

Chapter 11

MANAGEMENT AND GENGHIS KHAN: LESSONS FOR MULTINATIONAL BUSINESS ENTERPRISES

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Abstract: This paper juxtaposes well-known and all pervasive challenges facing the management of multinational business enterprises today and the solutions developed by Genghis Khan to meet analogous challenges 700 years ago. Genghis Khan together with his children and grandchildren conquered and controlled much of the known world. What lessons does Genghis Khan offer to multinationals? The answer is found in the scope of the actions undertaken to meet the challenges facing the creation and sustainability of the Mongolian Empire. The challenges ranged from issues of communication and coordination to the issues of leadership. With continuous adaptation, Genghis Khan found innovative solutions to these challenges through the design of his organizations and the processes for the management of his Empire.

Key words: Multinational businesses, Genghis Khan.

1. INTRODUCTION

This paper juxtaposes contemporary challenges facing the management of multinational business enterprises and the solutions developed by Genghis Khan to meet analogous challenges 700 years ago. We begin by referencing the nature of the various issues faced by multinational business enterprises, today. Subsequently, we explore the accomplishments of Genghis Khan in creating an empire that embraced much of the known world during the thirteenth and fourteenth centuries. Then we seek to distill “how” Genghis Khan accomplished “what” he accomplished. This analysis allows us to

extract a number of lessons for the design and management of today's organizations⁶.

2. MULTINATIONAL BUSINESS ENTERPRISES

Challenges confronting the management of multinational business enterprises are well known. Rather than attempt to itemize these issues, all-inclusively, we can suggest an illustrative summary of these challenges within three subject areas: organizational strategy, organizational structure and organizational value systems.

Organizational strategy envelops a host of issues such as, for example, goal determination and operational specification, policy design and dissemination, and, strategic control.

Organizational structures offer numerous design variables for management, such as, to illustrate, span of control and the locus of decision-making.

In the instance of value systems, issues are even more critical to businesses operating as either international or global enterprises as opposed to domestic enterprises. Issues such as the multiplicity and importance of religion as well as the implications of different ethnic attributes are ubiquitous at the international or global level. These types of issues have a profound impact on the value systems of an organization.

Of course, these subject areas are not independent. To illustrate, we need only consider monolithic countries such as China, India and Indonesia with fundamentally different religious legacies, languages and cultures. The design and implementation of any multinational's corporate strategy is compelled to embrace different value systems. Likewise, any organizational structure must be inclusive of both the strategy and the value system. These needed actions are not sequential; they must be simultaneous and interactive.

We could readily identify more challenges as we delve into any given business enterprise, large or small: processes and practices for managing people, marketing management, operations with different labor-capital mixes, the design and use of information systems, and so on. Virtually every

⁶ This paper draws freely from a book written by Professor Jack Weatherford of Macalester University in the USA: *Genghis Khan and the Making of the Modern World*, which was published by Crown Publishers of New York in 2004. This scholarly work by Professor Weatherford provides an invaluable source of information and an outstanding bibliography. Anyone interested in reading further about Genghis Khan is well advised to seek this book. It is an enlightening, intriguing gem. Other sources consulted are included in the reference list.