The Best Business Books Ever, published by editors at Basic Books (2011), reviewed by Steve Gladis, Ph.D. June, 2011.

1. Overview: An executive once asked me how he could get well grounded in leadership now that his job had changed. I gave him a daunting list of books that I had read over many years. The big problem was that this guy had a "day job" which limited his reading time. There are several compendiums of business book summaries, and I have found *The Best Business Books Ever* to be one of the best of this summary genre, mostly because I like the standard structure that they used for every book. The consistent structure consisted of 5 critical elements: "Why Read It?" (bottom line of the book/author's contribution to the discipline of business); "Getting Started" (the author's main theme); "Contribution" (key bullet takeaways of the book); "Context" (both immediate and long-term impact of the book); and "For More Information" (a bibliography for more related info). This simple, consistent structure adds a surprising power to the book, which I recommend as a reference to any executive wishing to attain fundamental, grounded business literacy. This month I'll review a number of key summaries that were like visiting old friends and meeting some new ones. Note that my reviews are only the tip of this very deep business intelligence iceberg. So, if you avoid reading the entire book, it will be at your own peril!

2. *Action Learning* by Reg Ravans (Blond & Briggs, 1974). Reg Ravans is a guy I would like to meet. Action Learning revolutionized the way teams solve problems, learn to get along, and teach themselves leadership. Ravans came up with this highly inquisitive model while working with a bevy of Nobel prize winning physicists at the famous Cavendish Labs in England—the home of modern physics. Imagine wrestling with the egos of Nobel laureates to solve big problems facing them as they tried to move to the next level. "Action learning is about teaching a little and learning a lot." The theory rests on the notion that learning takes place based on opening up to insightful questions. Indeed, questions are at the heart of the process, where people can't speak unless asking a question or answering one.

3. *Built to Last* by Jim Collins and Jerry Porras (Harper Business, 2004) was the sequel to Collins' blockbuster *Good to Great.* While lesser known than its predecessor publication, *Built to Last* drives home an essential tenet—that values matter a lot. The basic premise of the book (a compilation of analysis of 18 companies that outperformed the stock market by a factor of 12 since 1925) is that great and enduring companies have solid "core values" that do not change.

However, while core values and purpose don't change, business strategies and practices adapt constantly to a dynamic world. Collins and Porras would argue that any vision must consist of core values (clear guiding principles) and core purpose (mission—the company's most fundamental reason for existence).

4. *The Change Masters* by Rosabeth Moss Kanter (Simon and Schuster, 1983). Considered one of the most important books on corporate change, this book focuses on the importance of empowering and managing people. In fact, one vital finding of Kanter's research is that companies committed to human resource management were more profitable and financially fit than those who lacked such commitment. Kanter finds that innovation is critical to future growth. Such innovation requires three skills: persuasion, problem solving, and understanding the nature of change.

5. *Competing for the Future* by Gary Hamel and C.K. Prahalad (Harvard Business Press, 1994) argues that strategic planning is not simple and mechanical, rather complex and emotional. The authors suggest opening up strategy by considering meaning, purpose and passion. Unfortunately, managers spend less than 3% of their time in this important area. Hamel and Prahalad posit that a company should see itself as a portfolio of competencies rather than a collection of business units. They offer a great list of "Rules for Success," such as: "A company surrenders tomorrow's business when it gets better without getting different." Also, one of my favorites: "Companies pay millions of dollars for the opinions of McKinsey's bright 29-year-olds, but ignore their own bright 29-year-olds."

6. *Competitive Strategy* by Michael Porter (Free Press, 1998) is considered a modern classic and a bible for corporate strategists. Porter, considered the father of modern corporate strategy, contends that there are three generic strategies (a company must adopt one to compete): Differentiation (value added that people pay a premium price for); Cost-based Leadership that involves offering products and services at the lowest cost; and Focus—or a combination of the first two and market targeting. Finally, Porter offers five competitive forces (to sustain their competitive edge) which are embedded in the following: 1) Entry of new competitors; 2) the threat of new substitutes; 3) the bargaining power of buyers; 4) the bargaining power of suppliers; and 5) the rivalry among existing competitors.

7. *The Fifth Discipline* by Peter Senge (Doubleday, 2006) stands as a theoretical breakthrough by Senge, the director of MIT's Center for Organizational

Learning. He posits that all successful organizations must be "learningful" and that it's not enough for just one person or even several to be concerned with lifelong learning, but the entire company needs to have learning at the forefront. And there are 5 disciplines associated with organizational learning: Systems thinking, personal mastery, mental models, a shared vision, and team learning. Senge was the researcher who added systems thinking to organizational learning to make it accessible to real leaders and managers, working in real companies.

8. *How to Win Friends and Influence People* by Dale Carnegie (originally published in 1936 and republished by Simon and Schuster, 2009). This book is a classic and one that has sold well over 15 million copies over the years. Carnegie makes two big points: First, handle people effectively. Don't criticize, complain or condemn and give honest and sincere appreciation. Also, Carnegie offers his big second piece of advice: Make people like you: Be genuinely interested in other people, remember people's names, be a good listener, encourage people to talk about themselves, make the other person feel important, and finally smile! While Carnegie was not a researcher, his basic tenets can be supported by today's research and by common practice.

9. *The Human Problems of an Industrial Civilization* by Elton Mayo (originally published in 1933 and republished by Routledge, 2003) remains a classic. Mayo, a psychologist and Harvard Business School guru, and his team studied a manufacturing plant called the Hawthorne Works in Western Electric's plant. The findings of their experiments were enlightening, so to speak. By merely changing levels of light, productivity increased. Several great findings: Changes in working conditions increased output; morale and output are connected (when people think special attention is being paid to them, they improve); group cohesion is critical (the instinct of belonging to a group far outweighs the best management logic and intention); informal groups are very powerful, and management ignores them at great peril. Mayo laid the groundwork for other human relations greats like Herzberg, McGregor, and Maslow.

10. *Organizational Culture and Leadership* by Edgar Schein (originally published in 1985 and republished by Jossey-Bass, 2004) stands as the bedrock for trying to understand corporate culture—a term that Schein coined. According to Schein, corporate culture is a series of assumptions, patterns and behaviors that organizations develop in response to external influences and internal adaptation. In response to external changes, organizations experiment, adapt (to survive), and pass along teachings to protect the organization. The basics of corporate

culture involve a number of assumptions, including humanity's relation to nature (determinism vs. self determination); the nature of truth and reality (the accepted norm of truth); human nature (Theory X—people are lazy and must be closely watched and Theory Y—people want to achieve and belong). Shein also shed much light on the development of culture (and organizations). Three stages are birth and early youth (the entrepreneur and founder); organizational midlife as new cultures infiltrate into the organization; and, organizational maturity where organizations sentimentally "hang on" to outdated beliefs and assumptions. Here is where the company is weakest and most vulnerable unless change takes place. Changing the corporate culture happens only with consensus in 5 areas: core mission, goals, means to accomplish goals, ways to measure progress, and remedial or repairing strategies.