiate was how much they were going to pay me for my time. So obviously I was interested in more money, almost to the exclusion of anything else."

The human side

Handy's path to self-discovery was an unlikely one. He escaped to America and the Sloan School of Management at the Massachusetts Institute of Technology, then the incubator of such future business thought leaders



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Lynda Gratton

as Chris Argyris, Warren Bennis, Mason Haire and Edgar Schein. That experience, he later said, coupled with his years at Shell, “got me interested in organisations and how to run them. Initially, I was only interested in how organisations become more efficient. But efficiency has its human costs, as well as its human benefits. I needed to try and puzzle those out. Creating more wealth doesn’t necessarily make everybody happier.”

His connection to MIT in the late 1950s and early 1960s, gave Handy a direct line into the human relations school of Douglas McGregor and Abraham Maslow. From that time, the human side of enterprise has been his fruitful and broad focus.

“Wise, insightful, humanistic, positive, uplifting, this is for me the quintessential Charles Handy,” reflects Lynda Gratton. “Fascinated by the human condition, particularly when we humans are at work; deeply interested in the moral questions that the industrialisation of work has thrown up; and unflinching in his delight and criticisms of the way that companies have developed. Charles has been the chief narrator of the unfolding story of work and companies, creating a storyline that has helped us understand and also to question the way that globalisation and technology have shaped our work and our working lives.”

Founding fathers

After MIT, Handy met Arthur Earle, possibly the only businessman at that time with a PhD. Earle was the managing director of Hoover and became the first principal of London Business School. “He asked me what could I teach? I said management, but he said they weren’t planning to teach management, only its individual functions.” Handy was given the job of running the new Sloan Programme. He went to MIT for a year to undertake its programme and then returned to set up the UK version.

“We started with a clean sheet. There were no faculty. So I spent a year going around having lunch with companies. It was a hard sell. The

longest course on management at that time was one day. I wanted people on full salary from their employers for a full year.” Handy’s persuasive powers attracted 18 students as the first intake.

As interpreted by Handy, the Sloan Programme (which recently celebrated its 40th anniversary) had a Renaissance air to it. He took students to America to view the citadels of commerce and to Communist countries for another perspective. Students were taken to the theatre, taught about great books and lectured to by the head of the Royal Opera House. “It was very exciting,” he reflects. “The students were all 35 and successful, but had led narrow lives.”

Tolstoy Inc.

Handy’s faith in having a broader view has guided his career. He wrote his first book when he spent time on sabbatical in France. The house where he and his family were staying had a collection of Russian novels. In 1971 the only possible business-related reading was American textbooks. Handy wrote *Understanding Organisations*, a primer on the intricate realities of organisational life. The book has now sold more than a million copies. “It is used by nurses and teachers,” says Handy with evident pride. “Tolstoy has a lot to teach us about how organisations behave!”

The experience of writing a book provided a surprising revelation: Handy loved writing. “I didn’t discover until I was 50 that I could write books.”

The English language in Handy’s hands is compellingly persuasive and deceptively simple. His words are decorated by a steady supply of metaphors — fleas, elephants, empty raincoats, shamrocks. “I think they’re very helpful to understanding things,” he explains. “When they’re in a hurry people think better visually than they do analytically. My metaphors are basically visual — the elephant and the flea, for example. Now that doesn’t tell you what to do but it does make you look at your organisation and yourself in a different way and I think that’s the first step to practicality,

to understanding where you are and what the possibilities are. Then you have to work out what exactly you do. I don't go that next step in my writing. I don't tell people what to do. I think that though there are generalities every individual situation is just a little bit different. So though I would give examples I wouldn't be specific. I like to leave it at the metaphor level.

"It's a user-friendly way of getting into quite serious issues. It's a lot easier than talking about things like re-engineering — where you have to find out what it means because it doesn't immediately tell you anything. Metaphors immediately tell you something."

For St George's

Around this time his father died and Handy began to consider his future. He thought about becoming a priest and spoke to a couple of bishops. They suggested he might be more use continuing doing what he was doing. They also pointed him towards a job vacancy at St George's House in Windsor Castle, a unique establishment charged with educating bishops among others. This private study centre dealt heavily in assessing ethics and values in society — a concern that became central to Handy's thinking.

Handy became the warden of St George's in 1977. Previously the post had been held by retired admirals. Having agreed to take the job, he then received the terms and conditions. His salary of £3,500 was not monthly, as he had assumed, but annual. The consolation was the job provided an enormous house, Henry III's former palace, and a treasure trove of new material. "I ran weekends discussing the future of work and that gave me the substance for my next book. I met 6,000 people in four years and they were an extraordinary mix."

When Handy left St George's, aged 49, he was determined not to work for another organisation. He became a kind of roving intellectual, a minstrel of ideas. As an itinerant man of ideas he became a prolific author, sometime speaker and active aide to his wife

and business partner Elizabeth, a professional photographer with whom he's produced a number of books.

For 20 years from 1981 until 2001 his voice could be heard regularly on the BBC's *Thought for the Day*, a two-minute, 450-word broadcast to make people think as they start their day. Handy's spots were quietly religious — "I was speaking to people who didn't want to talk about God" — but brought his ideas to a big audience.

A portfolio life

In the early 1980s, Handy foresaw the emergence of the "shamrock" organisation, with three integrated leaves: a core of employees, a group of contractors and a group of temporary workers. By now, Handy was accustomed to unctuous objections to his forecasts and accustomed as well to be proved right over time.

Handy has long been equally concerned with the good — or ills — in society (as reflected in organisations) that arise from game-changing developments in technology and demographics. The repercussions, says Handy, "will lead to a renaissance, which in one way is great, because so much creativity will bubble up. But it also heralds a very turbulent time. People are often frightened when there is no authority around."

Handy championed the notion of a "portfolio life". In this Handy was prescient. He foresaw the emergence of workers who would pursue "a multi-faceted, multi-client freelance career in which individuals take responsibility for their own earning potential, personal development and general well-being". Workers are thereby independent to an extent never yet approached in organisations, moving about among a portfolio of jobs, employers and types of work. Similarly, Handy contends that a change of course in mid-career can open new challenges and achievements in what was once viewed as the twilight of one's career.

Of course, portfolio life is not for everyone, something Handy has always been careful to emphasise. "Not everyone can cope with it. When

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ELIZABETH HANDY

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Charles Handy

I did it I discovered two things. The first was that I had some skills that I didn’t realise were saleable — namely writing and speaking — which were nothing to do with my first career as an oil executive. Second, I discovered someone to sell them — my wife, who turned out to be a brilliant agent and businesswoman. It doesn’t have to be your life partner but you need somebody to help you. Indeed, to do everything on your own is very lonely. And even if you employ people it’s still very lonely. You need a partner, I think, to help you think things through and to compensate for the skills you don’t have, which in my case are marketing and being a good businessman.”

Noble purpose

His 1998 book *The Hungry Spirit* warned of the dangers of the mercenary society that corporations had created. Handy sees modern turbulence as provoking even greater change in long-standing corporate

hierarchies. He argues that companies that want to attract and keep the best employees must identify and pursue a “noble purpose” beyond the bottom line. “To exercise authority in the modern organisation it’s not enough to have the position; you have to have the acceptance of your authority.”

Handy says companies should adopt “subsidiarity subordinateness” under which responsibility is driven down to the organisation’s lowest level. “In the age of intellectual capital,” Handy said, “we need to rethink the constitution of our corporations to give a proper voice to those who really own that capital — the core workers.”

Such thinking seems to clearly have sprung, in part, from the career Handy was pursuing for himself and also in his fundamental faith in the power of people — “I’m a great believer in humanity. People will pull through.”

Handy has been described as a “reluctant capitalist”. His concerns about capitalism are long standing. Interviewed by *Business Strategy*



Review in 2005 he noted: “I’m concerned that capitalism is eating itself. I think money is an essential ingredient in successful societies. Most families that break down do so because the economics go wrong rather than the love disappears. I never want to be heard to say that money is not important. But it is a means to another end. I think the danger with capitalism and with organisations and businesses is that money has become the end. We are just competing for who can get the most money — whether it’s a corporation, an industry or an entrepreneur. I find that deadening to the human spirit. You can never win that race.

“Of course if you are successful in business you will make money. But then you can only go on being a successful business if you continue to do something that is more useful to more people than other businesses and you need money to grow to do that. So I think the purpose of business is not to make money but to do something that is more useful to more people than anybody else.”

In the end, Handy — who graduated from Oriel College, Oxford, with first-class honours in Greats, an intellectual study of classics, history and philosophy — believes that people have to answer philosophical as well as economic questions. He talks of “proper selfishness” — “You’ve first of all got to look after yourself. If as an individual you’re not at ease with yourself then you’re no good to anyone else. The same applies to corporations. If they are not healthy and thriving they are no good to anyone else. Having done that, to make it proper selfishness you have to use that selfishness for some greater purpose beyond yourself.”

Charles Handy, reformed oil executive, is 80. How, now, does he define success? “My definition of success is basically borrowed from Aristotle. He called it *eudaimonia*. I translate it as doing the best at what you’re best at, for the good of others. That sounds trite and easy, but it is very difficult to know what you’re best at.” ■



LYNDA GRATTON ON CHARLES HANDY

Charles’ insights come from a grand tradition — now sadly almost lost — of the combined practitioner and thinker. He could narrate this changing world of work precisely because he himself had been part of it.

As a Shell executive he had seen what it takes to run a global 24/7 global company, he had witnessed first hand executives’ long working hours and the fallout on their personal lives. So when he spoke of the empty raincoat this sprang from a marvellous combination of deep philosophical musing and acute observation. Yet unlike so many of the executives he observed — he stood back and changed tack.

First he joined London Business School where he founded the Sloan Programme that remains so core to the moral foundation of the school. Then he broadened his portfolio life to include being the Warden of St George’s. And then the most recent tack has taken him closer to the work and creativity of his wife Elizabeth. Together they have synthesised their individual skills to build a new, creative way of thinking about one’s relationship to work.

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HANDY READING

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