April 11-13, 1975

Quarter IV, 1974-75

I want to spend a few minutes not just telling you that some of the methods that we have learned in LENS seminar are being used at Gulf, because you would not believe me. So rather than do that, I will tell you how they are being used.

I am head of the Planning Research Department, a fairly new creation, for Gulf Oil. It came out of the awareness of the Board of the need for social responsibility and the awareness that the economic portion of the social process is marching down the same road as everybody else, maybe not in the same places on the road, but the same road. Our charge in my department is to figure out how to figure out what we ought to do. That is to say, we are clear that we are not very clear about what we ought to do, or about what we ought to be about, but we are clear that we have to know what we are about before we ever decide what we ought to do, and that there are no methods for doing that. What is our direction? Where ought we to be 20 years from now? We are going back to the old management textbooks, you know, what is your objective? That is where we have to start. If you do not know where you are going, then any road will get you there. So we are charged with the task of developing the methods, the conceptual framework, for deciding the strategy for Gulf Oil Corporation. Now I am also chairman of the Corporate Planning Task Force. It is made up of the Vice-President of Planning for each one of our regional subsidiary companies. We all gathered together and took off for a Minneapolis LENS seminar. In fact a few did not make it to the Minneapolis course, a couple had to go to the one in Houston, and a couple to the one in San Francisco. But I think we are kind of an unusual group in industry. Most of the Task Force is made up of people in operations who have a 20% commitment of their time and effort to dealing with these issues at the corporate level. We meet three days every three weeks in cities around the world to deal with the issues of how you figure out where Gulf ought to be going.

The first thing that we put to use were those social process triangles, the tensions, the forces, the interrelationships between the economic, the political, and the cultural dimensions of society. As a result there is a division in my department called Environmental Scanning. They use the triangles. Incidentally, we figured out they are at least three dimensional triangles. We have three dimensional models of that on our desks so that we can use it, in order to serve as a screen, as a filter to decide what kind of data we need in order to convert that data into information. So that we can look at the pieces of the globe and the pieces of society and decide what is happening in each one of those pieces and then impute to each of those pieces of strategy and then we develop our strategy in the context of what we have decided is everybody else's strategy. Very concretely, we apply that to our competitors. We do not respond to what our competitors are doing, we build a strategy over-against what we have decided our competitor strategy is and then constantly use that kind of a model to test what we have decided everybody else's strategy is. What we are out to do is to develop whatever it is that is going to replace econometrics, and to invent whatever it is that is going to replace forecasting. Econometrics and forecasting are great except for the discontinuities but all we have got these days is discontinuity. This, we finally learned, is what contingency planning is, and that is not far from the right meaning of that word. We used to think that contingency planning

The fallout from that was the awareness that social responsibility is not something you hand to a public relations department or a community relations department, or an advertising department. Social responsibility is what business is about. If you are going to be in business for awhile, then you had better be about social responsibility or you will not make it through the decade. I have two strong men who stand outside of my office with firm orders to throw out bodily anybody who comes into my office who wants to talk about how a company ought to have a little social responsibility and be a good citizen on the side. That will not cut it. If top management isn't seriously concerned with all of the dynamics and all of the relationships, and all of the forces and all of the tensions in all those triangles, then the company will never live to see 1980. And if you are operating your business out of your hat, that might be all right. But for an on-going institution with any kind of context, with any kind of interest in the future, it just flat will not work. If we look out and see that the political dimension is collapsing, that the cultural dimension is collapsing, then we are the ones that have got to rebuild them, or they are going to pull us down with them. Social responsibility has to do with nothing more or less than the survival of the corporation. It is not some interesting little thing that you budget 2% of your revenue for in order to get good press.

Now what that leads to is the awareness that a new management style is needed. A whole new system of interior relations is needed within the corporation in order to have that kind of relationship in all of the interfaces between the corporation and the rest of the world. All we are out to do, then, is to develop a new decision-making process for the executives and for the Board of Directors. This Corporate Planning Task Force has decided to be the demonstration of this new process. I would like to mention just a couple of the ways that we are experimenting on ourselves to see how that might work. One is in terms of motivity, or motivation. We have seriously worked hard at developing a common engagement toward a common task, and out of a common practical vision to find motivation or motivity. There is only one place that it really exists and that is the engagement within that group. Each member is clear he has taken sole responsibility for the total success of the effort and the accomplishment of the task. You do not ever motivate anybody. In fact, if we find anybody in my department that can be motivated to respond, he is not the kind of person that we want.

We had our last meeting of this task force in Houston about two weeks ago. We had a consultant come who is laying out the curriculum for the new Gulf Management Institute. He had heard that sitting in on this task force meeting was a pretty good way of finding out what is going on in the corporation. So he came to participate. His expertise is developing group management styles. He sat there with us, for a four-day meeting. At the end of the first day, be started mumbling one of the lines that I remember out of Butch Cassidy and the Sundance Kid. He said, "Who are those guys?" But he has told me, I guess a dozen times since then, that he has been working for twenty years in corporations trying to develop what he calls the kind of group dynamics that are going on that group. It really works. It is amazing, it really works. We used the same technique in my own department with everybody from the beginning secretary to the division heads.

The fallout from that was the awareness that social responsibility is not something you hand to a public relations department or a community relations department, or an advertising department. Social responsibility is what business is about. If you are going to be in business for awhile, then you had better be about social responsibility or you will not make it through the decade. I have two strong men who stand outside of my office with firm orders to throw out bodily anybody who comes into my office who wants to talk about how a company ought to have a little social responsibility and be a good citizen on the side. That will not cut it. If top management isn't seriously concerned with all of the dynamics and all of the relationships, and all of the forces and all of the tensions in all those triangles, then the company will never live to see 1980. And if you are operating your business out of your hat, that might be all right. But for an on-going institution with any kind of context, with any kind of interest in the future, it just flat will not work. If we look out and see that the political dimension is collapsing, that the cultural dimension is collapsing, then we are the ones that have got to rebuild them, or they are going to pull us down with them. Social responsibility has to do with nothing more or less than the survival of the corporation. It is not some interesting little thing that you budget 2% of your revenue for in order to get good press.

Now what that leads to is the awareness that a new management style is needed. A whole new system of interior relations is needed within the corporation in order to have that kind of relationship in all of the interfaces between the corporation and the rest of the world. All we are out to do, then, is to develop a new decision-making process for the executives and for the Board of Directors. This Corporate Planning Task Force has decided to be the demonstration of this new process. I would like to mention just a couple of the ways that we are experimenting on ourselves to see how that might work. One is in terms of motivity, or motivation. We have seriously worked hard at developing a common engagement toward a common task, and out of a common practical vision to find motivation or motivity. There is only one place that it really exists and that is the engagement within that group. Each member is clear he has taken sole responsibility for the total success of the effort and the accomplishment of the task. You do not ever motivate anybody. In fact, if we find anybody in my department that can be motivated to respond, he is not the kind of person that we want.

We had our last meeting of this task force in Houston about two weeks ago. We had a consultant come who is laying out the curriculum for the new Gulf Management Institute. He had heard that sitting in on this task force meeting was a pretty good way of finding out what is going on in the corporation. So he came to participate. His expertise is developing group management styles. He sat there with us, for a four-day meeting. At the end of the first day, he started mumbling one of the lines that I remember out of Butch Cassidy and the Sundance Kid. He said, "Who are those guys?" But he has told me, I guess a dozen times since then, that he has been working for twenty years in corporations trying to develop what he calls the kind of group dynamics that are going on in that group. It really works. It is amazing, it really works. We used the same technique in my own department with everybody from the beginning secretary to the division heads.

THE NEW CORPORATE MANAGEMENT

April 11-13, 1975

Quarter IV, 1974-75

I want to spend a few minutes not just telling you that some of the methods that we have learned in LENS seminar are being used at Gulf, because you would not believe me. So rather than do that, I will tell you how they are being used.

I am head of the Planning Research Department, a fairly new creation, for Gulf Oil. It came out of the awareness of the Board of the need for social responsibility and the awareness that the economic portion of the social process is marching down the same road as everybody else, maybe not in the same places on the road, but the same road. Our charge in my department is to figure out how to figure out what we ought to do. That is to say, we are clear that we are not very clear about what we ought to do, or about what we ought to be about, but we are clear that we have to know what we are about before we ever decide what we ought to do, and that there are no methods for doing that. What is our direction? Where ought we to be 20 years from now? We are going back to the old management textbooks, you know, what is your objective? That is where we have to start. If you do not know where you are going, then any road will get you there. So we are charged with the task of developing the methods, the conceptual framework, for deciding the strategy for Gulf Oil Corporation. Now I am also chairman of the Corporate Planning Task Force. It is made up of the Vice-President of Planning for each one of our regional subsidiary companies. We all gathered together and took off for a Minneapolis LENS seminar. In fact a few did not make it to the Minneapolis course, a couple had to go to the one in Houston, and a couple to the one in San Francisco. But I think we are kind of an unusual group in industry. Most of the Task Force is made up of people in operations who have a 20% commitment of their time and effort to dealing with these issues at the corporate level. We meet three days every three weeks in cities around the world to deal with the issues of how you figure out where Gulf ought to be going.

The first thing that we put to use were those social process triangles, the tensions, the forces, the interrelationships between the economic, the political, and the cultural dimensions of society. As a result there is a division in my department called Environmental Scanning. They use the triangles. Incidentally, we figured out they are at least three dimensional triangles. We have three dimensional models of that on our desks so that we can use it, in order to serve as a screen, as a filter to decide what kind of data we need in order to convert that data into information. So that we can look at the pieces of the globe and the pieces of society and decide what is happening in each one of those pieces and then impute to each of those pieces of strategy and then we develop our strategy in the context of what we have decided is everybody else's strategy. Very concretely, we apply that to our competitors. We do not respond to what our competitors are doing, we build a strategy over-against what we have decided our competitor strategy is and then constantly use that kind of a model to test what we have decided everybody else's strategy is. What we are out to do is to develop whatever it is that is going to replace econometrics, and to invent whatever it is that is going to replace forecasting. Econometrics and forecasting are great except for the discontinuities but all we have got these days is discontinuity. This, we finally learned, is what contingency planning is, and that is not far from the right meaning of that word. We used to think that contingency planning

Another thing I wanted to mention is this business of consensus. I never really did believe that, but we decided to try. It is not a matter of agreeing with somebody and certainly voting is dead. We began experimenting with spending a lot of time and a lot of effort to see if it would work to develop a common context so that decisions could be made by proposals. The only substitute for a proposal is another proposal that incorporates all the wisdom of all the preceding proposals and moves in the direction of a commitment to a decision that can be embraced by everybody in the group who never would have agreed with that decision. And talk about transparency—we have not even talked about that, we have just been doing it. I showed up last summer in Rome for a meeting with our management there. I was just kind of sitting in the back watching to see what goes on. The area vice—president in Rome was conducting the meeting. It got to the point where a decision was going to be made, and he turned to me to explain. He said, "You know, we never vote here."

I did not really understand how unbelievable these kinds of things were that we have been doing and that I have been telling you about until we tried to do some college recruiting this spring. We took twelve Harvard MBA candidates to dinner in Boston, hoping we could get a few good men, kind of like the Marine Corps. We started outlining the kinds of things that I have been talking about here so that they would know the kinds of things that are going on in Gulf in order to see if they would like to join our effort. We got through it and they said, "Would you say all of that again?" And we did. And they said, "That's what we thought you said." You know, some of them just are not interested. Where is the security in all that? How do I know this is going to work? And we just told them, "Well, we don't know." But if it doesn't, so It might work. But whether it works is not important, it is the process that we are engaged in that is important. It speaks to the real need. So we are only interested in the people who are interested in being effective in dealing somehow with what the real problems are, not in the people who are interested in some kind of a clear road at the top.

One of those fellows to whom we made a job offer, incidentally, interrupted about two-thirds of the way through. He said, "Hey, what you guys are doing is taking responsibility for developing the new ethic and the new social process." I am convinced that we are the ones that have got to do that job, we in the lower left-hand corner of that silly set of triangles up there, in the economic community. We are the ones that are success-oriented, we are the ones that have the resources, we are the ones that have the discipline, we are the ones that have the external accountability. And boy, do we have that! We are the ones that have the primal community, not only within a corporation, but across corporations over and above any trust regulations, over and above competitive security requirements. We have got a primal community. I mean, another business man and I can hit it off on a sirplane or anywhere else a hundred miles down the road from where I could hit it off with anyone else. We are the ones with the data banks. We are the ones with the global network. We are the ones with the organization. I am just afraid that if we do not do this job, it will not get done.

Quarter IV, 1974-75

I want to spend a few minutes not just telling you that some of the methods that we have learned in LENS seminar are being used at Gulf, because you would not believe me. So rather than do that, I will tell you how they are being used.

I am head of the Planning Research Department, a fairly new creation, for Gulf Oil. It came out of the awareness of the Board of the need for social responsibility and the awareness that the economic portion of the social process is marching down the same road as everybody else, maybe not in the same places on the road, but the same road. Our charge in my department is to figure out how to figure out what we ought to do. That is to say, we are clear that we are not very clear about what we ought to do, or about what we ought to be about, but we are clear that we have to know what we are about before we ever decide what we ought to do, and that there are no methods for doing that. What is our direction? Where ought we to be 20 years from now? We are going back to the old management textbooks, you know, what is your objective? That is where we have to start. If you do not know where you are going, then any road will get you there. So we are charged with the task of developing the methods, the conceptual framework, for deciding the strategy for Gulf Oil Corporation. Now I am also chairman of the Corporate Planning Task Force. It is made up of the Vice-President of Planning for each one of our regional subsidiary companies. We all gathered together and took off for a Minneapolis LENS seminar. In fact a few did not make it to the Minneapolis course, a couple had to go to the one in Houston, and a couple to the one in San Francisco. But I think we are kind of an unusual group in industry. Most of the Task Force is made up of people in operations who have a 20% commitment of their time and effort to dealing with these issues at the corporate level. We meet three days every three weeks in cities around the world to deal with the issues of how you figure out where Gulf ought to be going.

The first thing that we put to use were those social process triangles, the tensions, the forces, the interrelationships between the economic, the political, and the cultural dimensions of society. As a result there is a division in my department called Environmental Scanning. They use the triangles. Incidentally, we figured out they are at least three dimensional triangles. We have three dimensional models of that on our desks so that we can use it, in order to serve as a screen, as a filter to decide what kind of data we need in order to convert that data into information. So that we can look at the pieces of the globe and the pieces of society and decide what is happening in each one of those pieces and then impute to each of those pieces of strategy and then we develop our strategy in the context of what we have decided is everybody else's strategy. Very concretely, we apply that to our competitors. We do not respond to what our competitors are doing, we build a strategy over-against what we have decided our competitor strategy is and then constantly use that kind of a model to test what we have decided everybody else's strategy is. What we are out to do is to develop whatever it is that is going to replace econometrics, and to invent whatever it is that is going to replace forecasting. Econometrics and forecasting are great except for the discontinuities but all we have got these days is discontinuity. This, we finally learned, is what contingency planning is, and that is not far from the right meaning of that word. We used to think that contingency planning

The fallout from that was the awareness that social responsibility is not something you hand to a public relations department or a community relations department, or an advertising department. Social responsibility is what business is about. If you are going to be in business for awhile, then you had better be about social responsibility or you will not make it through the decade. I have two strong men who stand outside of my office with firm orders to throw out bodily anybody who comes into my office who wants to talk about how a company ought to have a little social responsibility and be a good citizen on the side. That will not cut it. If top management isn't seriously concerned with all of the dynamics and all of the relationships, and all of the forces and all of the tensions in all those triangles, then the company will never live to see 1980. And if you are operating your business out of your hat, that might be all right. But for an on-going institution with any kind of context, with any kind of interest in the future, it just flat will not work. If we look out and see that the political dimension is collapsing, that the cultural dimension is collapsing, then we are the ones that have got to rebuild them, or they are going to pull us down with them. Social responsibility has to do with nothing more or less than the survival of the corporation. It is not some interesting little thing that you budget 2% of your revenue for in order to get good press.

Now what that leads to is the awareness that a new management style is needed. A whole new system of interior relations is needed within the corporation in order to have that kind of relationship in all of the interfaces between the corporation and the rest of the world. All we are out to do, then, is to develop a new decision-making process for the executives and for the Board of Directors. This Corporate Planning Task Force has decided to be the demonstration of this new process. I would like to mention just a couple of the ways that we are experimenting on ourselves to see how that might work. One is in terms of motivity, or motivation. We have seriously worked hard at developing a common engagement toward a common task, and out of a common practical vision to find motivation or motivity. There is only one place that it really exists and that is the engagement within that group. Each member is clear he has taken sole responsibility for the total success of the effort and the accomplishment of the task. You do not ever motivate anybody. In fact, if we find anybody in my department that can be motivated to respond, he is not the kind of person that we want.

We had our last meeting of this task force in Houston about two weeks ago. We had a consultant come who is laying out the curriculum for the new Gulf Management Institute. He had heard that sitting in on this task force meeting was a pretty good way of finding out what is going on in the corporation. So he came to participate. His expertise is developing group management styles. He sat there with us, for a four-day meeting. At the end of the first day, he started mumbling one of the lines that I remember out of Butch Cassidy and the Sundance Kid. He said, "Who are those guys?" But he has told me, I guess a dozen times since then, that he has been working for twenty years in corporations trying to develop what he calls the kind of group dynamics that are going on that group. It really works. It is amazing, it really works. We used the same technique in my own department with everybody from the beginning secretary to the division heads.

The fallout from that was the awareness that social responsibility is not something you hand to a public relations department or a community relations department, or an advertising department. Social responsibility is what business is about. If you are going to be in business for awhile, then you had better be about social responsibility or you will not make it through the decade. I have two strong men who stand outside of my office with firm orders to throw out bodily anybody who comes into my office who wants to talk about how a company ought to have a little social responsibility and be a good citizen on the side. That will not cut it. If top management isn't seriously concerned with all of the dynamics and all of the relationships, and all of the forces and all of the tensions in all those triangles, then the company will never live to see 1980. And if you are operating your business out of your hat, that might be all right. But for an on-going institution with any kind of context, with any kind of interest in the future, it just flat will not work. If we look out and see that the political dimension is collapsing, that the cultural dimension is collapsing, then we are the ones that have got to rebuild them, or they are going to pull us down with them. Social responsibility has to do with nothing more or less than the survival of the corporation. It is not some interesting little thing that you budget 2% of your revenue for in order to get good press.

Now what that leads to is the awareness that a new management style is needed. A whole new system of interior relations is needed within the corporation in order to have that kind of relationship in all of the interfaces between the corporation and the rest of the world. All we are out to do, then, is to develop a new decision-making process for the executives and for the Board of Directors. This Corporate Planning Task Force has decided to be the demonstration of this new process. I would like to mention just a couple of the ways that we are experimenting on ourselves to see how that might work. One is in terms of motivity, or motivation. We have seriously worked hard at developing a common engagement toward a common task, and out of a common practical vision to find motivation or motivity. There is only one place that it really exists and that is the engagement within that group. Each member is clear he has taken sole responsibility for the total success of the effort and the accomplishment of the task. You do not ever motivate anybody. In fact, if we find anybody in my department that can be motivated to respond, he is not the kind of person that we want.

We had our last meeting of this task force in Houston about two weeks ago. We had a consultant come who is laying out the curriculum for the new Gulf Management Institute. He had heard that sitting in on this task force meeting was a pretty good way of finding out what is going on in the corporation. So he came to participate. His expertise is developing group management styles. He sat there with us, for a four-day meeting. At the end of the first day, he started mumbling one of the lines that I remember out of Butch Cassidy and the Sundance Kid. He said, "Who are those guys?" But he has told me, I guess a dozen times since then, that he has been working for twenty years in corporations trying to develop what he calls the kind of group dynamics that are going on in that group. It really works. It is amazing, it really works. We used the same technique in my own department with everybody from the beginning secretary to the division heads.

THE NEW CORPORATE MANAGEMENT

April 11-13, 1975

Quarter IV, 1974-75

I want to spend a few minutes not just telling you that some of the methods that we have learned in LENS seminar are being used at Gulf, because you would not believe me. So rather than do that, I will tell you how they are being used.

I am head of the Planning Research Department, a fairly new creation, for Gulf Oil. It came out of the awareness of the Board of the need for social responsibility and the awareness that the economic portion of the social process is marching down the same road as everybody else, maybe not in the same places on the road, but the same road. Our charge in my department is to figure out how to figure out what we ought to do. That is to say, we are clear that we are not very clear about what we ought to do, or about what we ought to be about, but we are clear that we have to know what we are about before we ever decide what we ought to do, and that there are no methods for doing that. What is our direction? Where ought we to be 20 years from now? We are going back to the old management textbooks, you know, what is your objective? That is where we have to start. If you do not know where you are going, then any road will get you there. So we are charged with the task of developing the methods, the conceptual framework, for deciding the strategy for Gulf Oil Corporation. Now I am also chairman of the Corporate Planning Task Force. It is made up of the Vice-President of Planning for each one of our regional subsidiary companies. We all gathered together and took off for a Minneapolis LENS seminar. In fact a few did not make it to the Minneapolis course, a couple had to go to the one in Houston, and a couple to the one in San Francisco. But I think we are kind of an unusual group in industry. Most of the Task Force is made up of people in operations who have a 20% commitment of their time and effort to dealing with these issues at the corporate level. We meet three days every three weeks in cities around the world to deal with the issues of how you figure out where Gulf ought to be going.

The first thing that we put to use were those social process triangles! the tensions, the forces, the interrelationships between the economic, the political, and the cultural dimensions of society. As a result there is a division in my department called Environmental Scanning. They use the triangles. Incidentally, we figured out they are at least three dimensional triangles. We have three dimensional models of that on our desks so that we can use it, in order to serve as a screen, as a filter to decide what kind of data we need in order to convert that data into information. So that we can look at the pieces of the globe and the pieces of society and decide what is happening in each one of those pieces and then impute to each of those pieces of strategy and then we develop our strategy in the context of what we have decided is everybody else's strategy. Very concretely, we apply that to our competitors. We do not respond to what our competitors are doing, we build a strategy over-against what we have decided our competitor strategy is and then constantly use that kind of a model to test what we have decided every body else's strategy is. What we are out to do is to develop whatever it is that is going to replace econometrics, and to invent whatever it is that is going to replace forecasting. Econometrics and forecasting are great except for the discontinuities but all we have got these days is discontinuity. This, we finally learned, is what contingency planning is, and that is not far from the right meaning of that word. We used to think that contingency planning

Another thing I wanted to mention is this business of consensus. I never really did believe that, but we decided to try. It is not a matter of agreeing with somebody and certainly voting is dead. We began experimenting with spending a lot of time and a lot of effort to see if it would work to develop a common context so that decisions could be made by proposals. The only substitute for a proposal is another proposal that incorporates all the wisdom of all the preceding proposals and moves in the direction of a commitment to a decision that can be embraced by everybody in the group who never would have agreed with that decision. And talk about transparency—we have not even talked about that, we have just been doing it. I showed up last summer in Rome for a meeting with our management there. I was just kind of sitting in the back watching to see what goes on. The area vice-president in Rome was conducting the meeting. It got to the point where a decision was going to be made, and he turned to me to explain. He said, "You know, we never vote here."

I did not really understand how unbelievable these kinds of things were that we have been doing and that I have been telling you about until we tried to do some college recruiting this spring. We took twelve Harvard MBA candidates to dinner in Boston, hoping we could get a few good men, kind of like the Marine Corps. We started outlining the kinds of things that I have been talking about here so that they would know the kinds of things that are going on in Gulf in order to see if they would like to join our effort. We got through it and they said, "Would you say all of that again?" And we did. And they said, "That's what we thought you said." You know, some of them just are not interested. Where is the security in all that? How do I know this is going to work? And we just told them, "Well, we don't know." But if it doesn't, so It might work. But whether it works is not important, it is the process that we are engaged in that is important. It speaks to the real need. So we are only interested in the people who are interested in being effective in dealing somehow with what the real problems are, not in the people who are interested in some kind of a clear road at the top.

One of those fellows to whom we made a job offer, incidentally, interrupted about two-thirds of the way through. He said, "Hey, what you guys are doing is taking responsibility for developing the new ethic and the new social process." I am convinced that we are the ones that have got to do that job, we in the lower left-hand corner of that silly set of triangles up there, in the economic community. We are the ones that are success-oriented, we are the ones that have the resources, we are the ones that have the discipline, we are the ones that have the external accountability. And boy, do we have that! We are the ones that have the primal community, not only within a corporation, but across corporations over and above any trust regulations, over and above competitive security requirements. We have got a primal community. I mean, another business man and I can hit it off on a airplane or anywhere else a hundred miles down the road from where I could hit it off with anyone else. We are the ones with the data banks. We are the ones with the global network. We are the ones with the organization. I am just afraid that if we do not do this job, it will not get done.