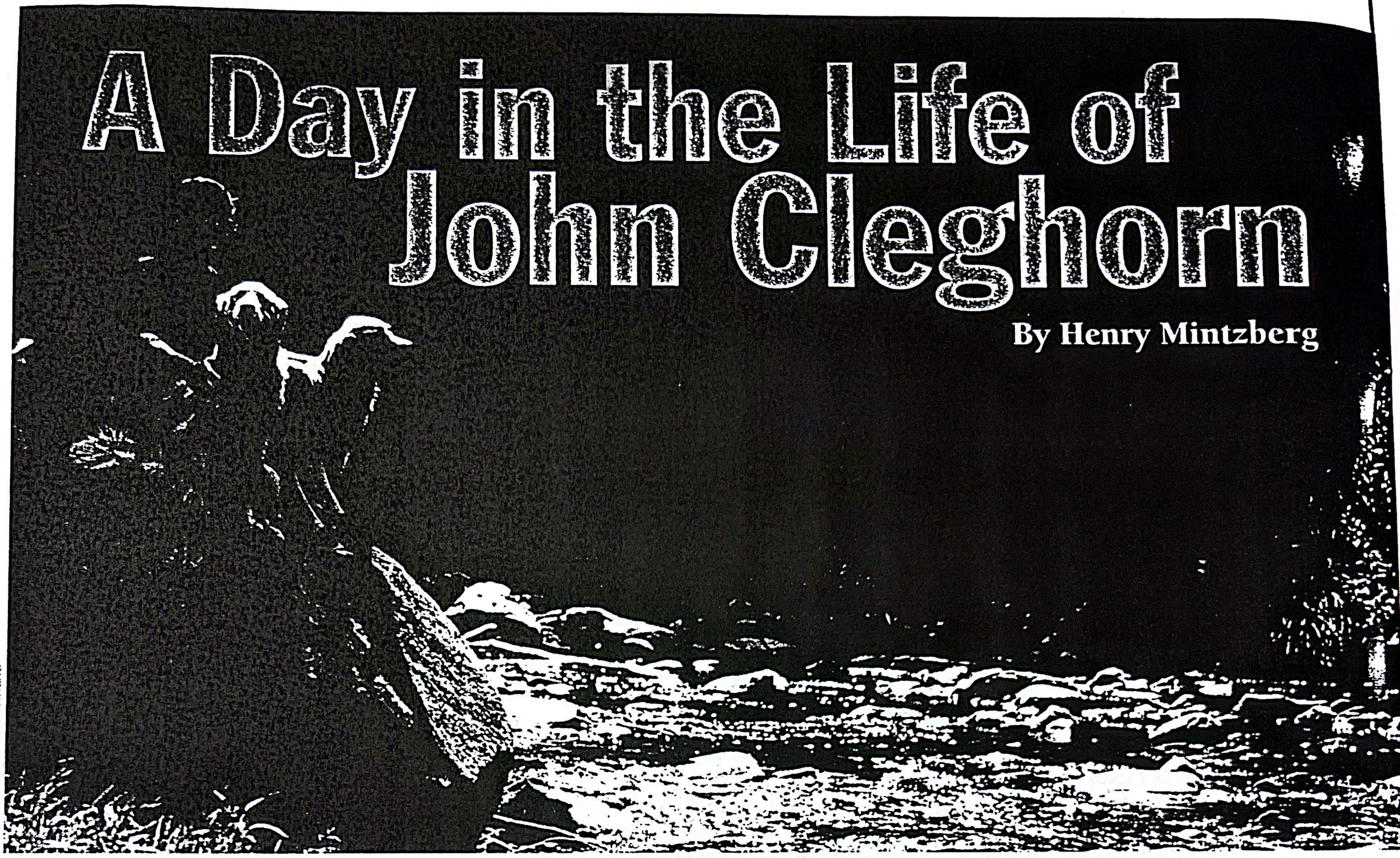

A Day in the Life of John Cleghorn

By Henry Mintzberg

PHOTO: PIERRE CHARBONNEAU

Henry Mintzberg, the celebrated management strategy professor at McGill University, who made a great breakthrough in the 1960s when he catalogued what CEOs actually did by shadowing them, has returned to those roots, spending a day with each of 29 executives in wide-ranging fields, from the head of a Red Cross refugee camp in Tanzania to the conductor of the Winnipeg Symphony orchestra. In this excerpt from that research, Mintzberg describes a typical day in the life of John Cleghorn, chairman and CEO of the Royal Bank of Canada, and then offers a revealing analysis of the important managerial activities that were being carried out.

The day the two spent together – Aug. 12, 1997 – came several months before Cleghorn proposed a merger of his bank with the Bank of Montreal to create a world-class bank that could compete comfortably on the global stage. With this article, *Decision* Magazine extends its coverage to include the companies and their leaders who operate in globalized economies.

The Day

John Cleghorn is the chief executive of Canada's largest bank at perhaps the most successful time in its history – certainly in terms of sheer profit. The 1997 profits were a record $1.7 billion and total employment at the bank is about 51,000 people. Yet his style of management is somewhat unusual for someone in that position: he is known to be very "hands on," very concerned with the details. His colleagues like to recount stories about how he arrived at an airport and called back to someone that an automatic teller machine was not working.

He is also known as the man who sold the corporate jet – he explains that he was uncomfortable with it – and got rid of the chauffeured limousines. He has also instituted a policy of having all the senior executives spend at least 25% of their time with customers and front-line employees. One executive described to a journalist how difficult this was for him to do, but judging from the day to be described below, it was not John Cleghorn!

Royal Bank of Canada is formally headquartered in Montreal, although most of the central offices have been moved to Toronto in the past few years. John has his main office there, although he keeps an office and a secretary in Montreal. This was one of his days in Montreal.

We were to meet at 9 a.m. at the entrance to the bank's branch inside Westmount Square, one of the more chic shopping centers and residential areas just west of the city's center. This is one of 21 branches in Quebec designated as a full-service, "Managing Priority Market" branch, which means that brokerage and trust as well as full retail and business banking services are offered.

I arrived a few minutes early and noticed a number of the branch officers milling around the foyer, evidently nervous about the appearance of the chairman. I took advantage of the time to withdraw some money from an ATM nearby, and then ambled around the corner in the shopping center where John appeared. I told him that I had just been a customer of the bank, and he reacted with genuine delight. John wanted to head around to the front entrance to the branch, outside, to check out the signs and banking machines, but once he bumped into Bob Watson, the area manager waiting for him at the side door, he accepted to enter there.

John was immediately introduced to all the managers awaiting his arrival. But before the conversation could continue, he broke away and introduced himself to the receptionist who was sitting nearby. Then he asked someone, "When was the last time this was renovated," and after an answer said: "Well, I drop by, and I think it was Christmastime." Later he added, "I probably visited this branch four or five times in the last ten years – I mean officially at least, other than when I dropped in." (His apartment used to be in the building next door).

A tour began of the branch. John asked a great many very detailed questions (for example, about the door that had been installed to one office, and the layout of the area in front of it) and exhibited a surprising knowledge of all sorts of details. Later he commented, "You know what looks bad – your logo, downstairs – buried. Every time I go by, I just about go nuts. Why don't you take it down?" to which Bob replied, "Redundant – it's gone!"

John also insisted on meeting everyone, and asked many how long they had been with the bank. The longer tenures received his most enthusiastic responses; upon being told a receptionist had been with the bank for seven years, he said, "It's important – you get to know the customers." John joined the bank 23 years earlier, after working as a chartered accountant, sugar futures trader, and then for Citibank and its Canadian affiliate, the Mercantile Bank.

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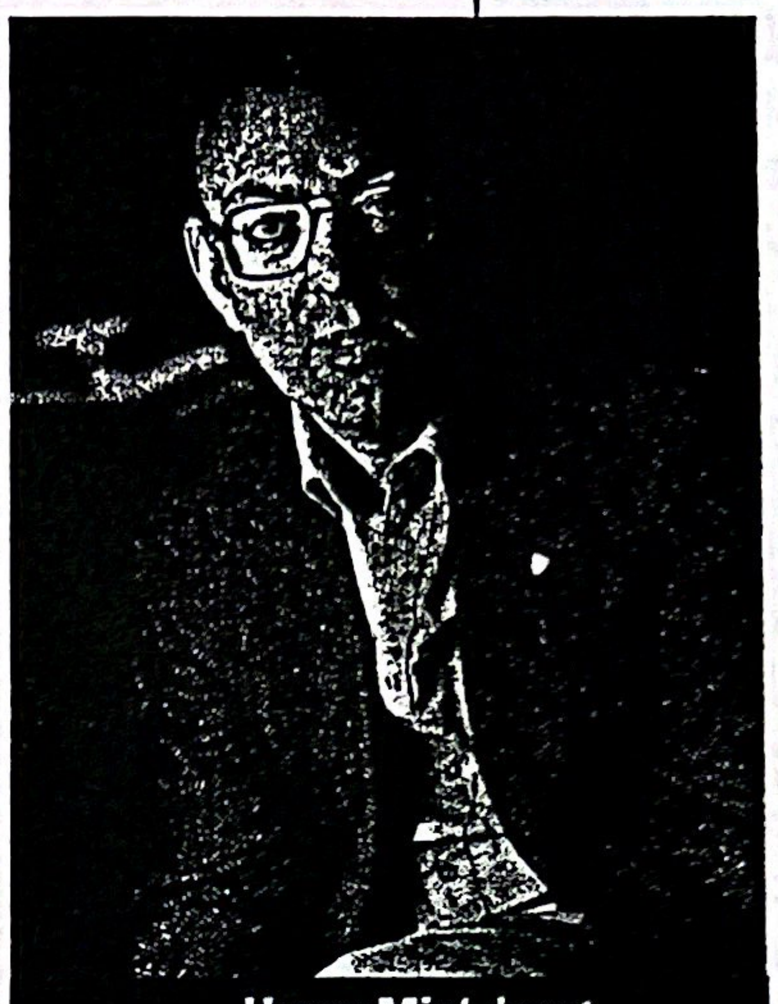
John has a certain presence physically: he is big and has a deep voice as well as a great deal of energy. That, coupled with his knowledge of details, physical no less than financial, and his warmth with everyone he met, turned what could have been a stiff formality into a kind of event that morning.

Four or five people walked around with John – the area manager, the manager of customer operations (also from the area), and the managers of customer service and personal banking services, who co-manage the branch. John was in no rush; he was relaxed and low key but full of energy, stopping to observe and question all sorts of things and to meet and chat with everyone in his path.

Upon being shown a "quote terminal" available for clients, on which, as someone pointed out, he could get the bank's current stock price, he said with evident discouragement, "Yes, I know." (The stock, which was generally doing very well, had dropped in recent days, although the last quarterly report had shown very strong, and increased, performance.) Then they stopped in the "Proactive Personal Banking Office" where a woman calls prospective clients and meets with one or two a day. This activity alone, it was noted, could generate 40% of a branch's new business.

At 9:30 they headed upstairs, where John met the Dominion Securities brokerage and Royal Trust staff, who had been incorporated into the branch in an effort to gain synergies from recently acquired activ-



Henry Mintzberg

I should clarify my association with John Cleghorn, since in most of the other days of observation for this study I had not even met the person before the research. In this case, we attended McGill University as undergraduates at the same time, and while we did not know each other well, it is interesting that while he played football for the McGill Redmen, I covered the team as sports editor of the McGill Daily. (History does have a habit of repeating itself!)

Moreover, thanks to John's personal intervention, the Royal Bank signed up as one of the first companies in the International Masters Program in Practicing Management that I had helped to create and direct. In addition, a year before the day of observation, I was inducted into the Cleghorn Chair of Management Studies at McGill University, named in recognition of John's efforts as chairman of the university's very successful $205-million development campaign. (This day of observation was, in fact, supposed to take place before that even happened, but was canceled twice because of John's schedule.)

All of this – even leaving aside a conversation we had about John's appreciation of an article I wrote on Crafting Strategy, which he felt exemplified his own style of managing – hardly rendered me an impartial observer. But that, in a sense, matched the nature of the day itself, which was set up well in advance by Debbie McKibbon, John's administrative assistant, to be "typical" of what he does.

When the day was determined, the better part of a year ahead, after the two earlier cancellations, it was open, and Debbie took seriously my comments about a "typical day"! So she constructed it, but out of the things that John normally does, if not, perhaps, necessarily in one day.

So there may be several reasons to question the detached objectivity of this day of observation. Yet I believe it to be no less illustrative of this manager's work than are any of the others in this study. No one day can ever be typical of anything. Moreover, what John did is typical of some of his work in general, while how he did it is typical of him: as the day shows, he is a rather straight person, not a performer.

Finally, I would have been no less predisposed to appreciating this style of management had I never met John Cleghorn before, although John's success in his job speaks for itself. So too must the events that actually took place on this day. - Henry Mintzberg

PHOTO CANAPRESSE

"We have to be the 'best in the world' at doing things," John said, "or else our customers will go somewhere else in the world"

ities. (They call this a "Shared Location" branch, or "co-hab.") Upon meeting a mutual fund salesperson, John said, "You're one of 265, if my memory serves me."

At 9:45, they entered a small meeting room for a "Round Table," an operations discussion on how things were progressing at the branch. Three other people joined, branch people from business banking, Royal Trust, and Dominion Securities. Three pages were circulated – an agenda (which included presentation items and reports on performance), a list of "best practices / recommendations" (on matters such as business integration, training, referral, and staff), and a list of "questions that some of our employees would like to address to Mr. Cleghorn."

They went around the table, with each person commenting and John again asking very specific questions (and taking the time to explain to me every term that I might not have understood). When the Royal Trust person talked of the move to this location, John interrupted him and said, "and the parking lot not being so good," to which he got a surprised, "You heard about this!"

The representative from Dominion Securities talked about integrated systems, which he described as very difficult at first, but better now. John said, "It didn't happen at the top; it happened at the grassroots." Then he asked, "How much did you lose to TD Greenline," referring to a discount brokerage operated by another bank. Upon hearing $100,000 since Jan. 1, he asked, "How much did you get from them?" "$200,000," was the answer. "Not bad!" John said. In response to another question, he commented, for the second time this morning: "That's what pays the shareholder."

Others told John about "sharing the numbers" among the group ("That's great!" he replied), about job shadowing to learn about each others' jobs, about a "caravan" they used to "hit strategic spots" (out on the streets, to drum up business), and about "group seminars" to drum up business in synergistic ways. Hearing all this, John said, "Banking used to be known as 3-6-3," which he had to explain to the younger people: "You paid 3%; you charged 6%; you teed off at 3 p.m.!"

John made some closing comments: "You know you are winning when you beat your biggest competitor," and "I think your numbers look good – you have some terrific targets here." Then, with a "This is exciting!", the meeting ended at 10:30, officially at least. In fact, they stayed around for another ten minutes, as John chatted about some current events, including an effort at the time to buy the London Life Insurance company and the reasons for partnering even with "our hated enemy, the CIBC." They all listened intently, fascinated by the inside details. "We have to be the 'best in the world' at doing things," John said, "or else our customers will go somewhere else in the world."

The question "What keeps you up at night?" was on John's mind. A New York investor had asked him that and he had answered, "Nothing, because I've got to sleep well to work properly." In actual fact, he felt that "there isn't just one concern. Everything is important from time to time."

We then got into Bob's car to head for the Victoria Branch, a five-minute drive down the same street. Bob asked, "Do you know Mrs. Brownlee," an elderly lady, whom John did. "I go once a month to pick up her bank book."

As we approached, John said, "we are going to visit my first contact with the Royal Bank." As a kid, he was bicycling down Victoria Street, a rather steep hill, "determined to beat all the cars," when his chain broke and he lost his brakes. Rather than go into Sherbrooke, a major thoroughfare, he attempted a turn into a lane. He missed, crashed his bike, and found himself wedged between a lamppost and the Victoria branch of the Royal Bank of Canada. So his activities this day might be seen as trying to make that "hard place" a little softer.

In fact, it turned out to be rather hard in one sense – the branch had recently been redone with a high, open ceiling and along modern, metal grey lines – but rather soft in another: there seemed to be, at least with John's presence, considerable warmth in the place. Almost as soon as he walked in, a woman came up to him. "Margo! How are you?" he asked, explaining to me that she has been branch manager for ten years. Then he chatted with a teller of 33 years' proud standing, who looks after the elderly ("60+") clients. John remembered where she lived and noted that her work area had been moved to the front of the branch to make it within easier reach of her clients. He asked how she was dealing with the new technology.

"Looks great!" John said, glancing around at the decor, after which he chatted with the five tellers on duty. "Hey, I want you to know that whenever I visit a branch, there is never a lineup." They all laughed. The group then headed upstairs, but not before John said, "We forgot Danielle," and headed back to shake the hand of the customer service representative.

Upstairs John met the people concerned with mutual funds, personal banking services, and brokerage services. They chatted together in the hall: "Imagine you're the number two or number three – that's the key way you have to act" if you want to be "the biggest on the block," he urged them. At 11:35, the group sat down for another

"Round Table," nine people in all (as before), including two of the area people who had come along and six from the branch.

John pointed to a flip chart and asked, "Nan, are these your objectives over here?" to which someone responded, "Yes, they're always here." Later, he added, "Well, I'm meeting investors at lunch – so how are you doing?" Asked if there were any questions, someone wanted to know about the pending insurance acquisition. John answered, and then reiterated, "We've got to be the best in the world with our clients, so we don't give our customers a reason to go with a new competitor.... Why do people change [banks]? Because nobody is paying attention to them.... We need to pay attention to our own clients – keep it straightforward style (although he hardly hid his upbeat nature). Monique Leroux, senior vice-president and general manager for the Quebec region, did much of the early briefing after John opened the discussion, also taking a number of questions in French, mostly about the integration of the different businesses, in Quebec in particular.

As John got involved, he drew at times on the experiences of the morning, recounting the story he had just heard about the receptionist at Westmount Square who thought to refer a client upstairs to Dominion Securities. That resulted in a $200,000 T-Bill as well as the rest of the business of a woman who owned a small company. Again John raised the question of "What keeps you up at

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in the family."

At 11:55 we headed downtown. John and I chatted about other days in his schedule – the previous week with investors and clients in New York, a recent international monetary conference in London with other bank CEOs, and so on. Then he mentioned that his administrative assistant, Debbie McKibbon, keeps a detailed record of his time allocation, according to his agenda plus what he tells her about his weekend work. (He did, after all, have to keep such a record as a chartered accountant.)

To the end of July, he had spent 16% of his time with customers and field staff (nine percentage points below his own 25% target), 12% at his desk (including at home), 18% on travel, 7% with the senior Group Office executives, and 8% with the board of directors and its committees. He spent 42% of his time in Toronto, 14% in Montreal, 24% in the rest of Canada, and 20% abroad.

From the car, John called Debbie to check in. "It's good to see it live," he said, and "the enthusiasm is contagious." Then he thanked Bob for coming out as we arrived at 12:00 noon at Montreal's most prominent office tower, Place Ville Marie, where the bank is officially headquartered.

There we entered into a different milieu, rather elegant – the 41st floor reception facilities where John chatted informally with a dozen or so institutional investors before sitting down to lunch at 12:30. Again, this could have been a show, except for John's night?" but this time answered: "Everything – of course, we have to sleep!" Then he reviewed a 33-page document that had been circulated, with information on shareholding, performance, balance sheet, assessments of some economic indicators, plus some overall business statistics and information on the international operations in different markets.

PHOTO PIERRE ROUSSEL

Monique Leroux, senior vice-president and general manager for the Quebec region, did much of the early briefing after John opened the discussion.

Again John was not rushed, and took time to answer all the inquiries. Questions were raised about the bank's approach to global competition ("If we let foreigners come in, it's because they're doing a better job than we are"); about the pending London Life acquisition, "because of a need for a mobile sales force"; about employee stock ownership (90% of employees own stock; as CEO, John has to own at least three times his salary in stock, while for other executives, it is two times). A last question – "You seem optimistic" – was met with: "No!" John said he worries about everything. "In the long run, I worry about the survival of our institution. We're [too] protected." The meeting ended at 2:20.

From here it was into his office – small, unpretentious, on the third floor. There John looked at the mail and made a few calls, including to Debbie on what was happening and to request the latest time sheet for me. Then a call was placed to Don Wells, executive vice-president in charge of strategic investments, on a potential acquisition in the United States. They discussed what was happening, price negotiations, and who was involved. John suggested he get a particular individual involved – "I think you should try. He needs to learn a lot." And then: "Don – let's give it a good look. I think what scared people off was the price. You can't run it as a stand alone.... OK – good luck."

Then, just before 3:00, it was up to the tenth floor for a meeting on knowledge-based industries (KBI) in Quebec. (This had been scheduled on the agenda for 2:15, but, as was apparently not uncommon, things had been running late for John.) "We set up a 'typical day,'" John said in reference to my presence, and added, "It's overdue that I spend some time with the commercial business side." He mentioned the time sheet he had Debbie fax to me, and connected it with KBI: here people's time are the assets.

About thirteen people from the Quebec operations were present, again in a tight space, including senior Quebec managers as well as KBI account managers, all of whom were introduced in turn. Then the manager of KBI began a formal presentation, mentioning the 3,400 information-technology companies in Quebec as well as the important commercial activities in biotechnology and media and entertainment, and discussing what the bank was doing in these areas. He noted the risks, but pointed out that many of the possibly defaulted loans were government-guaranteed. He finished at 3:35, with John commenting that "it was a very good presentation... a good story," and, after discussion, Monique called the meeting to an end at 3:45.

Five minutes later, another meeting began in the same room, on the Strategies for Quebec Business banking, with many of

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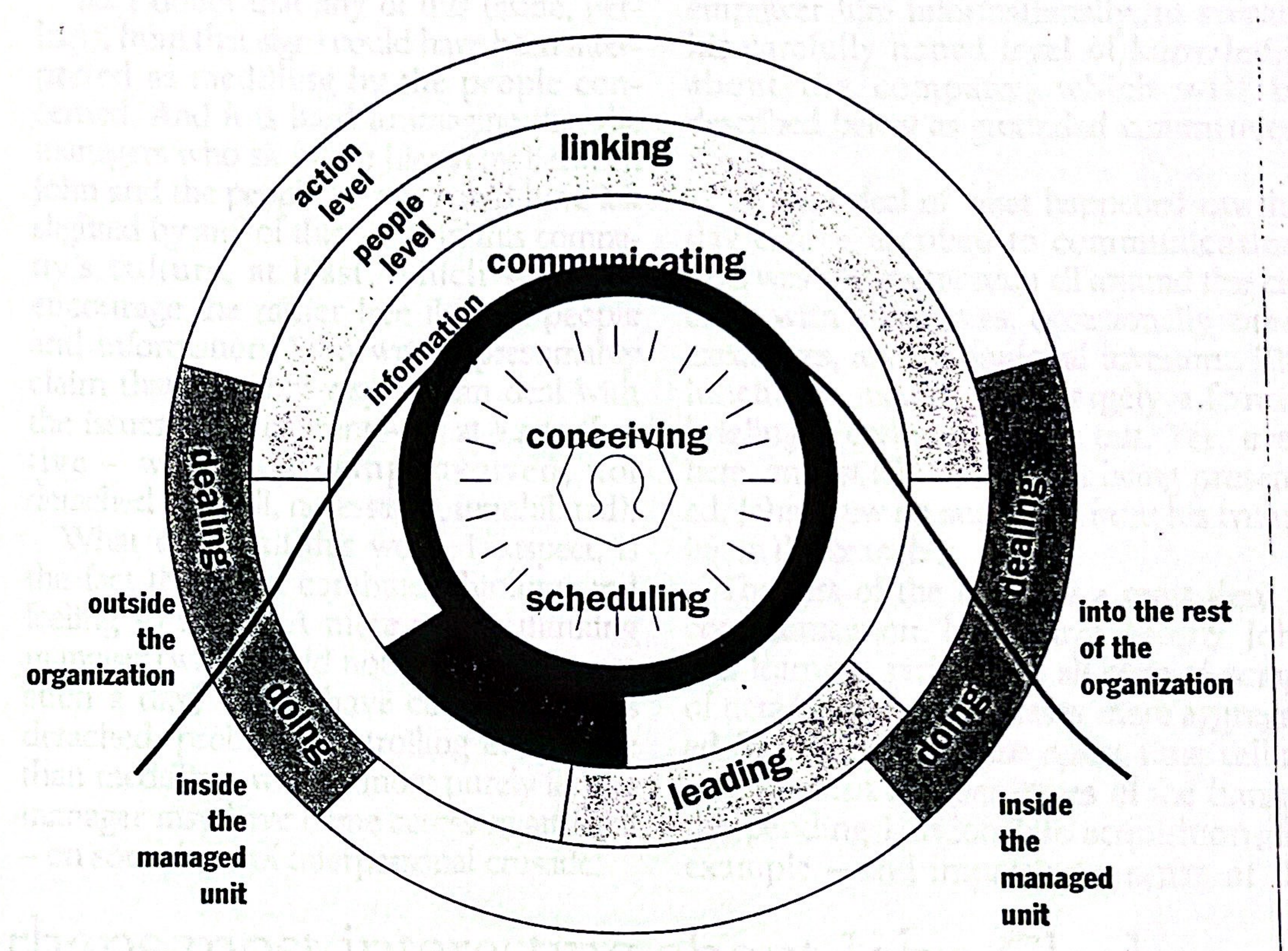
the same senior Quebec managers plus others from retail banking, finance and planning. John turned it over to Monique with, "Monique – you introduce this time because I'm just a 'fly on the wall' – this is a typical day for me!" There began a presentation on business banking in Quebec, showing various market-share breakdowns, which evoked all sorts of questions from the fly on the wall, about specific issues as well as aggregate numbers. At one point John made reference to hog farms that he passes in the Eastern Townships, an area about an hour's drive southeast of Montreal where he has a cottage, and when someone gave an example of a Christmas tree company, John said, "Oh, that guy! I see his signs everywhere I drive."

Competition came up, in comments on the Dutch ING's virtual bank in Canada as well as the Bank of Montreal's Mbanx, which John said he was "watching very carefully." He felt it is "educating the market," which he described as "good for us." The presentation ended at 4:40, with John describing it as "good... very clear," and congratulating the presenter, jokingly, on "getting better: I notice you do not refer to the notes as often!"

Figure 1: A Model of Managerial Work
(adapted from Mintzberg, 1994)



After a bit of a go-around on regional business markets, at 4:50 a presentation began on personal financial services in Quebec. At one point, there was a mention of FTEs (full-time equivalent employees), a term they thought John did not like. "No," he said, "it's the reference to 'bodies' I don't like. It's dehumanizing." The session ended at 5:40. "Excellent!" John said, and "one hour late." The reply was: "John – we ran on your time." To Monique, he said, "It was overdue," and to me, "Thank you for giving me the excuse."

Then it was back to the office, looking at telephone messages, playing telephone tag with Don Wells (to tell him about why someone really wants to meet, concerning a problem account), and a walk over to chat with Emile Bolduc, vice-chairman and member of the Group Office, comprised of the chairman and six vice-chairmen.

At this point we had a chance to talk. "I don't think of it as a big company," John said. And, on the question periods during the round tables, he said, "Nobody can ask a question that upsets me." They might be asking it on the behalf of somebody, he stressed. "75-80% of complaints are justified," he added.

On the afternoon sessions, John pointed out that Monique was new and he wanted to see how she was doing – see her operating in what was to be her own milieu. I asked about the morning site visits, whether he also goes to the problem ones. He said he does, sometimes for longer times. "It's amazing the patterns you get when you do so many." As for the afternoon, John said these kinds of meetings happen often.

At 7:00, John's wife Pattie picked him up at the entrance to the building in their Subaru wagon. As they dropped me off at my office, after John said "Thank you for the typical day" Pattie had the last word: "If it was a really typical day, something would have happened and he would have had to cancel his meetings and go somewhere else!"

An Interpretation of the Day

I'll use a model of managerial work, shown in Figure 1, made up of concentric circles. At the center sits the person who comes to the job, bringing a set of values, experiences, knowledge, and competencies. The person in the job relies on a frame, developed through the conception of strategy. The frame is in turn manifested by an agenda of specific issues and work schedules. Together all of this can be thought to constitute the basic core of the job of managing, as suggested by its placement in the center of the figure.

Surrounding the core are three concentric circles that represent three levels through which managerial work can take place: information, people, and action. From the inside out, beginning with the most abstract level, a manager can process *information*, in the hope that this will drive people to action. More tangibly, a manager can work with *people*, to encourage them to take action. And at the most concrete level, a manager can manage *action* more or less directly. In each case, as shown, the managerial effort can be directed *inside* the unit being managed, or *outside* of it, to the rest of the organization or to its external context.

In addition to the roles of *conceiving* the frame and *scheduling* the agenda, shown within the core, six roles are shown in the outer circles: two at the information level, two at the people level, and two at the action level:

- *Communicating*: seeking and receiving information as well as sharing it with others, whether internally as disseminator or externally as spokesperson;
- *Controlling*: using information to control the work of insiders, whether by the issuing of directives, the designing of structures, or the development and application of systems and procedures;
- *Leading*: encouraging and enabling people within the unit managed to take effective action, whether by focusing on the individual (as in mentoring and rewarding), the group (as in team building and conflict resolving), or the entire unit (as in culture building);
- *Linking*: relating to people outside the unit, by establishing a network of contacts and using it to represent the needs of the unit as well as to transmit its influence externally, and also to receive influencing efforts transmitted internally from these people;
- *Doing*: supervising the taking of internal action more or less directly, including directing projects for change and handling disturbances and crises;
- *Dealing*: engaging in negotiations and executing agreements ("doing deals") with outsiders.

Perhaps most interesting about John Cleghorn's day is that it was so action- oriented – particularly in the level of detail – yet involved very little action-taking per se, in the sense of managing specific projects, fighting specific fires, or driving specific actions

While virtually all managers can be described as engaging in all of these roles, just as clearly many will favor one level (information, people, or action), one orientation (internal or external), even one role, or perhaps a particular blending of several. And how each of these roles is played, alone and in conjunction with the others, will vary from one manager to another.

Perhaps most interesting about John Cleghorn's day is that it was so action-oriented – particularly in the level of detail – yet involved very little action-taking per se, in the sense of managing specific projects, fighting specific fires, or driving specific actions. (The most evident exception was John's *suggestion* that they take down that sign at Westmount Square.)

Perhaps it would be best to describe all this as an *action overlay* on almost everything that happened, because of John's personal style. He seems to be "hands on" with a vengeance, and wanted to know about as many details as possible. In Bert Hopwood's book What Ever Happened to the British Motorcycle Industry?, it's reported that the chief executive of one of the world's best-known consulting firms told an executive years ago that top-level managers "should have as little knowledge as possible relative to the product" so that they could "deal efficiently with all business matters in a detached and uninhibited way." He would not have been impressed with John Cleghorn's day, arguing presumably that this bypasses all sorts of layers in the hierarchy and just encourages meddling.

Yet I doubt that any of this (aside, perhaps, from that sign) could have been interpreted as meddling by the people concerned. And it is hard to imagine that the managers who sit in the hierarchy between John and the people he met could have felt slighted by any of this – not in this company's culture, at least, which seems to encourage the rather free flow of people and information. John would presumably claim that the only way he can deal with the issues in an efficient – or at least effective – way is by being involved, not detached (yet still, necessarily, uninhibited).

What makes all this work, I suspect, is the fact that John combines thinking and feeling so totally. A more purely thinking manager (who would not likely have spent such a day) might have come across as detached, probing, controlling even more than meddling, while a more purely feeling manager may have come across as artificial – on some kind of interpersonal crusade.

John clearly never stopped thinking, but there was genuine feeling behind everything he did, whether in meeting a teller of 33 years' experience, congratulating someone on a presentation, or reacting with delight to the fact that the real fly on the wall had been a customer that morning. Another indication of this was his freedom with time during this day: being there seemed more important to him than being on time.

John seemed natural throughout the day, more than comfortable in his role, and that seemed to make everyone else comfortable – and delighted with his presence. "The enthusiasm is contagious!" he told Debbie on the phone. True enough. But they caught the germ from him. As Peter Brook of the Royal Shakespeare Company has noted, the actor empowers the audience and the audience empowers the actor.

Indeed, John's day might be described as largely having two purposes: one was to empower his audience emotionally, which will be described below as reinforcing the culture, and the other was to have them empower him informationally, to sustain his carefully honed level of knowledge about the company, which will be described below as grounded communication.

A great deal of what happened on this day can be ascribed to communication. This was communication all around the circle – with employees, occasionally other executives, and institutional investors. The lunchtime meeting was largely a formal briefing – communicating out. Yet, even here, amidst all the statistics being presented, John drew on anecdotes from his morning in the branches.

The rest of the day saw a great deal of communication, both ways. Mostly John was learning, picking up all sorts of scraps of detail, and in some cases more aggregated figures. But he also spent time telling people about broader issues of the bank – the pending London Life acquisition, for example – and imparting a sense of the bank's values, as he believes them.

The advantage of this kind of hands-on information is obvious: the manager gets the pulse of the organization, a sense of what is going on, how things are working. But the disadvantage is equally obvious: the information is idiosyncratic. How can a manager be sure that what he is able to see with his own eyes, especially in such a large organization, is representative?

Indeed, John was most in his element here: these were the branches he knows best, the very places where he grew up (and right near where he had maintained an apartment). Nothing, of course, stops him from visiting branches in Moose Jaw, Saskatchewan or Corner Brook, Newfoundland, although he is less likely just to "drop in." But will he see there what he is able to see here? Indeed will what he knows here influence how he sees there?

Banking offers an advantage in this regard, since while Moose Jaw is not Westmount Square, branch services can be pretty much the same across the country.

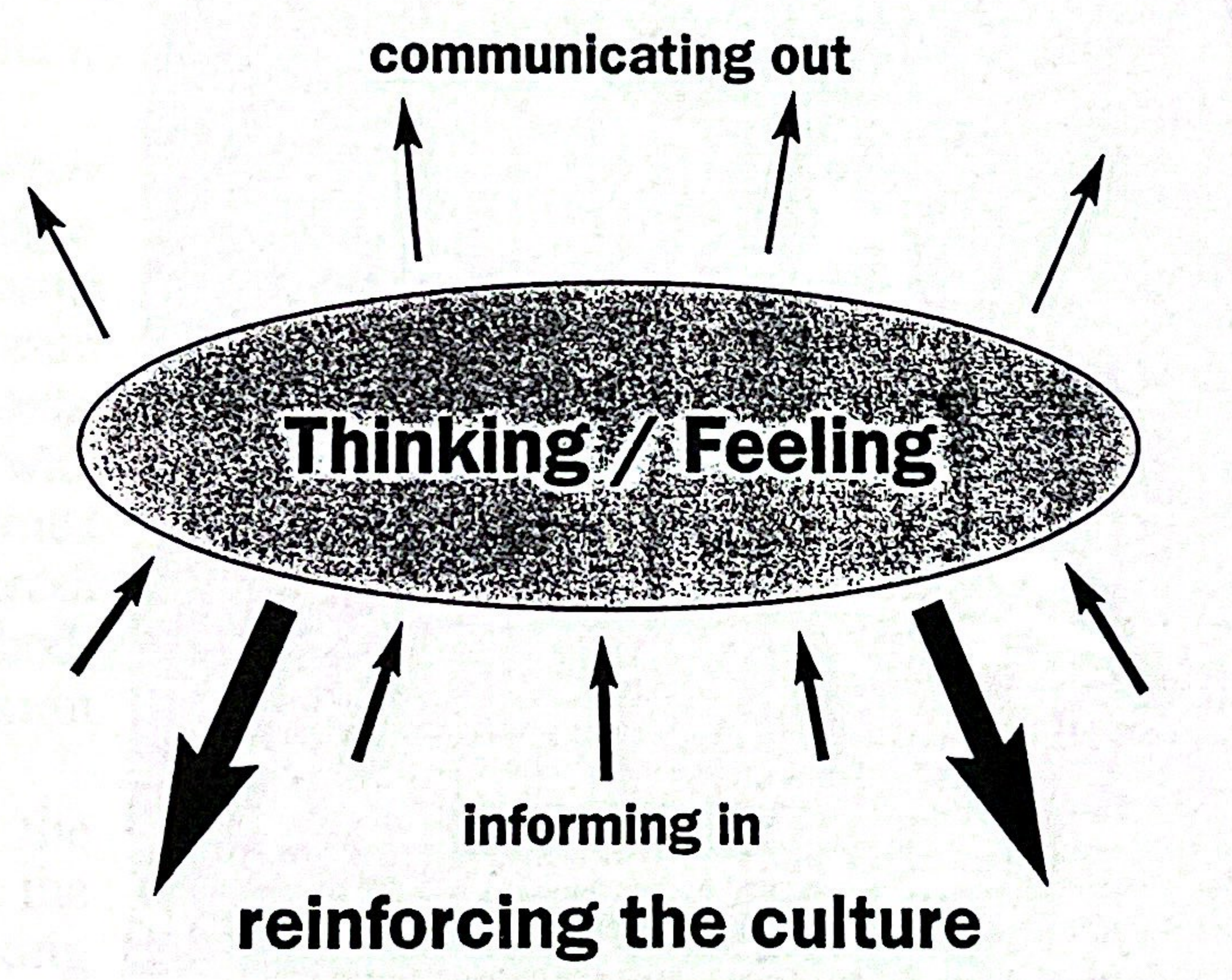
> A lot of this could have been corny – a "show" for the troops, and, in turn, impressing the boss – but little of it seemed that way, thanks to John's genuine enthusiasm about the organization and people's response to him

This is retailing, and so the same activities replicate themselves place after place. Moreover, John seems to get to a lot of different branches, reflected in his comment that it is "amazing the pattern you get" when doing so many branch visits.

Perhaps the question should be reversed: Is the real danger the distorted information that comes from remaining in the office and reading reports about the operations? What a manager sees with his or her own eyes may be idiosyncratic, but it is also direct and often rich, and so serves to counter the disconnect that is all too common in management today. As was evident in what John actually saw, a great deal of information can get excluded, filtered, and distorted on its way up to the executive suite via the binary bits of a computer.

Figure 2: Focus of the Day

(adapted from Mintzberg, 1994)



Royal Bank of Canada is an unusual organization today in much the same way that its chairman is unusual. It has a remarkably strong culture, involving a rather devoted workforce. People do complain that "it's not what it used to be," which may be true, but that is also the cry I have heard from people in every organization with a strong culture. Perhaps they are just supersensitive to any loosening of the culture.

We've had 10 managers from the Royal Bank of Canada in our International Masters Program in Practicing Management, and there is general agreement that "earnest" seems to be a good way to describe them. Indeed, other members of the class – and that includes Japanese participants from companies such as Matsushita – have remarked repeatedly on how devoted the Royal Bank people are to the company and how easily they work together for it (including two people from the rather recently acquired Royal Trust operation).

A "venture" is carried out as part of the program, a project to change something in the organization. In the first class of students, almost every one of these was carried out on an individual basis. Not so for the five Royal Bank people, who chose to do a "joint" venture (in fact on joint ventures in the Bank). In Japan, the Royal Bank people themselves remarked on how much like the classic Japanese firm their organization seems.

It should hardly come as a surprise, therefore, that the chief executive spent much of his day reinforcing the culture of the bank, and imparting its values in everyone who came his way. A lot of this could have been corny – a "show" for the troops, and, in turn, impressing the boss – but little of it seemed that way, thanks to John's genuine enthusiasm about the organization and people's response to him. (And here I would include Bob's comment about Mrs. Brownlee, which seemed to be said as well as the visits done in earnest.)

Given the size of the organization, its age, and the industry in which it operates, this seems to be a remarkably free-flowing culture, in which people appear to cross lines and levels relatively easily. There is, of course, the usual complaining about silos and the like, but there is enough evidence of behaviour to the contrary as well. Even the ideas that came up this day (such as the caravan) suggested some of this.

John was here to get informed, clearly, but no less to send out signals about the organization, whether in encouraging the long-term employees, congratulating people for their presentations, infusing his energy and enthusiasm into the organization, or constantly driving in the values he finds important.

There was a double-edged nature to these values, however. One is the "happy family" theme – the sense of belonging to a precious institution. John spent a lot of time on that. The other is the competitive edge, which was no less clear in many of John's comments (about performance, about the competition itself, and about that other "value" for the shareholders). Indeed, when I have heard people worry about changes in the bank's culture, it has usually been identified with an increase in "bottom line" thinking, frequently attributed to John himself. So while these two aspects of values may not be incompatible – the happy family can be sustained only if the bank remains competitive – only by walking a careful line can that compatibility be maintained. Today's corporate world is littered with the debris of happy families sacrificed to shareholder value.

Figure 2 illustrates the focus of John's day, as I see it: information processing all around and culture-building within, driven by John's thinking-plus-feeling style. Comparing this to Figure 1 makes clear what was less in evidence on this particular day.

While there was an action overlay, there was not much managing as action on this day, meaning, as noted earlier, managing projects, fighting fires, and doing deals (although there was a hint of this in John's phone calls to Don Wells). This likely reflected Debbie's efforts to set up a "typical day." But if Pattie is to be believed, then such action-taking is likely typical of many other days in John's work.

Much activity, as noted, took place on

the information level. But hardly any of it had to do with the role of *controlling*. This reflected the nature of the day – John was rather far from any of his direct reports and he could hardly have given all sorts of orders or developed structures for people several levels removed from him. He certainly looked at a lot of numbers – there were financial reports in virtually every formal meeting – but he was using them here more for being informed than to exercise control.

On the people level, in the *leading* role, the model suggests that this happens with regard to the individual (motivating, coaching, etc.), the unit (team building, etc.), and the organization at large (culture building). Our discussion has focused on culture building. Team building would not have been expected here, since this was not a day with his own reports. As for the individual level, while there was considerable motivational activity, much of it can really be seen as culture building at the collective level: creating a sense of spirit at large. John does not work closely enough with these people to be seen as a coach or mentor.

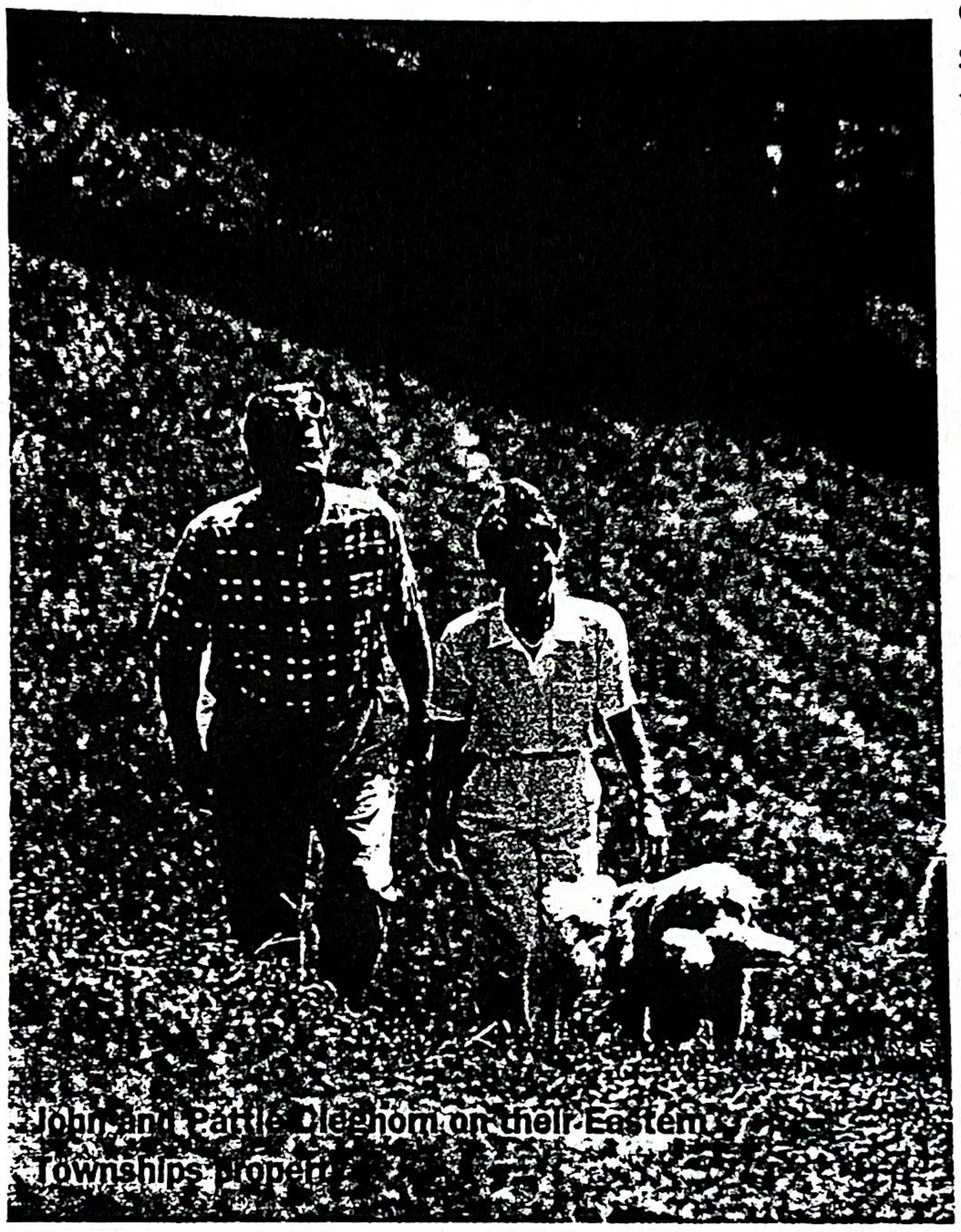
It might be added here that while John came through as very people-oriented this day, he did not come through as particularly "Human Resource" oriented. In other words, he seems to react to individuals with great warmth, but is less concerned with people in the aggregate. (Recall the comments about FTEs and "bodies.") This too reflects the action overlay in John's style.

People management outside the organization is called linking in the model – for example, networking and using this to transmit and receive influence. This was clearly in evidence in the investors' lunch, although informing was key here. Perhaps this meeting should be described as informing for purposes of influencing. This was the only linking meeting of the day, but evidence from various discussions as well as John's own agenda breakdown suggests that this role is key too in his work.

To sum up, another perhaps more typical day might have shown evidence of a good deal more doing and dealing as well as linking, although perhaps no less communicating.

A word on scheduling is in order here. This is generally no more or less important in any manager's job: it must be done, but as a means to other ends, namely performance of the other roles. In John's work, however, it seems to get more conscious attention. I refer here to the long lead time in arranging this day, and the discussion of its typicality. John is also the first manager I have come across (including 28 others in this research) who systematically tabulates and studies his own time allocation. Clearly, to run such a large organization requires careful attention to schedule, and, as noted, John got used to this as a chartered accountant. But this seems to reflect a personal predisposition as well.

I wrote in my book The Nature of Managerial Work, in 1973, that "no matter what he is doing, the manager is plagued by what he *might* do and what he *must* do. In effect, the manager is encouraged by the realities of his work to develop a particular



John and Pattie Cleghorn on their Eastern Townships property

personality – to overload himself with work, to do things abruptly, to avoid wasting time, to participate only when the value of participation is tangible, to avoid too great an involvement with any one issue. To be superficial is, no doubt, an occupational hazard of managerial work."

It is to John Cleghorn's credit that he can be relaxed amidst such pressures, to achieve this kind of profundity in what he does.

That consulting chief executive cited earlier, or Harvard professor Michael Porter, who recently took a similar stand with the regard to the Japanese, might read all this and wonder where the strategy can be. John is certainly informed, in his own way, but does this help him develop strategy for the bank? Does this very *craft* style of managing make him a strategist?

While one day of observation, especially one such as this, can hardly answer such a question, I believe some speculation on it is in order.

There are two broad ways in which to view the chief executive as strategist. The popular one, whether from the books of the Porters or the reports of the McKinseys, is of the chief at the helm pronouncing great thoughts on where the organization must go. Then "implementation" takes over. I personally believe this is often a failed way to make strategy, especially when that chief is disconnected from the details over which he or she pronounces (which such an approach, in fact, encourages).

The other approach – emergent, more rooted in learning, as opposed to the more deliberate, planning approach – is of a strategy process diffused through an organization that knows how to adapt over time. The process is more one of crafting, and the chief executive's role is to foster a structure and a culture in which this can happen, also to see the strategic implications of initiatives and integrate them with overall vision. And that requires rather detailed, nuanced knowledge.

There was certainly evidence on this day of John's role in helping to establish this kind of organization, also some indications of his ability to abstract from the details toward strategic thinking (for example, in his comments about Mbanx "educating the market," and that being "good for us"). Of course, such a craft style of managing, based on rich, grounded information, does not make someone a strategist: that depends on the person's capacity for creative synthesis (about which this day provides no basis to comment).

In my opinion, however, such a style of managing is a prerequisite for coming up with the necessary strategic insights (while the detached, or cerebral, style of managing, tends to produce formalized, and often ordinary strategies – clearly stated and vaguely applied). It is the ability to bounce back and forth between the concrete and the conceptual – not only to understand the specifics but also to be able to generalize creatively about them – that makes the great strategist. Remaining in the stratosphere of the conceptual is no better than only having one's feet planted firmly in concrete on the ground. John seems clearly at ease moving between the concrete and the conceptual.

So here is to the practice of management as a craft – low key, involved, warm, focused, perhaps quintessentially Canadian. It may not make the headlines, but it sure seems to work in the bank. I am proud to sit in the Chair called Cleghorn. Ⓓ