

**TELEPHONE INTERVIEW
WITH
JONATHAN FLOE
September 27, 2012
Sloan Oral History Series**

G: GEORGE ROTH
J: JONATHAN FLOE

G: I am interviewing Jonathan Floe, the grandson of founding Dean of the Sloan School, Pennell Brooks.

Jonathan, what I'm interested in is your memories about your grandfather, in particular anything you remember. I'm guessing they won't be direct memories of his time as dean, but certainly stories you heard afterward, and events he talked about that shed light on his management philosophy, his efforts, and the development of the MIT Sloan School of Management.

J: That's a tall order.

G: It is a tall order. I think it helps if you start with a little bit about yourself, what you're doing now, your own personal history, and maybe then memories from your grandfather.

J: I've been in finance my whole career. I got an MBA at Wharton, then a very brief stint at Bain & Company, then worked in banking in New York. In Boston, for the last five years, I've been a financial consultant working primarily with a financial management firm.

My grandfather lived to be 95, and we were a close family, so we had quite a long time with him. He was very lucid right up until the end. He was terribly fond of MIT, having gone there and taken Course 15 as an undergrad. Then he was on The Corporation while he worked at Sears Roebuck.

The story he told me about becoming dean was that he headed the search committee to find a dean, and they were having trouble coming up with a candidate that they wanted who was willing to take the job. The committee then turned to him and said, "We think you should be the dean," and he was stunned. He decided to think about it, and then he resigned from the committee, talked it over with a lot of his friends—I believe, General Wood at Sears, who was CEO of Sears when Grandpa was there as vice president in charge of their factories. Vice president actually meant something.

G: Yes. I would believe it would be your uncle Hadley Pihl. He has talked about General Wood and some of those times, so I've had a chance to interview him.

J: We'll review that, then. That's good. He's a great source, I'm sure.

Ultimately Grandpa decided to take the job, even though it meant he wouldn't get his pension from Sears, and he had a number of financial concerns. But he decided he wanted to make what he saw as a permanent contribution, something that would last long after him, which,

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fortunately, it has. I think that was his chief motivation, if he could distill it into one item. He said, incidentally, that he was able to make up the income after coming to MIT by going on various boards. He was invited to be on the boards of various corporations, and that helped the financial transition.

G: So his salary at MIT would have been lower than what he was making at Sears.

J: Significantly, yes. And he lost out on his pension from Sears, because it hadn't vested by then, surprisingly, or I don't know how it was set up. But that's what I was told. But I think he had no regrets about that.

He spent a year bringing together the faculty he wanted before starting up the school. I remember asking him, "How did you get the people that you did?" Because he had a wonderful faculty. Douglas McGregor, the founder of Organizational Behavior, as I understand it. Jay Forrester, who was good at everything. *[Laughter]* He invented the magnetic core memory, and then decided he wanted to go over to the business school and apply his computer creation to business and economics there, as an internal transfer.

I asked him how he got people from outside to come. He said he took the same approach of saying, "You want to make a permanent kind of contribution, something that will build over time, and will make a difference in the whole field of business." And that seemed to work.

I'm not sure when all these famous people came in, whether they were all there at the beginning, or not – Jay Forrester was not. I remember Grandpa asking my father, Carl Floe, who was Assistant Provost at that time, I think, anyway, another MIT professor, what he thought of Jay Forrester, and him making that move, which seemed to Grandpa a bit incongruous. Dad said, "Oh, Jay Forrester is the real deal. You don't have to worry about him. He'll make a huge contribution at whatever he does." And, of course, he did.

I remember Dad also saying – sort of straying a bit off topic, here – that Jay Stratton, who was subsequently president of MIT, said that he had met three authentic geniuses in his life, he felt, and one of them was Jay Forrester. So he had exposure to an awful lot of smart people.

G: Do you remember who the other ones were that Jay would have mentioned?

J: No. I don't.

G: Interesting. I've met Jay Forrester a number of times, and I would agree. He's an amazing man.

J: And the nicest person. I sat with him at the dinner in honor of Grandpa after Grandpa died, and he just couldn't have been nicer. He kept asking me about my accomplishments. *[Laughter]* I thought at least I don't have to say I'm in computer science *[Laughter]* or something like that.

G: Can you tell me a little more about that dinner before we forget?

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J: I remember how kind and nice Dean Pounds was. Everyone was very nice to me, who is not connected with MIT, and not especially eminent at anything. But that was the spirit of the place.

I'm trying to think of other things. I dug through my files and found a report that Grandpa made in December 1959 to the Middle East Technical University, a business school that Turkey was setting up. I will send that on to you. It shares a lot of Grandpa's philosophy of how to set up curriculum, relations with the public, and thoughts about everything from the library and on and on. I thought that might be interesting for you, if you don't already have a copy.

G: I don't, so I would gladly accept that, and be sure that it was shared. So, I'd like to get your e-mail address and some things when finished so we can make it easy to communicate.

J: The other thing I have is a speech that Grandpa made in 1968, when he retired from the board of Sears' profit sharing plan. I can send that on. Again, it contains a lot; it reviews some of his work at Sears, which might not be of particular interest to you. But then he talks about his time at MIT as Dean, which is more up your alley. So I will send that on, too, and anything else I can find. There is, somewhere, a copy of the speech he gave on the fifth anniversary of the founding of the school. I remember receiving it, but I can't seem to put my hand on it.

G: Oh, that would be wonderful.

J: I will. It's around someplace.

G: How did you come by these, Jonathan?

J: Grandpa sent me a copy of the one for the school in Turkey. I don't remember the occasion. The other, I think I got a copy from my mother. Grandpa used to have my mother review his speeches before he gave them. Mom was an editor at MIT Press. Then he would give her a copy of the final speech, at least on some occasions. So, I suspect I got that from her.

G: Well, thank you. I will be sure I talk to your mom. Do you know if she still retains any of those records?

J: She should have them. Where they are is a good question. They might be in her files. They might be in boxes.

G: Of course. I'm not sure what her living situation is, or if she's had to downsize significantly, and where things go in that process.

J: I have rescued some things that I was afraid would go astray when she did downsize a couple years ago. But I may be able to help her to look for some of these things, too.

G: Okay.

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J: Anyway, I'm trying to think of other specific things. *[Laughter]* One was when Grandpa started the School of Industrial Management, which he used to refer to it, as opposed to the Sloan School. I think it didn't get the name changed to Sloan until a little bit after the beginning.

G: That's absolutely correct. Yes.

J: Grandpa inherited a bunch of faculty, some of whom he regarded as deadwood. I remember asking him, "How did you – what happened? Were you able to move them on, or what?" He scowled, and said they were – he just made disparaging comments about them, and said they were a drag on the Institution. He said, "Everyone at MIT, from time to time, gets offers from outside. It's just the nature of being here. If you get an offer, I suggest that you take a very good look at it because you won't get another raise here at MIT as long as I'm here, and you won't be promoted," and so forth and so on. He was able to weed people out that way. *[Laughter]* It sounded a little ruthless to me. But he was out to make a first-class business school, and he didn't want anybody there that wasn't first class. So he was able to both attract good people, and shuffle off the ones that he didn't regard as up to snuff. And, gosh, I'm sort running out of specific recollections.

G: Would he sit and talk with you? How would you have conversations with him? Would you sit around a table? Would you – what was his sharing his wisdom like?

J: We spent a lot of time, when I was growing up and after, at his farm in Virginia, where he and my grandmother retired. It was the family gathering place, and he would reminisce. Also it was just interesting. I would ask him questions because I was interested in these people. I met some of the faculty over the years, and being in Boston, I was deputized to take Grandpa to some of the MIT reunions.

I remember when Dean Pounds retired, oh boy, there was a big party, which Howard Johnson threw at the Museum of Fine Arts. There were, as I recall, something like 200 people there. And each of the Deans spoke. Grandpa was the first one to speak. He was 93 at that time, and I was concerned about how all this was going to go, even though he was very sharp. He might get tired, and all that. He stood up and began to speak. He wasn't speaking into the microphone. So Howard Johnson said, "There's a microphone here."

I'll never forget – Grandpa, with a humorous cock of his eyebrow, turned to Howard, paused, then said, "Howad," in his Maine accent which he never lost, "I have never used a microphone in my life, and I am not about to start now." And the place just went wild with applause. There he was, talking to the chairman of The Corporation of MIT, previous president, previous Dean of the Sloan School, and he just put him in his place. *[Laughter]*

Grandpa went on to reminisce. I wish I had a tape of that. What I remember was the beginning of it. Anyway, he was a very charismatic, interesting person.

One other thing is – I remember Grandpa saying, and I quote, "Tech was hell." He was talking about his undergraduate days. He came from this backwater of a high school outside of Portland, Maine, and was not well prepared for MIT, and he thought it was really difficult. He wound up being president of his class, as I recall. But it was a flog to get through.

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I thought, "Wow! How did he get to be Dean if undergrad was such a --" it just seemed a little incongruous. I never dared to ask him that question. But it occurred to me over time that Grandpa's genius was asking the right question.

I remember him in meetings. I don't remember the nature of the meetings, but with other high-powered people. It might have been just dinner. He had friends who were in Virginia. There was someone, Cy (Cyrus) Osborne, who used to be on the board of directors of General Motors, so it was a fairly high-powered group. Grandpa could just ask the right question. And I thought, "God. That's the man's genius."

That and other things. But if he couldn't get calculus right away, or something like that, okay. But he sure is smart. That's how he does it. Sort of more of a different kind of intelligence.

G: Exactly. What I was thinking of, as well. I was thinking there are many different kinds of intelligences. The traditional academic one is good for courses, but maybe not as much in managing and building a school or a business.

J: Yes. Seeing the essential. So that comes to mind, too.

I wanted to talk a little bit about my grandmother. Back in the day, she would have tea for the Sloan wives. I don't think there were any women going to Sloan back then. Some of them were very concerned that their husbands were taking off on their careers, and that they might not be able to keep up with the entertaining, etc., which was necessary for career advancement back then. It sounds kind of hokey now, in a way, but she would teach them about setting tables and preparing food and entertaining, and the niceties of it all. My brother has run into some of these people in his work. He's an investment banker and hopscoches around and meets a lot of people. The story goes that the wives were terribly grateful to my grandmother for that, which I thought was interesting. Nowadays it just seems quaint. But it was, I think, an important contribution back then, at least in that time.

G: Very much so. In some of the other interviews, one of the things I've heard people say is when they admitted people, particularly into the Sloan Fellows program, oftentimes they interviewed the wives as well, when the candidates were being considered, because of exactly this issue.

J: Wow!

G: I know, I know. Certainly in today's world, it seems very far-etched. But those were different times.

J: They were. We can't judge them by our present-day standards. So I wanted to make a comment about that. She was a very beloved by everyone who met her, I think it's fair to say. With that, I think I'm running out of time, and I apologize. I need to get back to –

G: May I ask you a quick question, Jonathan? Then we'll wrap it up. Do you remember other people that your grandfather spoke about who helped him in his recruiting faculty and making decisions? You mentioned Jay Stratton.

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J: Yes. I can't remember his name now, but he was the assistant dean there, immediately under Grandpa. I can get you the name.

G: Well, we can add it in the transcript, later. Okay. Was it Eli Shapiro, or Rob Nett?

J: Eli Shapiro. So when this faculty member arrived to start working there, he said he heard this knock-down, drag-out fight between Grandpa and Eli, and was discomfited by it. Then he said, like three hours later, he'd hear these gales of laughter between the two of them. *[Laughter]* So it was a fairly volatile and frank relationship. Grandpa thought the world of him, and hopefully the reverse was true, too. But it was not always smooth, as things weren't always smooth.

But Grandpa had quite a temper. But I know he relied a lot on Eli to get things done. I don't know sort of how they divided the work out between them.

G: Did you meet Eli Shapiro in your travels?

J: I did. But I don't remember much about him. I don't think we spoke very much. I didn't get a sense of him, particularly.

G: The other person I was particularly interested in and curious about was the influence of Alfred P. Sloan, if you had heard, or anything about that.

J: I don't recall Grandpa talking about him much. I don't think they had a tremendous rapport. I read Howard Johnson's autobiography, and he indicated that one of his first tasks after becoming Dean was to develop a better relationship with Alfred Sloan. I'm not certain of the date when Sloan died. But if you haven't read his book, it's called *Holding the Center*, he talks about that relationship a bit.

G: I haven't read that, and I really should. Thank you for reminding me. It's come up a couple of other times.

J: I was surprised by it. He made some comments about Grandpa that surprised me. He said that Grandpa spoke atrocious French, which he thought was quite good. To me, Grandpa always made fun of how bad his French was. So I was surprised. Grandpa always thought the world of Howard. But in the book, Howard has several criticisms of Grandpa that I didn't know how to evaluate. It really surprised me. I think my mother felt rather betrayed. The book came out after my grandfather died, so he never saw it.

G: That's very awkward, isn't it?

J: Yeah. Yeah.

G: Well, Jonathan, you said you had to go, but I've kept you longer. I apologize. I have a phone number for you. Would you have an e-mail address that might be easy for me to

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just send you a note and give you a place to – and that way you could easily communicate with me, as well.

J: Sure. Great. Yes. The e-mail is jtfloe@yahoo.com.

G: Okay. Thank you very much for your time. And I'll be back in touch, just with an e-mail to give you my address, and then also later, when we have a transcript I can e-mail it as an electronic file at that address, as well.

J: Wonderful.

G: And I might suggest, if you have – this probably stimulated some thinking – if you have things that come up, maybe jot a note. Maybe we can do another call if you want to add them later. But, just a thought.

J: Absolutely.

G: Great. Thanks very much for your time, and I appreciate your contributions to MIT. They're still going on. Bye Jonathan.

END OF RECORDING

Additional note September 29, 2012:

From: Jonathan Floe [mailto:jtfloe@yahoo.com]
Sent: Saturday, September 29, 2012 11:03 AM
To: George L Roth
Subject: Re: Follow up from phone interview

Dear George,

Papers are on their way to you.

One other thing occurred to me since we talked. I asked Grampa about any rivalry between Sloan and the long-established Harvard Business School up the river. I remember him saying that he had gone to HBS for advice in setting up the school, and that in fact they had been very helpful with suggestions.

Best regards,

Jonathan