Leading
In
Turbulent Times

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Overview

Historical Executive Challenges

- Having the capability to monitor and understand multiple stakeholders’ needs
- Establishing the integrated processes that allows the organization to respond to stakeholders; i.e. customers, competitors, stockholders, regulators, etc.
- Setting the strategy at the top and cascading it through the organization
- Designing a command and control system through which to delegate responsibility and focus action to deliver value to multiple stakeholders.
- Own and control the set of resources you need to deliver value

But the business environment is changing

- Pervasive computing makes it possible for everyone to have information on demand
- Integrated technologies allow each individual to have a view of the total organization previously only available to the top of the organization.
- Organization capability is more defined by the relationships it maintains, its total ecosystem, than the resources it actually owns and the products it actually produces
- Success is more defined by how quickly the organization can sense the shifts in their stakeholders and adapt than by where it actually starts
- The environment has also changed for each of the stakeholders, they are more linked to the corporation and expect quicker and higher level responses to their new needs
- Boundaries are no longer relevant. Organizations can work across both time and space.

As a consequence executives face new and interesting challenges

- Links to the customer, ability to monitor competition, and understanding of technology shifts all have to be much more reliable.
- Executives will be challenged to integrate even more diverse units and people as they span across global boundaries
- As a consequence units and individuals who have more direct contact and are more in tune with the stakeholder, i.e. at the edge of the organization, become much more critical. They must be able to anticipate shifts, respond and at the same time synchronize with other units within and outside the organization.
- But at the same time, executives at the core have to make sure everything is consistent with the strategic intent and values established at the core of the organization.
- They have to deliver both the short results demanded by the financial markets and the long-term stability demanded by employees and customers.
- A dynamic capability must be built where:
Needs, demands, knowledge and reactions from the stakeholder are fed into the core and help define the strategic intent
Products and services that meet stakeholder needs are delivered to them in a timely, efficient and consistent manner
Reactions, new requirements, shifting opportunities must all be fed back into the core to drive the next cycle of action

The Catch Phrases Are:

- “We have to be quicker at finding out what the customer and competition are doing and then build organization capability to respond”
- “Globalization is no longer an option it is reality.”
- “Our capability to deliver is as much determined by the relationships we have as what we actual make ourselves”
- “Integrate across units, synchronize their action. All driven by strategic intent and values at the core”
- “Catch the weak signals, implement the thin threads, and drive them all into performance that continually improves”
- “We need a new breed of executive, one that is capable of dramatic vision and high standards, but at the same time can push decisions to where the action is.”
- “Executive action is about intent, values and decision rules not command and control”
- "We have to have little "l" leadership, everyone making decisions and driving action. Action that is responsive to the needs of the stakeholders, integrated and synchronized with other units and consistent with our core values and strategic intent. But at the same time we need big “L” leadership. Someone has to be driving the boat."
- “Lead from the core, execute at the edge”
- “You have to know when to jump to the new product and technology curve. You go to early the financial market punishes you, you go to late and the customers punish you.”

Which creates new challenges for executives leading organizations today:

- How to link to multiple stakeholders continuously anticipating needs and demands, across time and space?
- How to maintain the strategic intent and values at the core and at the same time be responsive and move action to the edge?
- How to establish and maintain the dynamic networks that allow units within and outside the organization to self synchronize?
- How to build organization capability that can adapt and respond and at the same efficiently deliver value in the short term.
- How to evolve the core so it matches the changing needs of stakeholders?
- How to increase the speed of the cycle so that “revolutions” and “evolutions” can both happen as needed?
- How to link all aspects of the value cycle across functional, product, regional and global boundaries?

Thus:

We must move from command and control systems where the focus of leadership is at the top of the organization, to leading in a global network of relationships. Units at the edge have to move from waiting for commands from the top to action driven by contact with stakeholders. Those in the core have to move from an assumption that they dictate and direct action to an assumption that they affect action by defining the core, creating the systems that allow the edge to self-synchronize and establish the learning systems that allow everyone to adjust and adapt. And everyone has to know how they fit together. We have to deliver value in the present and create and capture value in the future.