



Interview with Dr. Michael J. Mol

Chair of the Conference „

“Rethinking the principles of Management“



"Michael Mol is a visiting Research Fellow at London Business School's MLab, the laboratory for management innovation, and Associate Professor of Strategic Management at Warwick Business School. His work focuses on management innovation and outsourcing. He has written various books, including "Outsourcing: Design, Process and Performance" (Cambridge University Press) and "Giant Steps in Management" (FT Prentice Hall, co-authored with Professor Julian Birkinshaw). He has been an adviser to various private and public sector organizations and has published widely in practitioner and academic journals, including Academy of Management Review and Sloan Management Review."

Michael Mol what is management innovation?

Management innovation is a company's ability to effect fundamental changes in its own internal way of working. So management innovation really focuses on how the work of management gets done and looks for ways of improving it.

Could you give some examples from companies who did management innovation?

There are many great examples of management innovation, both historical and contemporary. One good example is Procter & Gamble. If you want an example of lasting advantage, think about how P&G invented brand management in the 1930s and how

that system continues to serve the company well until this very day. Much more recently, P&G has introduced its 'connect-and-develop' approach. The company now manages its entire R&D differently, relying more on external knowledge and much less on internal research labs. By opening up its approach to innovation, P&G now uses knowledge from around the world. And as we know, the world knows a lot more than P&G does by itself.

What is the connection between management innovation and a company's ability to do technological innovation - to make new products?

There are various connections. We see that companies which are good at technological innovation, creating new products and technologies all the time, tend to be good at management innovation as well. Google is a prime example these days. A second link is that these two types of innovation tend to strengthen one another, so they are complementary. Technological innovation often requires new ways of working, which can only come about through management innovation. If a company undertakes both technological innovation and management innovation, it therefore tends to be better off.



What is the difference for an employee to work for a company who are focusing on management innovation?

I suppose we would have to talk to the employees themselves to know for sure, but from the evidence we have seen, high quality management and management innovation produce happier and more committed employees. Management innovation, when done effectively, produces a higher quality working environment. The management innovations we see these days often promote more openness inside and outside the company and some rely on mechanisms like democracy. Some forward-thinking companies for instance use the notion of the 'wisdom of crowds', where instead of having a single expert make a prediction of future product demand, they ask everyone inside the company to help make such a prediction. This often leads to better predictions.

Which of the classical management disciplines would you recommend managers not to forget about?

This is a hard question to answer, as management innovation tends to come from all corners, and often in fact originates from outside the world of management. But I think one classical discipline is innovation management. What we are saying at the MLab is 'can we use some of the insights generated from the world of technological

innovation and apply them to the world of management innovation'?

In which way do you see management innovation as a mean for the companies to survive the current economical crisis?

Many companies will be focused on ways of cutting costs at the moment and perhaps are not too concerned with innovation. While that is entirely understandable, management innovation actually cuts both ways: it can be used to enhance firm growth and revenues but equally to address the bottom line of the business. So I would say instead of indiscriminately reducing head count, engage in management innovations that help suppress cost levels. This may include novel ways of using management information systems, accounting systems or operations management.

What would be your advice regarding management innovation to managers on the Czech labour market - in Czech and international companies?

While I am not very familiar with companies in the Czech Republic, I am confident that engaging in management innovation will help them improve their competitive position. The race towards higher skill levels is as relevant as ever and the quality of management is a key part of those skills. So if companies in the Czech Republic can successfully undertake management innovation, they will benefit directly by improving their competitive positions.

During the seminar we will look at examples of how leading companies get management innovation done and I will also look at the management innovation process in more detail.

