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VIFWPOINT

McKinsey and Company Is an Elitist Cult. Why Is Buttigieg Defending It?

The management consultancy firm is "the single greatest legitimizer of mass layoffs." And its alumni are loyal for life.

NATHAN ROBINSON JULY 31, 2019



(Photo by Scott Olson/Getty Images)

Pete Buttigieg has emerged as one of the most talked-about candidates of the 2020 election cycle. With his glittering resume—Harvard, a Rhodes, a stint in the military—and his compelling story as the young gay mayor of an Indiana city, Buttigieg has appeared on the covers of <u>Time</u> and <u>New York</u>. While a small-city mayor may be an unlikely presidential contender, Buttigieg continues making headway, polling fourth in <u>Iowa</u> and <u>New Hampshire</u> in a notoriously crowded field. The <u>New York Times</u> reports that "voters and donors in the party" embrace him "with steadily growing enthusiasm," <u>noting</u> the keen interest from Wall Street.

While Buttigieg sometimes speaks the language of the Left on the campaign trail and will likely embrace some crowd-pleasing progressive policy plans, one chapter of his past raises the question: Is Mayor Pete someone who will challenge the status quo?

After graduating Oxford, any career path in the world was open to him, and Buttigieg chose McKinsey & Company, the cult-like management consulting firm. Buttigieg writes in his memoir, *Shortest Way Home*, that he became a consultant because he "wanted to get an education in the real world." The real world exists in many places on this planet; McKinsey & Company is not one of them. People seek to join the world's number one consulting behemoth to secure a place in the ranks of the American elite.

In 1993, <u>Fortune</u> magazine put it this way: "These fellows from McKinsey sincerely do believe they are better than everybody else. Like several less purposeful organizations—Mensa, Bohemian Grove, Skull and Bones, the Banquet of the Golden Plate—McKinsey is elitist by design."

The firm has produced at least 70 Fortune 500 CEOs. Buttigieg's three-year stint is par for the course at an organization that takes pride in "counseling out" 4 in 5 hires before they become partner. They then proudly join what McKinsey calls its "alumni network," and what Duff McDonald, author of *The Firm:*The Story of McKinsey and Its Secret Influence on American Business, calls "the McKinsey Mafia." As they fan out among the world's C-suites and B-suites, they remain McKinsey loyalists. "There is no McKinsey boneyard, in other words; you're still McKinsey after you've left," McDonald writes. "Perhaps the only alumni network with more reach and lifelong relevance to its members is that of Harvard University."

McKinsey's internal churn fits perfectly with the company's consulting philosophy. McKinsey, which in 2003 advised 100 of the world's top 150 firms, "may be the single greatest legitimizer of mass layoffs,"

writes McDonald. "Its advice: Identify your bottom 10 percent or 25 percent or 33 percent, and get rid of them as soon as possible."

McKinsey is also an <u>infamous mercenary</u> for the world's most unethical corporations and authoritarian governments, from China to Saudi Arabia. McKinsey <u>allegedly advised Purdue Pharma</u>, the progenitor of today's opioid crisis, on how to "turbocharge" OxyContin sales and keep users hooked.

"We are now living with the consequences of the world McKinsey created," writes a former McKinsey consultant in an exposé for *Current Affairs*. "Market fundamentalism is the default mode for businesses and governments the world over."

So what kind of presidency would the McKinsey mindset produce? Former McKinsey consultant Anand Giridharadas observes, in *Winners Take All: The Elite Charade of Changing the World*, business consultants ignore how political and economic power actually works. "These elites believe and promote the idea that social change should be pursued principally through the free market and voluntary action," Giridharadas writes. "And that the biggest beneficiaries of the status quo should play a leading role in the status quo's reform."

As McKinsey comes under heavier scrutiny for its role in the crimes of governments and powerful corporations, any "progressive" who worked there and wants to be taken seriously should have a rather critical perspective. Buttigieg has shown no such reflection. Instead, he calls his time at McKinsey his most "intellectually informing experience"; he left only because it "could not furnish that deep level of purpose that I craved." Buttigieg has <u>said</u> he didn't follow the story of McKinsey's OxyContin push. On McKinsey's Saudi and South African government ties, he <u>said</u>: "I think you have a lot of smart, well-intentioned people who sometimes view the world in a very innocent way. I wrote my thesis on Graham Greene, who said that innocence is like a dumb leper that has lost his bell, wandering the world, meaning no harm."

This excuse is remarkable. Buttigieg suggests that the savvy Harvard grads who populate McKinsey are childlike innocents who simply don't notice they're working for Mohammed bin Salman.

It is not terribly surprising that Wall Street has embraced Buttigieg, a product of their world. But anyone who hopes to be president should have a better-tuned moral sense. They should have no doubt where they stand on that old labor question, "Which side are you on?" Buttigieg's roots in elite consulting suggest, at best, he doesn't know; at worst, that he's chosen poorly.

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NATHAN ROBINSON is the editor of *Current Affairs* magazine and the author of *Trump: Anatomy of a Monstrosity.*

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