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I write on leadership and its new challenges in the age of networks.

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How Dominic Barton Cultivated Community Change At McKinsey

“I *hate* to be managed. When someone tells me what to do, the hair on my neck bristles!”

This voice on my phone was not a frustrated millennial, blaming some boss who “doesn’t get it.” It was 53-year old [Dominic Barton](#), [Managing Director](#) of McKinsey & Company since 2009, talking about organizational change at his firm.



Dominic Barton, worldwide managing director of McKinsey and Co. (Photographer: Tomohiro Ohsumi/Bloomberg)

I was interviewing the Canadian-born son of a religious missionary about the success he’s had in moving the global consulting firm towards more flexible and innovative ways of working with clients. With so many emerging [community-style organizations](#) in today’s socially-connected knowledge economy ([platform models](#), [ecosystems](#), [networked volunteer movements](#), etc.), I was hoping to learn some relevant new ideas from his experience in the community of McKinsey partners.

McKinsey And Its Community Culture

Approaching its 90th anniversary, McKinsey is thriving today. Its over 1600 partners serve clients in 62 countries, across all regions, sectors and business disciplines. Under Barton’s

[leadership](#) services and specialized expertise the firm offers has expanded considerably, well beyond what the firm has historically provided. McKinsey's impact, top talent attraction, and financial results are now (quoting him) "better than ever before."

McKinsey governs itself as a private partnership, with a [distinctive and strong culture](#) binding its members. If you join, you sign up for a tandem mission (impact for clients and developing excellent people), and a democratically elite set of values: integrity, transparency, making people successful, fact-based analysis, and "the obligation to dissent"— to get the best answers, and "do the right thing for clients and colleagues."

The firm blends collaborative teamwork and competitive meritocracy, with members continuously assessed, up-or-out, for both performance and cultural fit. Partners share profits based on collective contribution. The McKinsey community has been compared, only half-jokingly, to the [Jesuit Order](#).

The Two Sides Of Community Culture

At their best, community-style organizations like McKinsey can excite the aspirations of ambitious professionals. Like-minded relationships, common purpose, and shared ways of working drive higher performance and retain talent.

But organizational communities can have a darker side. Collective zeal and shared purpose may slip into self-satisfied groupthink. The organization can become resistant to new ways of thinking, because "that's not the kind of community we are."

Early in his first term as Managing Director, Dominic Barton feared this dark side was closing in on McKinsey.

Calling Out The Partnership

"We had become too internally focused, inflexible, and not keeping up with what our clients needed. We also were missing out on innovative organizations we should have been working with. Our own strategy reviews had argued the same, but implementation of our recommendations was barely one percent."

In 2012 Barton addressed head-on the need for significant change at an all-partners' conference in Berlin. Before the self-governing body politic, he seized the bully pulpit and challenged his colleagues to adapt more aggressively to what he and others saw as a dramatically new operating environment. He called on partners to spend more time working with clients; to be more mindful of emerging competitors; to deepen and extend a fuller range of McKinsey expertise in their service, also integrating more across McKinsey's own internal boundaries; and to be more creative in arrangements for smaller companies and "non-traditional" opportunities.

"It was our effort to kick-start some really needed innovation. We've been working on it ever since."

A Multi-Year Campaign

His remarks scratched the itch of many partners for some generational revolution. But the danger of continued inertia remained high. Dominic began what became a multi-year campaign to renew and transform the community. To do so, he had to figure out how to take charge without taking charge.

Through some trial and error, support from colleagues, and his own tough determination, Barton learned how to do that. He successfully sponsored, nudged, and mobilized progress against "the Berlin imperatives," breaking taboos about "what we do and don't do as McKinsey."

New services were developed to create more hands-on and technologically-driven offerings in implementation support, operations, restructuring, digital, and data analytics. New kinds of talent and experienced hires were brought in to staff those. Experiments were launched and institutionalized around radically different team approaches and contracting arrangements with smaller and "non-traditional" clients. Personnel processes were modified to develop new people and ways of working. Nearly 30% of McKinsey's current work today now comes from areas that did not exist in the firm even three years ago.

As McKinsey became more "modern," it became more successful. The growth continues today.



Barton and Nigeria's Minister of Finance Ngozi Okonjo-Iweala at the World Economic Forum. (Photo PIUS UTOMI EKPEI/AFP/Getty Images)

Getting Help

Barton confesses how difficult the transformation has been. “In the early days the firm was really divided. We’d debate the changes at meetings and then the straw vote was always 51-49. Also, I made so many mistakes along the way—but luckily had good help, from other partners and former Managing Directors like [Ian Davis](#), [Fred Gluck](#) and [Ron Daniel](#). Many, many people deserve credit for the good that’s come.”

I acknowledged the shared leadership but pressed Dominic about what he actually did as Managing Director to change the community.

Three themes and “lessons learned” emerged.

1. Engage the Community With Its Own Values—To Change Itself

Most McKinsey partners, like Dominic Barton, bristle to be told what to do. But if you engage them as fellow problem-solvers—and especially with values that everyone shares—bristling disappears. Brought into the process, the community rises to change itself.

Dominic sketched a few practices that explained more:

Relentlessly invoke mission: “Time and again when we got stuck about deciding whether to add a new service or change a process, I went back to our mission. Asking how it would increase our impact, and talent aspirations always clarified the choices.”

Assert a point of view that dares the community to do better. “The Berlin speech worked because I laid out some bold and provocative assertions, as

if I were presenting to a client. Our firm likes to learn from hypothesis-driven problem-solving. Leadership flows from a point of view, and pushing for excellence— it starts people working together to find the best answer.”

Build ownership through co-creative conversation. “Nobody here wants to read a memo from me. You have to go belly-to-belly, work on solutions with people in person.”

“We built momentum after Berlin in a series of [‘Performance and Health’](#) Conversations’—groups of partners in open, problem-solving dialogues about why and how we had to do better with our services, and what it would take. Later a large group of partners worked together on updating our overall firm description, ‘McKinsey Today.’ By design, the narrative of who we are as a firm has been cooperatively shaped.”

Promote new practices and innovation, but let the internal market adopt the best ideas: “Rhetoric about change is useless. Better to showcase something that’s working in India, say, and see if it can also take root in Copenhagen. I travel all the time, simply sharing what’s being done elsewhere and learning from the different local practices. And coaching and helping leaders who are trying to make change in their practices or regions.”

“We also launched several experimental practices and engagement approaches. Some have petered out, but others took off. If something new adds value, partners are happy to adopt it from their peers.”

Build change into the self-governance of the community. “Our most critical processes are about self-governance: who will be a partner, and how partners participate in the firm’s decision-making. We our constantly working on that; it’s how we shape the direction of who we want to be, as we evolve.”

“We have a major task force now wrestling with how to restructure governance to accommodate the new talent and modes of working, while still honoring our values. As we grow bigger and more diverse, we have to embrace the good complexity and minimize the bad.”

2. Be Both Part Of And Apart From The Community.

The second theme of Dominic's change leadership is to adopt a "dual mindset"—think like an equal but also like a first-among-equals.

A community leader promoting change faces a fundamental dilemma: how to maintain the credibility of "being a member", but also sometimes rise higher—taking appropriate leadership that can rally others when needed.

Barton explained his own dual identity of the last several years—as working partner and Managing Director. Here again, some lessons applicable to any leader:

Personalize the Opportunities and Risks: "I wake up frequently just thinking: 'What God-given right do we have to be successful? What do we need to do to keep winning?' As a partner I don't want us to fail, and as a leader even less so. I constantly try to bring the same attitude I have about my own professional ambition to the overall firm."

Remain a practicing member of the community: "I can't do the same consulting load as before. But I've made a point of staying involved with clients, helping out teams with new proposals, and attending practice meetings as a substantive contributor. You need the credibility of being a practitioner to influence practitioners. I have to 'be the change' I want others to be too."

Influence others by helping them: "I find that working with someone on actual problems puts me in a better position to help them think differently. People are more open to new ideas if it you're working together side by side. Much of my job is simply building social capital across the firm."

3. Go Big When You're Feeling Most Small

Dominic also identified a third theme, as we closed our conversation: having the courage to challenge the community early on, to take action you see as needed—even though you're insecure as a new leader. The window of opportunity will close more quickly than you realize.

"In the early years I felt really nervous. I was untested and I'm sure there were lots of partners thinking, 'What's so special about this guy?' And yet the beginning is when you have the greatest

opportunity to change a direction. In Berlin I pushed to be as forthright and strong as before I was named Managing Director.”

“Looking back, I wish I had been even bolder. There’s a cycle of leadership in a limited term. The more competent you become, the less time you have to exercise the authority you’ve earned.”

Barton finished with some self-aware humility. “When I think about all the change we’ve made during my time, and the disruptions and taboos broken, if I were another partner here, I might actually be thinking ‘I hate Dominic Barton.’”

But of course his partners don’t hate him at all. They’ve elected him three times as their leader, and have worked with him and each other to remake the firm— as he challenged them to do in 2012. He retires as Managing Director in 2018, doubtlessly leaving this particular community better off than he first found it.



Photographer: Jason Alden/Bloomberg

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