

THE ART OF BEING AN EXECUTIVE

The former Chairman of the Board
of Bank of America and columnist
for *Industry Week* magazine
answers 70 troublesome questions
about managing people.

Louis B.
Lundborg

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Preface

This book is not about how a company should be operated. It is about how a chief executive, and the other executives down the line, should operate in managing the company. While the two things overlap, it is primarily about the executive, rather than the company.

Yet the company does not come off second best in this approach. Executives get the best results for their companies by doing the best possible job of being executives. At the same time, they are more likely to preserve their own health and peace of mind as well as advance their companies' well-being if they do a good job of being effective executives than if they do a poor one.

The title of the book was chosen to emphasize that being an executive is an art—not a science.

Early in this century Frederick Taylor coined the phrase “scientific management.” What it described was only the smallest fraction of the total function of management—it was concerned only with reducing the time and effort expended in repetitive manual labor. In a day when machines had barely begun to substitute for the drudgery of human labor, Taylor’s

work had great impact on how industrial operations were conducted and supervised.

The job of managing an enterprise even in that early day, though, embraced much more than just getting physical work done. And as businesses have grown in size and complexity, so has the job of managing them. But in spite of all the technology that has been brought to the aid of management, management itself has not become a science. Computer-based management information systems may deliver exquisitely refined streams of information on every aspect of the company, its industry, its markets, and the world economy. But the decisions made on the basis of that information are still made by human beings, not by the machines. More than that, the information itself is never complete: management still remains the art of making decisions on the basis of less than complete information. The executive at any level—whether in sales, in marketing, in finance, or in top management—who waits until he has the last morsel of information will never make a decision. The competitive world will pass him by while he sits waiting.

That is why it is the art, not the science, of management. Human decision makers apply their best judgment to a complex of variables that are never the same twice. Each decision is a unique assembling of pieces that one fits together as an artist creates a painting or a mosaic. So the parallel to the language of art is not inappropriate. And as with the visual artist, the resulting creation may be a success, and it may not. In both cases, the market applies the test.

Within that process sits the individual executive. His role is much more personal than this talk of management information systems and decision-making processes would suggest. The executive does make decisions, of course; but a large part of what he does is to lead and encourage and orchestrate the work of others who make it possible for the big decisions to have any meaning.

This book is about those personal things—those bits and pieces of the picture that make up the art of being an executive.

PREFACE

In planning and writing this book, no consideration was given to separate treatment of the managerial problems of women. The assumption at the outset, followed throughout the book, was that of the many ingredients in the art of being an executive, none was sex-differentiated. All of them would be made easier or harder to acquire by differences in temperamental and emotional habits and characteristics; but the range of those differences is as great within each sex as it is between the two sexes.

So the approach has been "work with what you've got"—whatever that was.

This approach led to another early-on decision of convenience (convenience to the reader as well as to the writer): to treat such words as "man" and "he" as generic terms.

The assumption, again, was that it is as wearying to the reader as it is to the writer to have a succession of "he or she," "him or her," "man or woman" clichés. They interrupt thought more than they clarify it. So until the English language finds some new, vital bridge-words for this context, I must simply ask forgiveness for any offense that my generic use of masculine terms may cause.

A Boss for All Seasons

Think of him as "Louie," the way his friends have always done. That's not because he was ever the buddy-buddy type or the office glad-hander. No, he was quite the opposite, reserved and precise. He'd turn downright chilly if anyone seemed a little sloppy in thought or behavior. He hated sham of any sort, or the faintest whiff of dishonesty. And his teeth would grate at a hint of bigotry, or the standard macho haw-haws that used to pass for executive-suite humor. As the chairman of the world's biggest bank, California's Bank of America, his aversions carried considerable weight. In fact, when he became the first top-rank American business executive to testify in Congress against the Vietnam War, quite a few other executives got pretty hot at his influence.

Looking back now, Louis B. Lundborg seems to have been the least likely person in the world to become a sort of managerial cult figure. But such a process had already begun at the time of his death from lung cancer early in 1981. The "Lundborg ethic" will live for years among young executives who never even met him. I should have seen it coming. Within a few days after his death, a young Iranian refugee who has

studied Louie's career from a distance called me to say, with considerable anger, that none of us older people seemed to have understood how unique he was.

I'd first run across Lundborg followers among Japan's best and brightest. Louie was, in fact, more widely known there than in his home country. His famous book of top-management dialogues with Kohnosuke Matsushita, Japan's living legend of executive wisdom, became a best-seller in Tokyo, Osaka, and other industrial centers. Louie's picture began to pop up in both professional and popular journals.

People could somehow sense, even across the language barrier, that here was a man of deep and passionate understanding. As Peter Drucker once remarked, he carried on the populist tradition of banking as well as the man-to-man tradition in management. When I helped Avis President Robert Townsend on the savage humor of his *Up the Organization* book, Louie loved the laughter but did not care for the book's anger. It took the humanity out of it, he felt, and to him that was not to be tolerated.

Louie found his natural style in "Executive Survival Kit," his regular column for *Industry Week* magazine. Not at all sure he wanted to do it, he first tested a few short essays before he began to sense how much he had to say that nobody else was saying. And soon he hit stride. The more mundane the question he wrestled with, the more he delighted in passing along the seasoned wisdom of his sixty years of work. This book is largely based on the ideas he first developed as columns, but when time came to do the manuscript he started all over. Always a quality addict, he now knew things he'd not quite seen when he did the columns, and there were new subjects he just had to cover. He worked with total focus until he finished the manuscript just before lung cancer—which he had gallantly kept hidden even from his secretary—suddenly cut his life down to four days.

This book reflects the breadth and depth of his experience and the quality of his thought. Having lent money to every kind

of business, he knew better than most how small flaws can grow into big troubles. Yet, he never lost that quick gift of irony and laughter. This shy gentleman, 6'1" in his neat pinstripes,* shares useful knowhow with us on every page.

Before becoming chairman, Mr. Lundborg was part of the management team that led the Bank of America out of California isolation into its new era in competition with Eastern and Midwestern commercial banks. He played a strategic role in launching BankAmericard—now VISA, the most universal bank payment system in the world.

As a friend, I watched Louis over the years with rising awe at his insights and accomplishments. "All that got done," he says, "was done through other people,"

That remark comes less from his modesty than out of his ruthless honesty about the job of the effective manager. A manager must be a teacher, or, as Louis carefully insists, one who helps others to grow.

Son of threadbare Swedish immigrants, Mr. Lundborg grew up on a potato homestead in a Montana log cabin. After working his way through Stanford, Louis got a look at California's booming industry as a Chamber of Commerce officer before heading back to Stanford as a vice president and then settling down to learn the business of banking.

Characteristically, Louis considered one of the most significant events of his business career his encounters with student radicals after a mob burned a bank branch in Santa Barbara and other students attacked branches throughout the state. Chairman Lundborg threw himself into the center of the storm by meeting and listening to protest leaders all over California.

The result profoundly changed and renewed him. Perhaps

*Let me report that Barbara Lundborg, Louie's graceful widow, asked me to change this "pinstripes" phrase. "You know, George," she said, "I always think of Louie in an open collar and an old sweater." While Barbara's poignant memory does tell about the easy, playful side of this remarkable executive, his professional clothes were the pinstriped suit, black banker's shoes, and crisp tie on an ever-fresh business shirt. What counted was that he wore the uniform of orthodoxy but was one of the most innovative and unorthodox forces in our culture.

the last word on Louis's contribution to management comes from his close friend Walter A. Haas, Jr., Chairman of Levi-Strauss & Company, who teamed with Louis in many efforts to develop the concept of corporate social responsibility:

Louis Lundborg was, to me, the epitome of a socially responsible business executive. He recognized the need for change in business' role in our total society and spoke up about that need in his roles as a writer, teacher, television series host and, most importantly, Chairman of the Board of the world's largest bank. I had the good fortune to serve on the board Lou chaired and to head that board's Social Responsibility Committee and will always treasure the memory of our great relationship. He assumed a leadership role in reacting to the expectations of the public and the increasing social and political pressures placed on the business community. The way he did this established him as an individual of integrity with vision and, most importantly, a genuine concern for people.

T GEORGE HARRIS

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First Things First— Managing Yourself

Being an executive has many parts. Some of them are independent of each other: you do them or you don't; and if you don't do them, you won't get as good marks as you could on your executive-performance report card.

But some others are part of the life process—like breathing and keeping the heart beating. If you don't do them, you don't survive long as an executive; but if you *do* do them, you make everything else work much more smoothly.

The first section of the book deals with those “central life process” ingredients.

