JOURNAL OF STRATEGIC LEADERSHIP

Volume 5, Issue 1 | Summer 2014

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From the Editor

Julia Mattera, Interim Editor
Regent University
School of Business & Leadership

Over the past several years, we have been honored to highlight outstanding articles that foster growth in the ever-evolving field of leadership. As we move forward into the new academic year, JSL will merge with another School of Business & Leadership publication, *Leadership Advance Online* (LAO), to create an online leadership repository. The goal of this repository is to provide exceptional student, alumni and faculty work, research and resources to disseminate new ideas, spur discussion and advance the field of leadership research and practice. The leadership repository is currently being developed, so we will notify you as soon as a launch date has been confirmed.

We are so thankful for the leadership of JSL's editor, Dr. Gary Oster, for our reviewers and staff who have devoted their time and efforts toward highlighting such outstanding articles and for our authors who submitted those outstanding articles. We also want to thank you, our readers, for your support, and we look forward to sharing the new leadership repository with you.

In this final issue of JSL, we offer six articles of great interest. The first article by Paul Dannar offers an alternate approach to organizational design to create synergy and value. Next, David Stehlik delves into effective organizational innovation and its dependence on the alignment of three key areas: culture, leadership, and organization design. Teresa Moon provides our third article as she takes a look at mentoring the next generation of innovators, which she calls "Millennovators." Closely examining IBM and Enron, David Boiselle compares and contrasts their organizational cultures, structures and leader-follower relationships to reveal the importance of values leadership. Our fifth article is authored by William Bishop and considers organizational structure, its variations and importance in every organization. Michael Hoyes closes out this issue by highlighting six techniques for "seeing clearly" in order to unleash creativity.

Thank you, again, for your support of JSL. We look forward to continuing our relationship with you via the new leadership repository and hope that you will enjoy this final issue of JSL.

Article Abstracts

Using Organizational Design to Move Beyond the Explore/Exploit Conundrum
Paul R. Dannar

Today's organizations face a dizzying array of complex global, technological, and strategy implementation obstacles often associated with dynamic increases in the pace of change. Thus, many experts suggest the role of organizational design is to facilitate the implementation of a strategy designed to cope with current operational dilemmas while simultaneously seeking ways to develop new capabilities. On the surface, this approach makes perfect sense and would most likely be regarded as a solid approach to organizational design. This article offers an alternate approach; one that argues the primary role of organization design is to release the creative energies of employees who facilitate strategy implementation by anticipating the needs of internal and external stakeholders. These types of designs create synergy by integrating compelling visions with the leadership philosophy that people build the identity of the organization and thus, are its greatest value creator.

Ultimately Contingent: Leveraging the Power-Web of Culture, Leadership, & Organization Design for Effective Innovation
David Stehlik

Today's business world is fast-paced, and successful organizations must innovate, especially as technologies become ever more crucial to securing market success. Research in the fields of leadership and organization design illustrates that innovativeness is a competency advanced by particular kinds of leadership and through specific organization designs. Similarly, research displays how cultural differences play a role in the success of particular kinds of leadership, which also affects organization design. And, culture figures into the innovation equation directly, as some cultural characteristics are more conducive to innovation than others. The following article, therefore, argues that organization design and leadership, when combined and based upon studied cultural awareness, optimized for unique industry and environment alignment, leads to greater innovation effectiveness. Effective organizational innovation depends on the alignment of culture, leadership, and organization design.

Mentoring the Next Generation for Innovation in Today's Organization
Teresa M. Moon

In order to succeed, organizations must innovate. Innovators create in the context of interactions and relationships. Valuing every member of the organization and mentoring each one as a leader in an environment of leaders empowers innovators. Organizational cultures valuing people, along with their creativity and passions, will be innovation leaders. The next generation of innovators, the Millennials, find meaning in value creation. Thriving organizations of the future will value "Millennovators" - Millennial innovators. Millennovators arrive in today's organizations with passion and creativity. These passions can cause creative friction. Mentoring relationships enculturate, guide, direct, and motivate millennial creativity. This paper seeks to better understand millennial innovators; explore mentoring as a means of converting creative friction into productive innovation; and proffer an inclusive mentoring model designed to strengthen relationships, build trust, and change perceptions.

Big Blue vs. the Crooked E: Comparing and Contrasting IBM and Enron through the Lens of Values Leadership
David Boisselle

At the turn of the millennium, IBM and Enron were iconic American corporations. IBM had risen from the ashes of a severe plunge in its computer mainframe sales and stock price. Enron was the seventh-largest corporation in America and its employees and shareholders were riding high. Yet, while IBM's rebound was based on a firm foundation of values leadership, Enron was afflicted with a cancer of corrupted values that would lead to its astonishing demise in December 2001. This article examines the organizational cultures, structures, and leader-follower relationships within IBM and Enron to learn how critical values leadership can be to business success, especially during times of change. The nature of the values leadership of Jesus Christ will also be examined so as to inform the leadership of Christians in the marketplace.

Structure? We Don't Need No Stinkin' Structure!
William H. Bishop

Structure is an integral component for any organization. It provides a foundation upon which to build and establishes the path of communication and the flow of information. Hierarchies have reigned supreme for decades but are not without their shortcomings. They interrupt the natural order of business and are often an impediment to communication. Hierarchies provide the unintended consequence of allowing employees to rise to their level of incompetence, better known as the Peter Principle. Globalization has caused many organizations to reduce the number of layers within their hierarchies and provided the impetus for the leveling of the hierarchical pyramid. Many organizations have gone a step further by removing any traces of a traditional structure in search of a more efficient design. The lack of conformity to an existing structure

does not negate the presence of a structure, however. It validates the need for organizational structure regardless of whether or not it is wanted.

Seeing Clearly – The First Tool for Leadership/Organizational Creativity
Michael B. Hoyes

Leadership scholars and practitioners postulate that creativity is increasingly essential for survival. However, this paper proposes that before becoming creative, it is essential for leadership within an organization, and the organization as a whole, to "see clearly." This paper exposes the reader to reasons why leaders need to see clearly and it provides six techniques for doing so: resolving to see; taking a holistic, system-level view; seeking contributions of the entire enterprise; varying perspective; remembering the "OODA Loop"; investing in employee training; and being proactive. Seeing clearly will assist leaders as they contemplate becoming more creative while remaining coordinated and concerted with their present efforts.

Using Organizational Design to Move Beyond the Explore/Exploit Conundrum

Paul R. Dannar
Regent University

Today's organizations face a dizzying array of complex global, technological, and strategy implementation obstacles often associated with dynamic increases in the pace of change. Thus, many experts suggest the role of organizational design is to facilitate the implementation of a strategy designed to cope with current operational dilemmas while simultaneously seeking ways to develop new capabilities. On the surface, this approach makes perfect sense and would most likely be regarded as a solid approach to organizational design. This article offers an alternate approach; one that argues the primary role of organization design is to release the creative energies of employees who facilitate strategy implementation by anticipating the needs of internal and external stakeholders. These types of designs create synergy by integrating compelling visions with the leadership philosophy that people build the identity of the organization and thus, are its greatest value creator.

Remarkably structural design of organizations rarely comes to the forefront of leader discussions on business strategy or on ways to increase the productivity of staff. Organizational design is a critical success factor for any business entity as a proper design enables the focus and creative energies of leaders and staff to be released on the work at hand (Harmon, 2001). Since there is no perfect design, the creation of a proper design is a matter of "fit" and depends on the strategic focus of the organization; whether it is exploitation, exploration or a balance between the two approaches. Regardless of strategy, organization design, from the simplest challenges to the most complex, requires a holistic view with a clear vision of the firm's purpose, its chosen market strategies, an understanding of the resources needed to pursue objectives and the optimal approach for arranging to employ those resources (Miles, 2012). Additionally, a proper design must be equipped to adapt to the continuing move away from an industrial oriented society toward one centered on knowledge and service industries. In this regard, the type of work itself becomes a critical design factor as the specific types of energies released are significantly different in these two industries.

Exploitation and Exploration as a Continuum

Pursuing exploitation activities implies a focus on the refinement and extension of existing competencies, technologies, and paradigms (March, 1991) and is necessary for improving current operations allowing focus on the near term (Carroll, 2012). Exploration, on the other hand, is future focused with a desire to experiment with new alternatives in order to find the next breakthrough idea, product, or market (Carroll, 2012). Most researchers suggest that to be competitive today and in the future, organizations must find a way to combine these two activities. Levinthal and March (1993) articulate the sentiment well: "the basic problem confronting an organization is to engage in sufficient exploitation to ensure its current viability and, at the same time, devote enough energy to exploration to ensure future viability." However, the broad challenge in simultaneously achieving exploration and exploitation is that the organizational design elements that promote exploration are distinct from design elements that promote exploitation (Boumgarden, Nickerson, & Zenger, 2012).

Moreover, the type of organizations that emphasize exploitation hire, train, and retain a vastly different type of employee and emphasize specific skills that are not necessarily compatible with the explorative organization employee. While it is clear people have the capacity to learn new skills, this is not the same as an individual's inherent talent. Talent is described and identified by an individual's interests, values, vision, career stage, personal philosophy, and style (Boyatzis, 2008).

Despite their seeming incompatibility, those organizations in which an "either or" proposition to the exploit or explore dilemma is not a viable solution the organization can choose to cycle back and forth between the two. Temporal cycling between long periods of exploitation and short bursts of exploration have been identified as an alternative balancing mechanism that may be both logical and practical (Gupta, Smith, & Shalley, 2006). While this cycling back and forth may create other challenges such as issues with congruence, continuity, and fit; the complex global environment and dynamic shifts in consumer and stakeholder expectations make the idea of "fit" potentially passé as it is a static concept (Nissen & Burton, 2011). Thus, a replacement for fit or congruence is required and that replacement is a balance between order and flexibility. One way to accomplish this is through the aforementioned temporal cycling. One of the most common areas of organization design where this appears is in the centralization versus decentralization debate (Nickerson & Zenger, 2002) where each option offers benefits, but balance works best over time (Carroll, 2012).

This approach makes two assumptions: the organization is and will remain complex and the employees are complex practitioners. Complexity for the organization is the cumulative by-product of turbulent environments, large, and small organizational changes, increasing stakeholder demands, combined to weave complications into the way work is accomplished. With this complexity, teams and teamwork become an essential part of each change or realignment. Team diversity created from the combination of skills of the "balanced" workforce derived from both the tangible and intangible serve to mitigate the overwhelming nature of a design that consistently reorients itself based upon the exploit/explore paradigm. While teams

can mitigate many of the dysfunctional issues resulting from this "vacillating" approach, there is still the potential that employees will see these changes as faddish and choose to simply wait out any reorientation rather than commit to it (Carroll, 2012). In other words, the energies of each employee would be suffocated and their behaviors constrained (Nadler & Tushman, 1997) as they begin to lose sight of the vision and identity of the organization. Thus, trust may begin to erode as continuous fluctuations will be seen as a lack of behavioral consistency (Hunt, Lara, & Hughey, 2009) by leaders even if there were previous successes. Based upon the evidence above, an alternative organizational design should be considered; one that is better equipped to ensure the vitality of employees are enhanced and will facilitate the release of their energies into productive outcomes toward strategy and growth.

Modular Organization Forms

As previously stated, the purpose of organization design is to create an atmosphere and structure that facilitates the productive energies of the entire workforce. A modular design combines important portions of both mechanistic and organic features (Jansen, van den Bosch, & Volberda, 2005a) that are developed through a collective organizational context (Gibson & Birkinshaw, 2004) focused on teams. Many scholars have advocated this approach through what they call an ambidextrous organization which is often defined as a firm's ability to operate complex organizational designs providing for short-term efficiency and long-term innovation (Tushman & O'Reilly, 1996). This article also advocates for this capability, however; it is argued that a more simplistic organizational form is required – one that avoids the mistake of attempting to retrofit or add a matrix overlay (Bryan & Joyce, 2005) on top of an already complex structure. Since episodic and irregular change can be difficult to implement (Carroll, 2012), business unit reconfiguration may be a reasonable solution. Reconfiguration, broadly speaking, refers to the redesign of certain elements or components of an organization. Business unit reconfiguration is the addition of units to the firm, deletion of units from the firm and recombination of units within the firm such that resources and activities are still retained by the organization (Karim, 2006), including human assets. This approach makes it possible for firms to use resources in new combinations, improving the effectiveness of resources and furthering innovation (Kogut & Zander, 1992).

Again, releasing the energy of all those in the firm is essential in this endeavor and thus, one of the primary assets that can be "repurposed" are humans. Doing so indicates that leaders have a vested interest in each employee's welfare and have a sense of attachment to their employees (Whitener, Brodt, Korsgaard, & Werner, 1998), not just the strategy that they create and implement. In turbulent settings, the organization itself may be the strategy in that strategic movements are no longer initiated solely at the top, but result from leader and employee choices made at every organizational level, which means that organizations need to create designs that favor alertness and have the capacity to respond (Cunha & Rego, 2008) favorably. Here, reconfiguration is most useful in that modules of teams can be arranged as a mechanism for purposeful experimentation (Karim, 2006) based on information that was triggered by well-informed employees because of their deep understanding of stakeholder needs and desires. Additionally, these reconfigurations need not be orchestrated. Emergent reconfigurations,

sometimes called swarm organizing, can take place in companies where a meaningful purpose is unleashed toward a particular problem or opportunity (Cunha & Regho, 2008). In order for this to occur, leaders must delegate control to the team so they can complete or perhaps even invent their tasks and make meaningful decisions about the direction they take to meet customer needs. This does not necessarily indicate decentralization, rather, it specifies inclusion, and inclusion is one of the best ways to develop trust in an organization as inclusion means transparency.

One of the potential results of deliberately organizing around simplicity is the creation of a developed collective mind. The concept refers to a developed attentiveness and caring about the actions of the other organizational members in such a way that individual know-how is made subservient to group processes (Cunha & Regho, 2008). Most notably, this approach is about ensuring trust permeates the organization, as trust is an essential component of productivity and quality (O'Brien, 2001). When employees feel good about their work situation and fellow team members, they enjoy their work, usually work harder, and accept more challenges (Reina & Reina, 1999).   In other words, organizational trust enables employees to perform at an exceptional level (Hunt, Lara, & Hughey, 2009) by releasing their combined energies, thus enlarging the scope of human and intellectual capital (O'Brien, 2001) for the benefit of the organization and its stakeholders.

It is important to note that firms that patch and reconfigure are constantly updating their business units such that a unit is small enough for agility and large enough for efficiency (Eisenhardt & Brown, 1999). Regardless of the specific actions taken, whether it be centralizing functions or shifting reporting relationships, the point is to think of organizational design as a dynamic, ongoing, and organic process instead of a one-time exercise in engineering (Ashkenas, 2007). Engaging employees in the reconfiguration and or simplification process is essential and can create a climate of continuous problem identification, enhancement recognition, and basically the desire for a better organization. The art of reconfiguration is of course not simple; it is something that must be learned over multiple experiences before leading to subsequent innovations (Karim, 2009) or improved processes. Reconfiguration is essentially an adaptable design where structure, processes, people, and rewards capture value from a flexible intent and support the idea that the implementation and re-implementation of a robust strategy is a continuous and normal process (Worley & Lawler, 2009). These are the new types of designs needed as leaders continue headlong into complex and dynamic workplaces of the 21st century.

New Organizational Forms

New organizational forms, ones that can sustain the viability of a firm throughout the remainder of this century, must be designed or redesigned to meet the needs of the customers they serve (Harmon, 2001) where the customer resides. The particular ends pursued will vary across organizations as they appeal to and are accountable to different stakeholders, and the possible design permutations will be driven by a host of rational, behavioral, economic, and institutional factors (Greenwood & Miller, 2010). It appears that firms in many industries are entering a period in which they will need organizational designs that help them anticipate rather than follow technological and market developments (Miles & Scaringella, 2012).   Many of these

developments are already upon us or are just around the corner and thus can be easily recognized, such as ever increasing advances in technology, the continuation of virtual globalization, and the almost insatiable appetite of the consumer for new products and services all being the norm. While these developments are certainly significant, there is something deeper at play here and that is the nature of work itself. What will work look like? Who will perform it? This article suggests there will be two forms of work: creative work and service work.

Creative workers make it possible for companies to deal with rapidly changing and uncertain environments, and they produce and manage the intangible assets that will be the primary manner in which companies create value (Bryan & Joyce, 2005). In this scenario, the knowledge worker will develop the type of organizational structure that best fits their needs. Most likely it will be an organic form where physical presence at a particular place will not be important (Hill & Stephens, 2003); thus, a network structure would seem to be appropriate. This organizational model might also narrow the scope of line managers, create ad hoc teams to discover new opportunities and develop knowledge marketplaces to recruit talent rather than using in-house recruiters (Bryan & Joyce, 2005). For the knowledge oriented business, the lack of direction from management and the ad hoc, seemingly chaotic environment actually enhances morale and performance (Laubacher & Malone, 2007) because it aligns with the entrepreneurial spirit of this particular workforce.

Additionally, the service industry will expand significantly and may even include currently heavily regulated industries, such as banking and finance, thus creating large conglomerates that offer economies of scale through hierarchical structures. Lifetime employment will make a comeback (Laubacher & Malone, 1997), but so will a focus on strict efficiency measures, employee output, lack of autonomy, and centralization. While hierarchies are often scoffed at as a viable solution for effective performance and to ensure the well-being of employees, leaders have an opportunity to retain the best of hierarchical structures while at the same time acknowledging the heightened value of people. It is, of course, people who hatch ideas, innovate, and collaborate with peers to generate revenue and create value through intangible assets such as brands and networks (Bryan & Joyce, 2005). These new or at least adapted organizational models for tomorrow's organizations will not emerge spontaneously from the obsolete legacy structures of the previous century. Rather, organizations must design these new models holistically, using new principles that take into account the way professionals create value (Bryan & Joyce, 2005). What is required is a built-in capability to reinterpret the internal and external environment on a consistent basis – the ability to conduct a self-diagnostic. This capability offers two things:

1) A tool for ensuring the organization is balancing the need for continuity in such things as processes and organizational identity with the capability to handle discontinuous change (Raisch & Birkinshaw, 2008).

2) A philosophy that ensures the organization uses all available techniques: double loop learning (Argyis, 1976), pattern recognition (Keidel, 1995), strategic thinking

(Sanders, 1998), the use of metaphor (Morgan, 2005), re-framing (Bolman & Deal, 1991), and even upside-down thinking (Handy, 1990) to contend with the current and future environment.

Often, attempts to deal with these dilemmas result in the accumulation of structural changes thus driving up complexity even more over time (Ashkenas, 2007). The problem is not structure itself; the issue is structure that does not provide value to the system. What is needed is a combination of the often maligned but effective control measures and boundary mechanisms while periodically adjusting structure to meet stakeholder needs and is a simple as possible (Ashkenas, 2007).

Conclusion

The demands on our organizations come from an ever increasing variety of sources and will continue to expand and change in ways we may not be able to forecast. The remainder of this century will witness dramatic changes in the types of industries created and the types of workforce required to ensure organizations are successful. While strategy and fit are essential elements of new organizational designs, this article offers that it is essential for businesses to create forms that facilitate the release of the positive energies within each employee. Moreover, it is critical to realize that the design process is never completed, only that there may be a short period of equilibrium until a new design is required. Organizational designs that focus on the intangible aspects of human energy create synergy by integrating a compelling vision, a solid strategy with a viewpoint that it is people who are, in essence, the organization. These types of designs create long-lasting value and thus, have the best chance of success not only today, but also for the remainder of this century.

About the Author

Paul Dannar has more than 16 years of experience as an internal consultant concentrating on organization development for various military organizations at the operational and strategic level. He most recently served as a special assistant to the Supreme Allied Commander of Europe and NATO. He is pursuing his doctorate in strategic leadership at Regent University (Virginia). He can be reached at pauldannar@gmail.com.

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Ultimately Contingent: Leveraging the Power-Web of Culture, Leadership, & Organization Design for Effective Innovation

David Stehlik
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Today's business world is fast-paced, and successful organizations must innovate, especially as technologies become ever more crucial to securing market success. Research in the fields of leadership and organization design illustrates that innovativeness is a competency advanced by particular kinds of leadership and through specific organization designs. Similarly, research displays how cultural differences play a role in the success of particular kinds of leadership, which also affects organization design. And, culture figures into the innovation equation directly, as some cultural characteristics are more conducive to innovation than others. The following article, therefore, argues that organization design and leadership, when combined and based upon studied cultural awareness, optimized for unique industry and environment alignment, leads to greater innovation effectiveness. Effective organizational innovation depends on the alignment of culture, leadership, and organization design.

The various factors affecting how business is conducted today are different from even a decade ago; and business, a decade from now, if we have learned anything, will likely be much different from business today – where it takes place, how it takes place, and with whom it takes place, as well as the drivers of these changes. Thus, if any paradigm is to elucidate and guide modern business theory development and practice, then it must account for the far-reaching factors of societal culture, leadership, and innovation.

Organizations are unequal, facing different degrees of environmental change and differing in the organizational aspects experiencing change. This inequality increases amid the shifting market landscape. Adjusting to meet the demands of the market while also meeting the requirements of the environment suggests that a contingency perspective is most appropriate. As research shows, contingency is also relevant to organizational leadership.[1] Certain leadership attributes are similarly desired and disdained across cultures. Dickson et al. (2012) declare, "culture does matter, and not in a small way. It matters in how leaders emerge, are selected, developed, and seen (or not seen) as role models to be emulated, and it matters in ways that are predictable, and

that organizations can respond to strategically."[2] But, the jury is out on whether attributes are desired for the same reasons across cultures.[3]

Regarding innovation, it is one of the modern organization's most prized competencies.[4] Contemporary literature argues for organization design's role in an organization's tendency to innovate by promoting and sustaining an innovative culture. Leadership is another driver that organization design theory takes into account. Culture, too, significantly affects innovativeness, as leaders must consider the regional as well as organizational cultures in which they lead. How the organization is designed, and whether that design works may also hinge upon cultural fit, i.e. a culturally-contingent design.

Such amounts to a web of relationships between cultures, leadership, and organization design which affect innovativeness (Figure 1). This article supports the argument for a reassembly of these relationships into the more comprehensible structure presented in Figure 2, where leaders and organization design, grounded in awareness and tending to social culture, yield culturally-aligned innovation.[5] Also, this diagram illustrates how culture is simultaneously nourished (to an unknown degree) by leadership, organization design, and innovation developments.
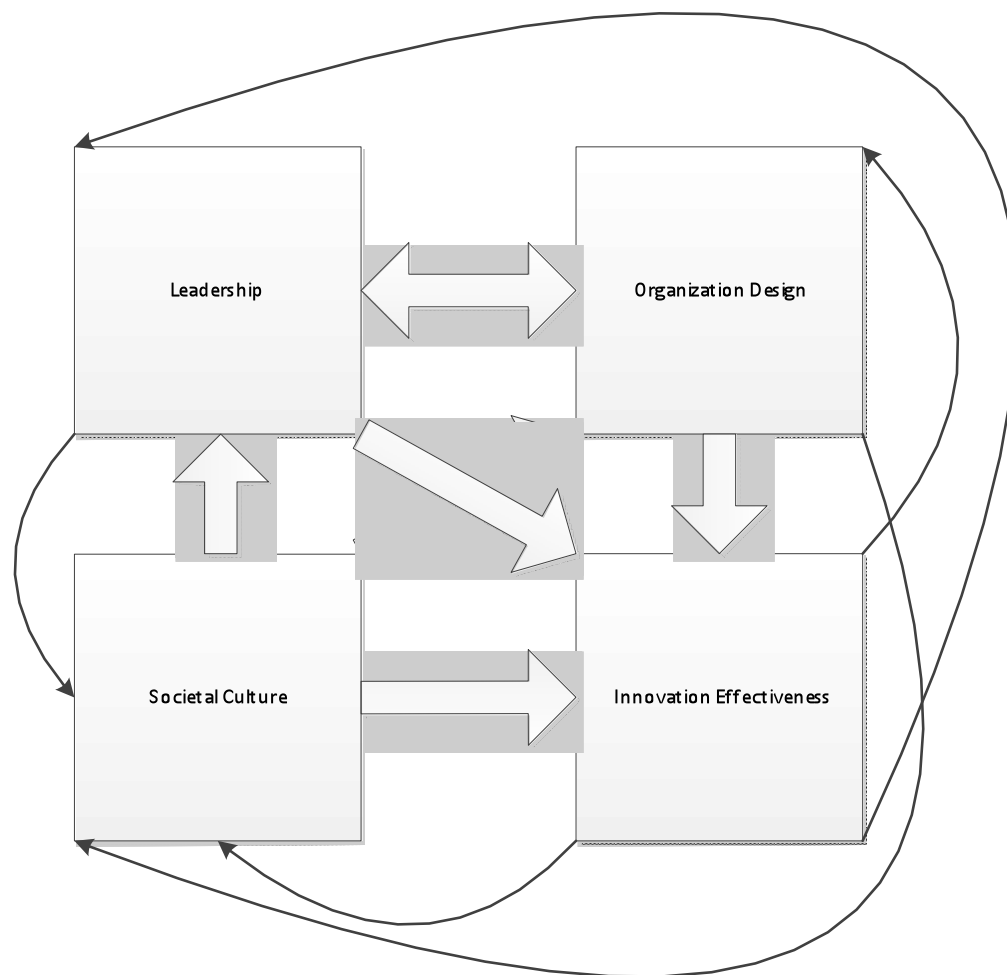

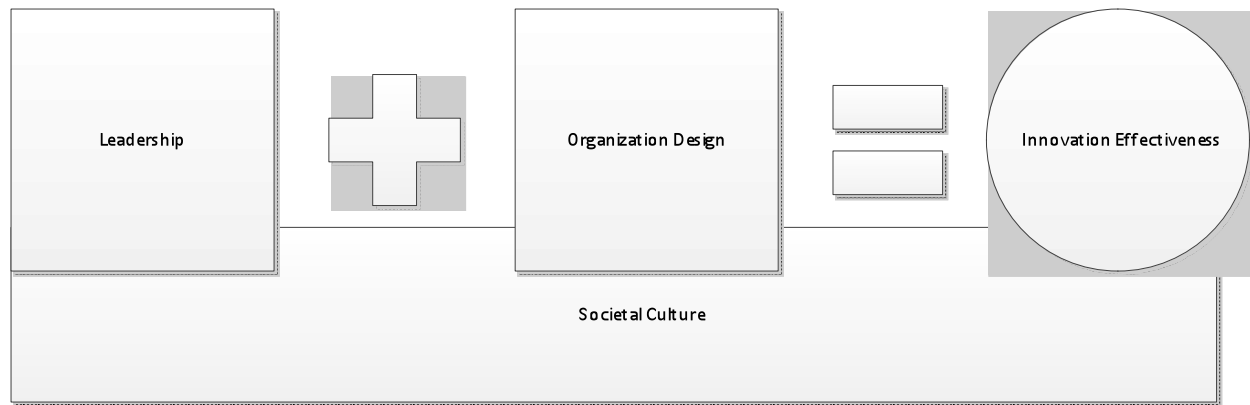Figure 1: The Tangled Web of Innovation's Relations

Figure 2: The Seedbed Model of Innovation Effectiveness

Laying the Foundation and Starting Well: Culture and Leadership

According to Service (2012), while researchers assert that international experience is necessary for modern leaders, what they really need is wisdom: the ability to understand cross-cultural events and develop the capacity to appropriately handle like or parallel future situations.[6] Globalization, "the increased interdependence…between nations," is forcing this change in the leadership requirement. It has resulted in increased competition for all firms.[7] For instance, when globalization affects one's local competitor in such a way that the competitor changes for improvement's sake, then the other firm experiences globalization's indirect effect and will be forced to change to remain competitive. Leaders and managers of larger firms that exercise an explicit international presence should immediately recognize wisdom's usefulness, especially as it pertains to cultural differences. Northouse (2013) posits, "Globalization has *created* a need to understand how cultural differences affect leadership performance."[8]

But, this has not gone unnoticed. The Global Leadership and Organizational Behavior Effectiveness (GLOBE) research program, which began under Robert House and has included more than 200 researchers across the world, has been studying the relationship between culture and leadership for two decades.[9] And, leadership *is*, unequivocally, a global phenomenon.[10] The GLOBE study approaches global leadership from a contingency perspective, where universals for effective leadership are assumed nonexistent, as leadership is a, "culturally embedded process."[11] The other two approaches to global leadership are the universal and normative approaches, the former viewing leadership as an unchanging constant and the latter viewing it like Service (2012), who argues,

> Gaining the knowledge for leadership effectiveness requires an ability to learn, pay attention, recognize, imagine, and keep up to date on technologies as well as worldly directions…With these foundations one can improve adaptability, innovativeness, and continue to evolve….You must read, study and understand what level of knowledge is needed in your situation, industry, culture, etc. to develop appropriately useful skills.[12]

Thus, the focus in the normative approach is on prescribing a, "cluster of skills and abilities."[13]

Using nine cultural dimensions (*societal culture values*) which describe various leadership attributes, attitudes, values, and behaviors, GLOBE researchers created a model by which the

study's 62 respondent countries' approaches to leadership could be discerned.[14] In their work, culture was defined as, "shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectivities that are transmitted across age generations."[15]

Because of commonalities displayed in earlier research in language, geography, religion, and historical accounts, GLOBE researchers grouped the respondent countries into ten regional clusters (Anglo, Germanic Europe, Latin Europe, Sub-Saharan Africa, Eastern Europe, Middle East, Confucian Asia, Southern Asia, Latin America, and Nordic Europe), having found the clusters, "a valid and reliable way to differentiate countries of the world."[16, 17] The three-phase project's goal went beyond just identifying cultural values; however, it sought to determine how differences in cultures relate to how the culture's approach leadership. The first two phases, which built on Lord and Maher's (1991) implicit leadership theory (ILT), describing leadership as *something recognized* based on observers' opinions, helped the GLOBE team develop the culturally endorsed implicit leadership theory (CLT).[18] The CLT consists of six global leadership dimensions (charismatic/value-based, team-oriented, participative, humane-oriented, autonomous, and self-protective), emerging from 112 attributes by which the cultures were surveyed, and 21 primary dimensions of leadership – bundled in the six global leadership dimensions.[19] Scoring these led to cluster profiles, displaying the, "relative importance and desirability that cultures ascribe to different leadership behaviors."[20] Dorfman, Javidan, Hanges, Dastmalchian, and House (2012) note that, "it is cultural *values* and not *practices* that are predictive of leadership attributes," as the surveys elicit idealized responses rather than record past or ongoing leadership activity.[21] Researchers also found that among primary attributes, "Performance orientation is an important cultural driver of *all* global leadership expectations."[22]

Regarding the universality or culturally-contingent nature of leadership, GLOBE research revealed 22 leadership *attributes* that verged on universal desirability and eight which were universally undesirable (Table 1). In contrast, 35 attributes were identified as culturally contingent. From the 21 primary leadership dimensions mentioned above, seven were found to be culturally contingent: status conscious, bureaucratic, autonomous, face saving, humane, self-sacrificial/risk taking, and internally competitive.[24]

TABLE 1: Universal Leadership Traits and Their Desirability	
Universally Desirable[23]	**Universally Undesirable**
Trustworthy	Loner
Just	Asocial
Honest	Noncooperative
Encouraging	Irritable
Dynamic	Nonexplicit
Decisive	Egocentric
Coordinative	Ruthless
Team builder	Dictatorial

The third phase of the GLOBE project focused on tying together national culture, CLT, leadership behavior, and leadership effectiveness, relating the previously identified preferred leadership styles with separately surveyed CEO behavior. Researchers found: 1) "National culture does NOT predict leadership behavior," 2) CLT, "predicts leadership behavior," 3) "Leaders who behave according to expectations are effective," 4) there is "evidence for both cultural universality…as well as cultural differences regarding the *effectiveness* of specific kinds of leadership," and 5) evidence exists that specific

leadership styles, "produce results beyond the typical attitudinal measures," i.e. leadership styles affect organizational performance.[25] This empirically illustrates how culture influences leadership in such a way that transformational, charismatic leadership is not only valued across the globe, but it also influences leaders to employ it in their organizations because it is culturally expected, effectively improving organizational performance.[26]

Where the GLOBE researchers found cultural differences in leadership more interesting and important than similarities (Dorfman, 2012), Choi, Howard, and Krig (2012) argue that, "the increasing convergence of these [leadership] practices and styles across the globe is inevitable as multinational businesses continue to expand their operations and as managerial talent increasingly migrates towards the best employment practices," suggesting that the similarities will increase, and are therefore more pertinent for future research and training.[27] They find supporting evidence in the research fields of commitment and values, leadership, emotional intelligence, and personality.[28] Randolph and Sashkin (2002) seem to split the difference between the two groups by putting forward a strong case for organizational empowerment as a key to leadership effectiveness in multinational settings. Empowerment is a leadership attribute of transformational leaders. Furthermore, they explain that while empowerment can help global companies face today's dynamic markets, citing positive return on sales figures and the improved performance of applied research engineering teams, they also advise that, "every culture dimension has both pluses and minuses for creating a culture of empowerment. No one set of culture dimensions is clearly the most favorable for empowerment."[29] The takeaway is that leadership and culture research, along with case study analysis, display the powerful interrelationship between these two dynamics of global business. Specific leadership styles and attributes are universally desirable and lead to greater organizational performance. The transformational style, in particular, which includes the charismatic leadership component and other global leadership dimensions as well as encourages follower empowerment, is a boon for organizational innovation.

Adding the Organizational Design Component

As McCann (2011) notes, today's organizations need to be capable of quickly redesigning."[30] Design is active, not static.[31] Organization design is planned and implemented so that a firm can effectively operate in its environment. With this contingency perspective, the strategy and goals, size, technology, culture, and environment of the organization are all considered alongside the firm's traditional structural dimensions.[32] When designing, "you are building and designing around capabilities that must be matched to strategies for seizing huge opportunities or countering major long-term threats, such as global economic instability and climate change."[33]

Contingency design means that there is no universally proper design.[34] "Fit" requires continual evaluation, shifting, and realignment of strategic operations. Organization design theory presupposes leaders who authorize design decisions. Certain designs will not coalesce with given structural dimensions or contingency factors – a reason transformational, charismatic leadership is especially desirable in both recognizing where design change is needed (vision), what kind of change will foster innovation, engaging the organizational culture to promote and sustain change.

In the 1950s, Tom Burns and G. M. Stalker established the mechanistic-organic continuum.[35] The first descriptor refers to the "machine-like standard rules, procedures, and clear hierarchy of authority. Organizations are highly formalized and are also centralized, with most decisions made at the top."[36] The second entails a less rigid organization, "free-flowing, and adaptive."[37] With regard to leadership, the, "hierarchy of authority is looser," and, "decision-making authority is decentralized."[38] Morgan (2006) explains, "bureaucratic organizations tend to work most effectively in environments that are stable or protected in some way and that very different species are found in more competitive and turbulent regions."[39] Today's markets demand those *very different species*, for,

> When change in the environment becomes the order of the day, as when changing technological and market conditions pose new problems and challenges, open and flexible styles of organization and management are required.[40]

Burns and Stalker's initial study also stressed the importance of senior leaders being able to, "interpret the conditions facing the firm in an appropriate manner and to adopt relevant courses of action," illustrating leaders' influence in organization design is just as crucial as organization design's influence upon leadership behavior.[41]

Organic designs are the most conducive for developing the capacity to innovate in complex and changing global markets. A decentralized structure, empowered roles, informal systems, horizontal communication, and collaborative teamwork, therefore, are ideal. These organizations *tend* to be smaller in size, have adaptive cultures, and judge innovation as more necessary than efficiency.[42] Nevertheless, the juxtaposition of innovation with efficiency is misleading as innovative companies often seek efficiency through improvements.[43] Even Berkun (2010) agrees that nothing good is produced without a healthy flow of ideas throughout the organization, up and down any existing hierarchies.[44]

Organized for Innovation

Having established some basics of culture, leadership, and organization design above, this section will reveal their interrelationships and involvement in the innovation effectiveness equation. Aragón-Correa, García-Morales, and Cordón-Pozo (2007) highlight organizations' necessary pursuit of, "Market orientation and subsequent firm innovation," to survive and thrive, following the Product Development and Management Association's definition of innovation: "A new idea, method, or device. The act of creating a new product or process. The act includes invention as well as the work required to bring an idea or concept into final form."[45, 46]

Aragón-Correa et al.'s (2007) research shows the importance of leadership to firm innovation, specifically because of leaders' ability to, "introduce new ideas into an organization, set specific goals, and encourage innovation initiatives from subordinates."[47] They argue,

> Transformational leaders have an interactive vision, paying maximum attention to effective communication and sharing values…and encouraging an appropriate environment for innovative teams…They support collective processes of *organizational learning*…reciprocal trust between organization members and leaders…and favorable

attitudes toward proactivity and risk…Transformational leaders perceive their role more as coordination than as command and control.[48]

Their analysis of hundreds of firms across four sectors revealed one of the most crucial supports to the model in Figure 2: "a management style of transformational leadership and the collective capability of organizational learning both simultaneously influence innovation."[49] Major implications of this research then, include: 1) innovation-minded, transformational leaders value and develop people, 2) such leaders resource followers (read: empower) and are transparent in their behavior to earn followers' trust, and 3) they build up the organization's capacity for continuous learning through implementation (similar to scientific experimentation).[50] Service (2012) adds,

> Highly effective organizational leaders have shifted emphasis from management of stability and control to leadership directed toward speed, empowerment, flexibility, and continuous improvement, all directed at organizational innovation…Failure to innovate results in organizational decline and the only truly sustainable competitive advantage comes through continuous improvements.[51]

And, Gardner and Avolio (1998) expressed how transformational leaders embrace and promote innovation, writing,

> Charismatic leaders place a premium on being seen as innovative, entrepreneurial, adaptive, and unconventional persons who have a vision for radical and frame-breaking change. Moreover, in pursuing innovative ideas and in initiating change, they are willing to take substantial and often personal risks. Such creative, unconventional, and risky behavior sets them apart from their audience; it also contributes to their appeal, since the originality of their ideas and their willingness to take risks on followers' behalf strengthens followers' confidence that valued outcomes can be achieved.[52]

Nevertheless, the *degree* to which some of these leadership expressions (risk taking, ambitious, self-sacrificial, willful, and enthusiastic) are desirable is culturally-contingent.[53]

From the cultural perspective, through extensive literature review, Bogoviyeva and Mahmood (2011), using Hofstede's model of cultural dimensions and Edward T. Hall's cultural context continuum (also foundational for GLOBE research), put forward eleven pairs of inversely related propositions regarding how national culture impacts creative idea sourcing and innovation development models. Regarding how organizations' source their ideas, Bogoviyeva and Mahmood argue for an optimal cultural dimension mix of: high individualism, low power distance, low uncertainty avoidance, high femininity (for innovation focus, not speed of innovation), positive Confucian dynamism, and high context.[54] With regard to innovation development, the best mix is high individualism, low power distance, low uncertainty avoidance, high masculinity (for speed of innovation and variety of models employed), and positive Confucian dynamism.[55] According to this framework, eastern and western cultures fare differently. What follows, therefore, is a brief examination of leadership and organization design for innovation purposes in Chinese culture.

Globalization and economic reform are changing Chinese management practices, according to Zhang, Tsui, and Wang (2011), whose research, identifying the missing elements of creativity and innovation among firms in China, which have primarily pursued economic growth through, "imitation an exploitation of learning," shows how Chinese group leaders, "promote or thwart group creativity."[56] The authors agree with Christensen (2011) that most companies fail because they fail to develop disruptive technologies, technologies that change an organization's value proposition.[57] Instead, they promote sustaining technologies which prop up existing products. China's firms have been doing just that, propping up the value propositions of non-Chinese organizations. Where a country like the United States would be expected to engage in, "higher order innovation," China is more likely to engage in the, "low order innovations," which characterize collectivistic countries.[58, 59] Given the uncertainty involved, making the jump from a sustaining to a disruptive technology mindset is difficult. And, especially in China, that fear of uncertainty is a disruptive technology development-killer. Combined with authoritarian leadership, it certainly harms group creativity.[60] Zhang et al. (2011) argued, therefore, for the importance of transformational leadership in group processes, concernedly pointing out,

> At the group level, the tendency for individual members to conform and align with the views of the majority of the members in the group (De Dreu & West, 2001) may discourage the creative thinking that is necessary for innovation.[61]

But, leaders can, according to empirical research, "enhance subordinate creativity by showing technical and creative problem-solving skills…providing support…building intrinsic motivation…or creating a positive mood."[62] Such efforts are needed to persuade followers that pursuing the disruptive technology route is best for them and the organization in the long run.

On the organization design side, innovation and organizational learning are related, offering up more support for organic constructions. Learning "supports creativity…inspires new knowledge and ideas…and increases ability to understand and apply them."[63, 64] Furthermore, an advanced form of organizational learning is a required feature of organizations attempting to innovate radically.[65] Mouzelis (1979) agrees, explaining, "The administrative apparatus under this mode of domination [charismatic] is very loose, unstructured, and unstable."[66] And, since humanity advances through connectedness, collaboration is required for successful cross-cultural leadership and organization design. Collaboration creates opportunities for idea mixing, and that is the essence of transdisciplinarity; and, transdisciplinarity that accounts for culture, leadership, and organization design is the foundation for effective organizational innovation.[67]

Conclusion and Cautions

An organization needs to be able to innovate in order to meet market challenges head on and be capable of aligning to the pace of its industry.[68] And, effective organizational innovation depends on the alignment of culture, leadership, and organization design. But, those are complex subjects, and they are not static for study. Brooks (2011) explains, "Cultures are emergent systems. There is no one person who embodies the traits of American or French or Chinese culture."[69] Sternberg (2003) offers an important caution, commenting on the potential folly of testing Western theories in the non-West.[70] That caution rings true, even though most of the literature cited herein came

from or through researchers and practitioners of various countries and cultures. The case for culture, leadership, and organization design's interrelationships and impact upon innovation should be clear, for what is globalization the result of, but innovations which took root and altered how societies interacted over periods of time? Future research on this topic should consider the Global Innovation Index published by INSEAD.[71] One way to use that data could include mapping Forbes' "The World's Most Innovative Companies"[72] list onto INSEAD's country rankings, analyzing the organization designs of those companies frequently at the top of the list (and how design changes may or may not relate to historical rankings), and, if they are multinational organizations, the culture of the organizations' home-countries.

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[15] Dickson et al., (2012). p. 484.

[16] Northouse. (2013). p. 390-391.

[17] Dickson, Castaño, Magomaeva, & Hartog (2012) argue that "the categorization of cultures into clusters is not consistent across researchers and is an area of disagreement in the cross-cultural research" (p. 486).

[18] Dorfman et al., (2012). p. 505.

[19] Ibid., pp. 505-506.

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Mentoring the Next Generation for Innovation in Today's Organization

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In order to succeed, organizations must innovate.[1] Innovators create in the context of interactions and relationships. Valuing every member of the organization and mentoring each one as a leader in an environment of leaders empowers innovators.

Organizational cultures valuing people, along with their creativity and passions, will be innovation leaders. The next generation of innovators, the Millennials, find meaning in value creation.[2] Thriving organizations of the future will value "Millennovators" - Millennial innovators.

Millennovators arrive in today's organizations with passion and creativity. These passions can cause creative friction. Mentoring relationships enculturate, guide, direct, and motivate millennial creativity. This paper seeks to better understand millennial innovators; explore mentoring as a means of converting creative friction into productive innovation; and proffer an inclusive mentoring model designed to strengthen relationships, build trust, and change perceptions.

The old-timers tell us we have always done it this way, so leave well enough alone. The middle managers want to work from their beach house. Baby Boomer department heads are feeling the pressure to innovate despite absentee Gen Xers and Traditionalist traditions. Now the new Millennial hires are stopping by the CEO's office to share a few ideas about how to move the company forward. This scenario is being played out in multi-generational organizations across America.

Today's business mantra is "Innovate or die." Corporate leaders are feeling the pressure, yet find themselves caught between differing philosophies of work and change. Older workers sense the values this company was built on have eroded, while newcomers wonder if they are valued as members of the community.

Contemporary organizations are in pursuit of the next innovation while balancing diverse generational perspectives. One means of investing in future innovation is to build relationships with future innovators. This paper seeks to better understand Millennial innovators; explore mentoring as a means of converting creative friction into productive innovation; and proffer an inclusive mentoring model designed to strengthen relationships, build trust, and change perceptions.

Innovation is the Future

In order to succeed, today's organization must innovate.[3] Innovation and creativity are equated with competitive advantage. "Efficiency and innovation must be of equal and complementary importance if an organization ultimately is to survive and thrive."[4] An increasing body of literature is committed to increasing creativity in the workplace. While "thinking outside the box" may sound cliché, "the idea of suspending what "has been" in order to explore what "could be" will always be prescient."[5]

New technologies, a global marketplace, and boundaryless organizations lay the foundation for innovation in products, services, and the work environment. Innovating for the future is about more than inventing the next widget first. It is focused on the people in the process.

Innovation Cultures Value People

"Values are antecedent to action and the fuel that powers innovators."[6] Organizational cultures can nurture or stifle innovation. In the 1980s, British Airways underwent a culture makeover, sending nearly all of its 37,000 workforce members through its "Putting People First" training program. The change effort emphasized instilling a new culture – one that valued people, which in turn "permitted major process innovations" redefining "passenger expectations about service quality."[7] The result was a more innovative environment. Valuing people is essential for innovation.

People must be innovated to innovate.[8] Goulet, Jefferson and Szwed define leadership as "a process that involves the interactions and relationships between the leader and others. This view of leadership enables anyone to develop as a leader."[9] Leaders recognize creativity and value innovation. Innovators create in the context of interactions and relationships.

Organizational cultures valuing people, along with their creativity and passions will be innovation leaders. The next generation of innovators, the Millennials, find meaning in value creation.[10] Thriving organizations of the future will value "Millennovators" - Millennial innovators.

Millennials are the Innovators of the Future

To plan for the future, we need to understand what tomorrow's leaders look like today. "Millennials" is the title given to the estimated 80 to 95 million future workers and leaders, born between approximately 1980 and 2000.[11] These Millennials will dominate the workforce for the next forty years.[12]

Millennials want to innovate. In an innovation preparedness survey, "Ninety-two percent of Traditionalists, Boomers, and Xers" ranked Millennials high "for their ability to create and innovate."[13] However, the older generations did not rank themselves as well in innovation. This poses a challenge.

Innovation guru, Gary Hamel, generated a list of human capabilities he believes contribute to competitive success. He measured the contribution of each of the capabilities to what he calls value creation:[14]

Passion 35%

Creativity 25%

Initiative 20%

Intellect 15%

Diligence 5%

Obedience 0%

Millennials earn high scores in passion and creativity, but rank poorly in obedience. They need more experienced leaders to assist them in pursuing creativity within an organization's framework, and organizations that value people and innovation will support them.

Millennials are natural innovators. They most want "the opportunity to do meaningful work and have a high quality of life."[15] This is in contrast with older generations who tend to want job security, benefits, rank, or prestige. Ninety-two percent of younger workers value flextime and 96% of Millennials say they need creative time in their work day.[16] "Eighty-two percent [of Millennials surveyed] cite flexible working arrangements as a factor that influences their commitment and motivation, compared to fifty-eight to sixty-nine percent for the other employee age groups."[17]

How will Millennovators create for the future of our organizations? What values will guide them? What and who will inspire them? Will they innovate to optimize the mission of the corporations in which they are employed? Millennial innovations are supported and guided by strengthening relationships with Millennovators. But Millennovators arrive with their own ideas about creating and about the creative environment.

Creative Friction

Gryskiewicz challenges "any organization that intends to compete in the years ahead must embrace the turbulence within which blow the winds of renewal."[18] With "more than 32 million Millennials in the workforce"[19] there is a lot of "creative friction" requiring "leaders to develop styles that focus on identifying and effectively incorporating the polarized viewpoints of

employees."[20] Millennovators may be the voice of the future, but they are viewed as aliens by many of their seniors.

Described in the literature as the most techno-savvy,[21] confident,[22] highly supervised,[23] globally connected,[24] and culturally diverse in history,[25] corporate leaders portray Millennials as ill-equipped, incompetent, ego-centric,[26] lacking in character,[27] change-driven,[28] job-hopping,[29] digital natives.[30] *Millennovators are unimpressed by the astonishing advancements of the digital era and have become the "first generation in human history who regards behaviors like tweeting and texting, along with websites like Facebook, YouTube, Google and Wikipedia" as everyday necessities.*[31] Wikipedia is itself evidence of what this generation values: shared information that is instantly available.[32]

Just as Millennials do not know how to process the high cost of disruption,[33] boomers are still learning "innovation is always disruptive to an organization"[34] and that innovation leaders embrace, endorse, and guide disruption. Recognizing the merits and deficits of Millennovators is a first step toward strengthening relationships that support innovation. Millennovators hold strong values, but they are often different from those of superiors.

While seeming to be attached to a host of communication devices, "the weakest skill area of today's job applicant is communication."[35] The communication patterns of Millennials cause "ruffled feathers as they are becoming a larger force within most organizations."[36] Millennovators need guidance to communicate their ideas in ways their colleagues and managers will hear.

"The tension around talent versus tenure has been complicated by the steady upending of the pyramid at work."[37] Millennials contribute to this workplace friction, as they don't equate "experience" with being "qualified" for a job. They view experience as getting in the way of having a fresh perspective. Millennials generally believe a younger person who is "less locked into a certain way of doing things might be a better candidate."[38] It is this paradigm that brings the Millennovator to challenge both the status quo and their more experienced superiors.

Mentoring Programs Convert Creative Friction into Productive Innovation

Millennials are people—not patterns or projects. No new recruit or hire is going to wear each characteristic described in demographic typologies. Understanding patterns helps design programs for people. People need to be treated as individuals. This is true, however, of every member of the organization. Cultivating the potential of emerging leaders through meaningful relationships with seasoned leaders requires change from members of each generation.[39]

Mentoring Strengthens Relationships

Innovation happens in the context of relationships. They are internal and external. These relationships are with superiors, subordinates, and colleagues. They are between organizations, customers, and suppliers. "The path to innovation success historically has been littered with the remains of firms that were enthusiastic about innovation and may even have had the right internal capabilities but did not have the leaders who could choose and execute a successful innovation strategy."[40] Strengthening relationships increases the success of innovation strategy.

Mentoring Builds Trust

Consider the four generations in today's organizations. Builders, the eldest, value respect. Boomers value productivity and face time. Gen Xers value the power pace. Millennials value connection and flexibility. This is an oversimplified description, but it does underscore a few of the intersections between Millennials and older generations highlighting where Millennovators can look and feel out of the place in contemporary organizations. Consider the new millennial hire and the boomer boss. Boomers are often characterized by a lack of trust. Millennials want connection, which cannot be attained without trust. Mentoring builds trust.[41]

Mentoring Changes Perceptions

Fifty percent of workers polled believe they could manage better than their boss, given the opportunity.[42] Intergenerational attitudes contribute to misunderstandings in the workplace. Retention is especially difficult since Millennials have different attitudes and expectations toward work than previous generations.[43] Reports that 66% of Millennials expect to change careers can impact the investment their superiors wish to make in them when 84% of Boomers expect to work at their current job for the rest of their lives.[44] Mentoring relationships help intergenerational colleagues recognize and address differing perceptions about the workplace and opportunities to innovate within it.

A Mentoring Model

One-on-one mentoring has been identified by a growing number of organizational consultants as the most effective method for training soft skills.[45] Mentoring has been shown to foster teamwork, improve staff motivation, and increase employee competency levels.[46] Mentoring improves individual and organizational performance and results in higher employee retention.[47] Mentees achieve higher promotion rates.[48] In mentoring programs, potential is identified more readily.

One longitudinal field experiment examined how a "targeted mentorship program that unfolded over six months enhanced the development of protégés' leader efficacy and performance."[49] Targeted mentoring was compared to leadership education delivered in a group setting. Results demonstrated "targeted mentorship intervention increased protégés level of leader efficacy" to a great degree than those participating in group training programs.[50]

A commonly held perception of mentoring is summarized as "Formally or informally, a manager with experience, expertise and wisdom teaches, counsels and helps a less experienced or less knowledgeable person to develop professionally and personally."[51] This model proposes expanding a definition of mentoring beyond managerial expertise.

An organization that values people recognizes each person has something to offer. Millennials are not the only members of the workforce in need of mentoring. Every employee and manager

benefits from mentoring. This inclusive model recommends every member of the organization become involved in three mentoring relationships. While the model proposes to involve every organizational member in mentoring relationships, the focus here will be on benefits to the organization when Millennials are engaged in mentoring relationships. To cultivate Millennovators will require organization-wide involvement.

Wise Guide

Successful leaders recognize the benefits of seeking the counsel of a sage. Wilcher calls these sage counselors "wise guides."[52] He claims the next generation not only needs them, they are delaying adulthood for lack of them. There is much evidence to suggest Millennials are actively seeking wise guides.

Ninety-four percent of Millennials claim to respect older generations,[53] and believe more mature adults are interested in their success. Though socially connected, many Millennials are aware of their need for training in interpersonal skills and communication.[54] Forty-four percent of graduates are declaring college did not adequately prepare them for the working world.[55] The next generation of workers and innovators is seeking guidance. Involving Millennovators in mentoring relationships is the easy part. The challenge is in training their wise guides to take mentoring from wise guides.

Soft skills dominate the list of essential competencies for today's workplace. These include: "interpersonal and intrapersonal knowledge; skills and abilities such as ethics, personal organization and work habits; time management; teamwork and interpersonal communication; anger management; reasoning and problem solving; and managing one's learning."[56] Mentors help younger and less experienced workers develop such skills in their personal and professional lives. These older, wiser mentors are often called "Wise Guides."

Millennials show a strong need to connect their work to a higher purpose. Discussing the vision, mission, goals, and direction of the organization helps new hires or members see themselves in relation to the overall direction of the organization. Wise guides help Millennovators see themselves as fitting into the organization, creating a sense of security for sharing creative ideas.

Side Guide

"A sense of belonging is something humans need if they are to commit themselves to more than simple selfishness."[57] Millennials are interested in belonging. They become emotionally attached to both physical and virtual work communities.[58] Consider the Millennial generation's contribution to the virtual working environment. They will innovate into the future of "technology advances, social trends, individual choices, and flexible labor markets"[59] on behalf of communities in which they perceive they belong, Peer mentoring assists a sense of belonging.

Peer mentors, called "side guides," in this model, are an important part of the enculturation process. This happens naturally in mentoring environments. Allowing and coaching Millennials to learn, work, and grow in teams is a great way to prepare them to be part of a future leadership team. One way to integrate Millennials into leadership is to help them align themselves with peers, superiors, and subordinates. Mentoring programs can help engage and integrate

Millennials into organizational culture.[60] Peer mentors promote alignments. Successful millennial leaders are comfortable in team environments and are able to encourage and inspire team performance.

Peer mentoring builds loyalty, trust, teamwork, and collaboration—all necessary components for productive innovation. "Every individual must have a sense of self-value and must value every other team member for their contribution—these should become explicit and expressed as the team's "core competencies."[61] Within this culture, Millennovators sense they belong and use their creative energies in collaboration with trusted colleagues.

Surprise Guide

In one company's survey, "the use of e-mail by seniors increased by 28% between 2009 and 2010. During that same period, e-mail usage decreased by 59% among teens."[62] By the time older generations begin to get familiar with a technology, their younger co-workers have already moved on. Executives who apprentice under their technologically savvy subordinates more quickly come up to speed in using new technologies.[63]

Through "reverse mentoring"[64] programs, senior leaders create a workplace learning dynamic in which junior employees mentor experienced personnel. One of the first corporate reverse mentoring programs was implemented when GE Chairman Jack Welch ordered several hundred GE executives to apprentice under their technologically savvy subordinates in order to tutor them to quickly come up to speed in using the Internet.[65]

In this model, the reverse mentor is called the "surprise guide." Full of surprises for both mentors and mentees, these mentoring relationships sharpen leadership skills while forging direct connections with senior leaders. In reverse mentoring programs, younger mentors feel appreciated and valued. They sharpen leadership skills while forging direct connections with senior leaders. Older mentees acquire new skills, access new information, and pick up fresh ideas that they don't necessarily come across in their regular routine. The development of stronger working relationships encourages "great engagement on both sides" and often serves as a "jumpstart" for new projects, assisting with initiation and development of both "processes and products" that are beneficial to the entire organization.[66] In the process, senior leaders earn the right to speak into the personal and professional lives of Millennovators.

Criteria for Successful Mentoring Relationships

Listen

Innovators share a "common bond between all who think differently" which is "their willingness to do so."[67] Engaging Millennovators requires a willingness to think differently. Mentors who listen to their surprise guides signal to their juniors that they and their ideas are valued. This communicates a willingness to consider new ways to think about old issues.

Reflect

The success of mentoring programs increases with reflection and feedback loops.[68] In one study, feedback and trust in the mentor surfaced as "important moderators in contributing to the development of leader efficacy."[69] While traditional training programs offer theory, mentoring is ripe for reflective practice. Mentors and mentees must be trained in providing reflection and feedback.

Include

Incorporate mentoring into the organizational DNA. Leadership development should not be exclusively offered to high-level staff. Instead, it should be available to all throughout the organization.[70] This develops leaders who lead as Millennovators.

Trust

Millennials want to trust their superiors and co-workers, but they have been disappointed quite a lot.[71] Make trust a priority in your organizational culture. "Trust is the one thing that is common to every individual, relationship, team, family, organization, nation, economy, and civilization throughout the world; the one thing which, if removed, will destroy the most powerful government, the most successful business, the most thriving economy, the most influential leadership, the greatest friendship, the strongest character, the deepest love."[72]

Conclusion

Amid messages of independence, freedom, and autonomy[73] Millennials enter organizations that feature teamwork, commitment, and respect for authority. The culture's "litany of expressive individualism" is misleading for Millennials.[74] Successful organizations are learning to help the next generation of worker and innovator to make sense of organizational culture.

Thriving organizations recognize that every member leads and follows, directs and innovates, responds and creates in the context of relationships. It is possible that the single most important step organizational leaders can take is to ensure that their followers do not find it difficult or dangerous to innovate.[75] Involving every member of the organization in mentoring relationships may decrease danger and increase innovation. It will strengthen relationships, trust, and the creative environment.

The late Peter Drucker was interviewed after winning his seventh award for producing the best 2005 article in the *Harvard Business Review*. He challenged his listeners, "The best way to predict the future, is to create it."[76] Millennovators, with their mentors and mentees, are creating the future.

About the Author

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Big Blue vs. the Crooked E: Comparing and Contrasting IBM and Enron through the Lens of Values Leadership

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At the turn of the millennium, IBM and Enron were iconic American corporations. IBM had risen from the ashes of a severe plunge in its computer mainframe sales and stock price. Enron was the seventh-largest corporation in America and its employees and shareholders were riding high. Yet, while IBM's rebound was based on a firm foundation of values leadership, Enron was afflicted with a cancer of corrupted values that would lead to its astonishing demise in December 2001. This article examines the organizational cultures, structures, and leader-follower relationships within IBM and Enron to learn how critical values leadership can be to business success, especially during times of change. The nature of the values leadership of Jesus Christ will also be examined so as to inform the leadership of Christians in the marketplace.

> *"I think we slipped a little bit on this recently, and we've got to restore it. Values are incredibly important to the fiber of this company."* — Ken Lay, Enron

> *"You know what the difference is between the state of California and the* Titanic*? At least the lights were on when the* Titanic *went down."* —Jeff Skilling, Enron

> *"A company is known by the men it keeps."* —Thomas Watson, Sr., IBM

> *"IBM has reinvented itself many times. But through it all, its DNA, its soul remained intact... IBM's most important innovation wasn't a technology or management system. Its revolutionary idea was to define and run a company by a set of strongly held beliefs."* —Sam Palmisano, IBM

> *"Therefore it is unnecessary for a prince to have all the good qualities I have enumerated, but it is very necessary to appear to have them. And I shall dare to say this also, that to have them and always to observe them is injurious, and that to appear to have them is useful; to appear merciful, faithful, humane, religious,*

upright, and to be so, but with a mind so framed that should you require not to be so, you may be able and know how to change to the opposite." —Machiavelli, *The Prince*

"Do not be deceived: 'Evil company corrupts good habits.'" — 1 Co 15-33

Introduction

The final decades of the twentieth century were a heady yet tumultuous time for global corporations like IBM and Enron. The unprecedented bull market saw the Dow Jones Industrial Average rise 317.59% during the 1990s, ending 1999 at 11497.12.[1] When the Dow peaked at 11,722.98 on January 14, 2000, and began a bull run brought on by the crash of the "dotcom" stocks, IBM and Enron found themselves in starkly different circumstances. IBM had risen from the ashes of a near-death experience, while Enron was set to collapse at dizzying speed. While each corporation was emblematic of the new technical age, both had roots in old-line industries with distinct corporate values.

International Business Machines (IBM) Corporation

To recount the history of IBM is to trace the transformation of America from the industrial age to the information age. In 1914, an eccentric entrepreneur from Maine, Charles R. Flint, hired an eager young salesman named Thomas Watson to manage his computing-tabulating-recording company. Flint later recalled Watson as being "the most creative businessman he had ever worked with and one of the true giants of American corporate management."[2] As the United States entered World War I, Watson recognized that American businessmen needed machines to facilitate expansion and provide products and services to a growing client base. Watson stressed the importance of sincerity, integrity, and loyalty in his "chalk talks" to his sales staff, saying, "You have to put your heart in the business and the business in your heart."[3] In 1924, C-T-R became International Business Machines Corporation, ideally suited for the postwar office equipment industry, particularly with larger businesses and government agencies with specialized requirements. Turning contracts with clients like the new Social Security Administration into remarkable profits, IBM became the largest and most powerful business machine company in America and a "blue chip" stock on Wall Street. Following World War II, Watson groomed his son, Thomas Jr., as the future leader of IBM. Watson junior saw a future in mainframe computers, which were known as "giant brains." Taking the reins as CEO in 1956, Watson would preside over IBM's astonishing growth for the next 15 years. IBM emerged as a transnational company (operations in 130 countries) where leaders owed allegiance to the firm as "IBM men," not to their countries. The launch of the IBM 360 in 1966 established IBM's "reputation in technology akin to what it previously enjoyed in sales."[4] By the mid-1970s, however, IBM was searching for a way to revive its mature technology in mainframe computers. New players were proliferating in the industry. Companies like Apple, Wang, Commodore, and Tandy far outpaced IBM in microcomputers and distributed data processing in an industry now dealing in *information processing* and *information systems*. By the early 1990s, IBM would find itself facing its greatest business—*and leadership*—crisis yet.

Enron Corporation

Enron's story is best told through the life of its founder and future chief executive officer and chairman, Ken Lay. Growing up poor, Lay made his way to the University of Missouri where he worked his way through school and fell in love with the study of economics. Upon graduation, Lay leveraged his knack for making connections by going to work at Houston's Humble Oil and earning his Ph.D. in Economics at the University of Houston in 1970. Following a stint in the Navy and federal government service, Lay returned to the business world as an executive and later president with various pipeline companies, finally becoming CEO of Houston Natural Gas. At HNG, Lay engineered a merger with InterNorth, a big Omaha pipeline company. HNG InterNorth, as the new company was called, was a $12 billion company with the largest gas distribution system in the country, as well as access to the three fastest growing markets: California, Texas, and Florida. The merger did not go according to Lay's plan, however. His inability to effectively incorporate InterNorth's Omaha managers into his debt-burdened HNG organization in Houston, and coupled with a glut of gas on the market resulting in a severe plunge in prices, caused the new company, now called Enron, to report a loss of $14 million for its first year and a downgrading of its credit rating by Moody's to junk bond status in 1987. Enron's search for a fresh source of profits was to sow the seeds of its ultimate destruction a mere fourteen years later.

Theoretical Framework

Values Leadership

It is too obvious and simplistic to conclude that the difference between IBM and Enron is in their corporate values because one organization (IBM) *walked the talk* and the other (Enron) did not. In fact, both organizations formally espoused corporate values, and in the case of Enron, did so until the moment it declared bankruptcy and folded. It is instructive to identify and understand the critical incidents where both organizations had the opportunity to abide by their values or depart from them, and what consequences ensued.

But first, what are *values* and *values leadership* in this context?

Rokeach defined a *value* as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" and a *value system* as "an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance."[5] What functions do values serve? Rokeach advises us to "think of values as standards that guide ongoing activities, and of value systems as general plans employed to resolve conflicts and to make decisions."[6]

Let us now take a look at the values espoused and practiced by IBM and Enron.

IBM. Thomas J. Watson, Sr., brought with him to IBM a personal character forged by a "Scottish fierceness that drove him off the farm [in upstate New York] combined with his

Methodist fundamentalism."[7] Watson took pains to demonstrate that he not only wanted his company to be financially successful, but would reflect his personal values as well. These values, which he institutionalized and were later reaffirmed by his son, Thomas Jr., when he became IBM's second CEO, were known as the Basic Beliefs:

1. The individual must be respected.
2. The customer must be given the best possible service.
3. Excellence and superior performance must be pursued.

When Tom Watson, Jr., took over IBM from his father in 1954, the company was embroiled in the "computer wars" with rivals like Sperry Rand, Burroughs, and Control Data Corp. Therefore, he quickly reaffirmed his father's organizational principles and philosophy, saying, "For any organization to survive and achieve success, there must be a sound set of principles on which it bases all of its policies and actions. But more important is its faithful adherence to those principles."[8] Watson admitted that the "hardest task of all was what…I called riding the runaway horse: keeping IBM coherent as it multiplied in size," resolving that "to survive and succeed, we had to be willing to change everything about IBM except these basic beliefs."[9] Watson was unafraid to terminate employees when they violated these principles: "I simply fired managers when they broke rules of integrity…the company was invariably better off for the decision and the example."[10]

By the early 1990s, IBM was besieged by competitors large and small in the now wide open computer industry. In January 1993, CEO John Akers retired under fire. In seeking his successor, IBM's board avoided hiring another technologist in favor of a "broad-based leader and change agent…skilled at generating and managing change."[11] Enter Louis Gerstner, a Harvard MBA, former McKinsey consultant, and CEO of RJR Nabisco. He found IBM's sales and profits declining at an alarming rate and the mainframe computer revenue down by nearly 50 percent in just three years. Additionally, there was talk of breaking the company up into operating units. Gerstner immediately realized that IBM's malaise would require a cultural shift, "What the Beliefs had come to mean – or, at least, the way they were being used – was very different in 1993 than in 1962…they had morphed from wonderfully sound principles into something virtually unrecognizable…we needed something more, something prescriptive."[12] Gerstner cut rules, codes, and procedures, and drafted eight principles as the underpinnings of IBM's new culture. IBM's successful "moon shot" in developing "e-business" along with its culture shift restored the company to much of its former prominence by the time Gerstner retired in 2002. Reflecting on the "corporate malfeasance" prevalent in corporate America at the time, Gerstner cautioned:

> No one should be entrusted to lead any business or institution unless he or she has impeccable personal integrity. What's more, top-rung executives have to ensure that the organizations they lead are committed to a strict code of conduct. This is not merely good corporate hygiene. It requires management discipline and putting in place checks and balances to ensure compliance.[13]

In 2003, Gerstner's successor, Sam Palmisano, led IBM's first reexamination of its values in 100 years. In a 72-hour virtual "values jam" to which all 319,000 IBM employees worldwide were invited, the new Values at Work became:

- Dedication to every client's success.
- Innovation that matters, for our company and for the world.
- Trust and personal responsibility in all relationships.[14]

Enron. Enron prided itself on being "The World's Leading Energy Company" and later "The World's Leading Company" with a "new way of doing business" in the oil and gas industry. A 1986 report to the Enron board called it trading "as done by professionals in the industry today, using the sophisticated tools available, [which] can generate substantial earnings *with virtually no fixed investment* [emphasis added] and *relatively low risk* [emphasis added]."[15]

The canary in Enron's coal mine appeared in the disastrous year of 1987 when the company recorded a $14 million loss and a downgrading of its stock to junk bond status. Two Enron Oil executives were charged with and later convicted of fraud, personal income tax evasion and hiding income with "sham transactions" wherein revenues and losses were shifted as needed to off-balance sheet accounts to manipulate Enron's all-important earnings report to investors. CEO Ken Lay and Enron's board denied any responsibility for the actions of the "rogue traders."

Ken Lay then made his fateful mistake: he hired former McKinsey & Co. consultant and Harvard MBA Jeffrey Skilling as CEO. Variously described as "incandescently brilliant" or "the smartest person I ever met," Skilling, nevertheless, lacked the qualities necessary for running a large company; he had "dangerous blind spots…didn't really understand people…had a tendency to oversimplify" and "an active distaste for…the messy details involved in executing a plan."[16]

Lay and Skilling presided over a global organization that espoused the values of:

- **Respect.** We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness, and arrogance don't belong here.

- **Integrity.** We work with customers and prospects openly, honestly and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.

- **Communication.** We have an obligation to communicate. Here, we take time to talk with one another…and to listen. We believe that information is meant to move and that information moves people.

- **Excellence.** We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

A young Enron trader named Brian Cruver would later write of the Enron core values: "Enron actually had those values well defined in its own *Code of Ethics* handbook, but it appears the only time the board of directors paid attention to that handbook was when they were *officially agreeing to disregard it*."[17]

Ken Lay was a Christian who spoke often about corporate values. "I personally have a very strict code of personal conduct that I live by," he told an interviewer for a religious magazine, "This code is based on Christian values."[18] Yet, Lay was noted as having an "unhealthy capacity for self-delusion," nepotism, and a "powerful sense of personal entitlement."[19]

Using an accounting method known as mark-to-market accounting, Enron adjusted its values on its balance sheet regularly to reflect fluctuations in the marketplace or anything else that might change the values. It also allowed Enron to book the entire estimated value of the length of the contract on the day it signed the contract. Changes in that value show up as additional income – or losses – in subsequent periods. "If you accelerate your income, then you have to keep doing more and more deals to show the same or rising income," said an Enron competitor.[20] Jeff Skilling's "Big Idea" was to trade electric power. Enron had morphed from an oil and natural gas pipelinecompany into one built on trading and deal making. As McLean and Elkind point out, "This was Enron's dirty little secret: a company built around trading and deal making cannot possibly count on steadily increasing earnings."[21] The man who would "game the system" to keep Enron's stock price high and the Wall Street analysts and accountants at bay was Andrew Fastow, the chief financial officer. Fastow used "hypothetical future value accounting" methods, created "special purpose entities" and structured finance deals to "keep fresh debt off the books, camouflage existing debt, book earnings, or create operating cash flow…the deals were intended to allow Enron to borrow money – billions upon billions of dollars that it needed to keep itself going – while disguising the true extent of its indebtedness."[22] By late 2000, however, Enron could no longer fool Wall Street, Securities and Exchange Commission investigators, or its own whistleblower, an accounting executive named Sherron Watkins. In the astonishing final twelve months of its life, Enron would implode, though Lay would reassure employees at the same time he was cashing in $20 million of his Enron shares. Skilling quit as CEO, Fastow was fired, and the company's stock cratered under the weight of a staggering $38 billion debt. On Sunday, December 2, 2001, Enron filed the largest bankruptcy case in U.S. history. Skilling, Fastow, and Lay were sentenced to lengthy terms in federal prison, charged with offenses ranging from conspiracy to fraud to insider trading. Shortly before he was to report to prison, Ken Lay died of a heart attack.

Windsor neatly summarized the fall of Enron:

> The Enron organizational history apparently involved a financial and moral corruption machine, something akin to "victory disease," denying the possibility of failure, and a corporate culture and moral climate ultimately hostile to business ethics.[23]

Organizational Change

Both IBM and Enron operated during times of momentous cultural and technological change which can serve to forge an institution's character. Selznick postulated that it is in this very process that "organizations become institutions as they are *infused with values*, that is, prized not as tools alone but as sources of direct personal gratification and vehicles of group identity. This infusion produces a distinct identity for the organization."[24] He further argued that the primary task of corporate leadership is to create a social structure of shared values: "The institutional leader…*is primarily an expert in the promotion and protection of values.*"[25] Burns earlier found that the essence of leadership is to codify values:

> Essentially the leader's task is consciousness-raising on a wide plane…The leader's fundamental act is to induce people to be aware or conscious of what they feel – to feel their true needs so strongly, to define their values so meaningfully, that they can be moved to purposeful action.[26]

The integrity of an institution can become vulnerable when values are tenuous or insecure. IBM's dedication to its values through times of great turmoil gave it staying power, while Enron's tenuous or even absent adherence to values brought its demise. Maintaining the integrity of institutional values is the sacred responsibility and *sine qua non* of leadership, for the "ethical orientation of the CEO is a critical issue to consider in understanding ethical practices in organizations," says Hood in her study analyzing the relationship between CEO values, leadership style, and ethical practices in organizations.[27] Selznick agrees on the concept of integrity:

> The protection of integrity is more than an aesthetic or expressive exercise, more than an attempt to preserve a comforting, familiar environment. It is a practical concern of the first importance because the defense of integrity is also a defense of the organization's *distinctive competence*.[28]

How do leaders embed these values and create the conditions for positive culture formation and evolution? Schein says leaders must *walk the talk*:

> Through what they pay attention to and reward, through the ways in which they allocate resources, through their role modeling, through the manner in which they deal with critical incidents, and through the criteria they use for recruitment, selection, promotion, and excommunication, leaders communicate both explicitly and implicitly the assumptions they actually hold.[29]

All this is not to say that corporate culture and values must remain static and impervious to positive change. Says Fairholm:

> Corporate values, and the culture that gives them context, direct and open some possibilities and inhibit others. They need to be set, maintained, *changed as needed and constantly kept relevant* [emphasis added] to present action and plans. Leaders need to understand and use the corporate cultural values to ensure member commitment.[30]

When corporate change involves an acquisition and/or merger, the organizational *fit* may not work. Fairholm stipulates:

> Values permeate organizational life. They define organizations and all other interpersonal relationships. They are a main cause of the sense of permanence most organizations enjoy. They are also a prime cause of the difficulty many people – leaders and workers alike – experience in attempting to change organizational structure, process, or systems of work.[31]

In Enron's final days, it was forced to suffer the indignity of crawling to a smaller competitor, Dynegy, a company that had operated in the shadow of Enron for more than a decade, to seek a merger. Though Dynegy's CEO said of the proposed merger that "Culturally, it's a good fit," he had second thoughts when he saw Ken Lay's new $45 million Gulfstream G-5 corporate jet, telling a colleague, "I nearly had a heart attack."[32] (The merger was cancelled when Enron's credit rating cratered to junk bond status, triggering enormous debt.)

Leader-Follower Alignment

Values leadership is characterized by Fairholm as "in essence simple and direct. It is leader action to create a culture supportive of values that lead to mutual growth toward excellence and enhanced self-determination. The true essence of leadership is not in procedures. It is knowing and teaching values of leadership to followers."[33]

In effectively framing their advocacy of values, leaders must speak in terms of their followers' interests. Conger has developed a "framing triad"[34] that is based on shared ground and shared advantage:

1. Shared goals and rewards.
2. Shared values and beliefs.
3. Shared language.

When Gerstner took over IBM in 1993, he quickly quashed the notion that IBM should be broken up into business units ("Baby Blues"), saying in a memo to all employees: "You and I want to make IBM the most successful company in the world. It was once and I am convinced it will again."[35] He called for 5,000 volunteers to help him effect the change in IBM. "Gerstner's Guerrillas" were called to be committed to the long-term success of IBM in a fast-changing global business environment, zealous in making things work for the customer, and willing to take risks in the face of conventional wisdom.[36]

Ken Lay made a mockery of leader-follower values in Enron's final months. Calling an all-employees meeting in late October 2001, Lay assured them that "the underlying fundamentals of our businesses are very strong" and that while Enron's reputation was "a little tarnished right now," he added, "we will return to that preeminence and we'll take that tarnish away with a little time."[37] Lay, of course, did not reveal that he'd recently cashed in $20 million of his own stock at a time when he had urged others to buy and "talk up the stock."[38]

The Nature of the Values Leadership of Jesus Christ

Christian leaders in the marketplace can look to Jesus of Nazareth as the exemplar of values leadership. He codified Christian values for all time in the Beatitudes delivered in the Sermon on the Mount (Mt 5:3-10, New King James Version). More importantly, "he brought them to life by living them."[39] Winston has noted the Beatitudes as the basis for ethical behavior and provides an associated value trait indicated in brackets.[40]

1. Blessed are the poor in spirit, for theirs is the kingdom of heaven. **[Humility]**
2. Blessed are those who mourn, for they shall be comforted. **[Caring]**
3. Blessed are the meek, for they shall inherit the earth. **[Controlled Discipline]**
4. Blessed are those who hunger and thirst for righteousness, for they shall be filled. **[Seek Goodness]**
5. Blessed are the merciful, for they shall obtain mercy. **[Merciful]**
6. Blessed are the pure in heart, for they shall see God. **[Integrity]**
7. Blessed are the peacemakers, for they shall be called sons of God. **[Unity]**
8. Blessed are those who are persecuted for righteousness' sake, for theirs is the kingdom of heaven. **[Commitment]**
9. Blessed are you when they revile and persecute you, and say all kinds of evil against you falsely for My sake. **[Commitment]**
10. Rejoice and be exceedingly glad, for great is your reward in heaven, for so they persecuted the prophets who were before you. **[Commitment]**

Ford offers that Jesus was careful to frame his values in terms of value stories, known as *parables*.[41] Parables would help those on the outside understand the values of the kingdom of God: "Seeing they may see and not perceive, and hearing they may hear and not understand; lest they should turn, and their sins be forgiven them" (Mk 4:11-12). And to those who believed, Jesus would speak in a manner (parables) that they could understand Divine truth. (Mk 4:33)

Ford concludes that Christian business leaders must emulate Jesus' example and adhere to Kingdom values:

> Jesus' leadership was not *value-neutral*, a set of tools to be used for any cause at all. Rather his leadership was kingdom leadership, value-driven…Jesus' leadership is not a 'how-to' program for achieving secular goals; it is uniquely a leadership related to the dynamic of God's purposes.[42]

Leading Organizational Change toward Values Leadership

Christian leaders must model the way in shaping corporate values. In her study of why leaders fail in introducing values leadership, Viinamäki recommends three steps:

1. ***Sense of Values***. Increase followers' knowledge on values and ethics by using roundtable discussions, listening to stakeholders' needs, and finding a balance between enduring values and short-term operational goals.

2. ***Values awareness.*** Create and facilitate discussions on persistent ethical principles and value transformation, institutionalize values and ethical codes and procedures – especially when the organization expands – and incorporate values and ethics in strategically important functions and services, monitoring and feedback systems.

3. ***Competence to put values into practice.*** Communicate values and create trust in ethical codes, coordinate competing values and find opportunities for consensus, operationalize values and provide task-specific and self-related feedback, and establish value-platforms in several levels of organization hierarchy where values can be shared, debated, and agreed.[43]

Conclusion

What may we learn from the values leadership approaches of IBM and Enron?

First, organizations must be led by men and women who not only espouse core values, but *walk the talk*. Second, these leaders must enlist their followers in terms and language they can understand in the effort to create a sense of values, institutionalize the values, and put the values into practice. Finally, Christian leaders must look to Jesus of Nazareth as the exemplar of values leadership so that they may fulfill the charge in Matthew 5:16:

"Let your light so shine before men, that they may see your good works and glorify your Father in heaven."

About the Author

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Structure? We Don't Need No Stinkin' Structure!

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Structure is an integral component for any organization. It provides a foundation upon which to build and establishes the path of communication and the flow of information. Hierarchies have reigned supreme for decades but are not without their shortcomings. They interrupt the natural order of business and are often an impediment to communication. Hierarchies provide the unintended consequence of allowing employees to rise to their level of incompetence, better known as the Peter Principle.[1] Globalization has caused many organizations to reduce the number of layers within their hierarchies and provided the impetus for the leveling of the hierarchical pyramid. Many organizations have gone a step further by removing any traces of a traditional structure in search of a more efficient design. The lack of conformity to an existing structure does not negate the presence of a structure, however. It validates the need for organizational structure regardless of whether or not it is wanted.

Organizations, like architecture, require structure to exist. Buildings must have a framework of support columns that provide room for growth, expansion, and direction. Most importantly, buildings require structure in order to remain a cohesive unit. Organizations are not really so different. They too require structure in order to grow and expand, and structure is imperative for providing direction, especially in a global economy.

Scholars, pundits, and business mavens have long studied organizational design and have posited many theories, observations, and conclusions. Galbraith (2002) identifies several different types of organizational structures – "functional, product, process, market, and geographical."[2] Within the confines of these various structures exists a degree of centralization and a hierarchal system of governance.

As a Navy veteran, I have experienced organizational hierarchy to the extreme. Perhaps no other organization relies on the hierarchy design, better known as the *chain of command,* as much as the United States Military. On the surface, the structure of the organization does little more than establish a pecking order that is useful for determining compensation levels and perquisites. Much like its civilian counterparts, the military's organizational structure differentiates between

junior and senior personnel. In the military, the structure, based on rank, is more obvious and identifiable since it is worn on one's uniform.

However, for all its allure, luster, and grandeur, I cannot help but wonder if such an excess of structure is really necessary in any organization. Do the various structural levels of an organization exist to serve the mission and objective of the organization or do they exist as separators on the organizational ladder of success, dividing the privileged from the common? This article explores the nature and rationale of organizational structure as it relates to a divergent workforce in a global economy. Furthermore, as the title suggests, it argues that organizations do not need as rigid a structure – hierarchies, in particular – in order to run efficiently and effectively.

Hierarchies

Hierarchies have been the status quo for many organizations and can easily be represented by a pyramid with the apex of the pyramid representing the top of the organizational structure, i.e. the CEO, COO, or president, while the base represents everyone at the bottom of the organization. In between the two are a mixture of supervisors, managers, and executives, the number of which depends on the organization and the desired, necessary levels of control. Leavitt notes:

> Hierarchies are, as they have been for centuries, "normal" and prevalent everywhere. The hierarchical pyramid is probably the single element we are most likely to envision when we hear the word *organization.* Hierarchies pervade democracies, theocracies, oligarchies, monarchies, and autocracies.[3]

All hierarchies may not be created equally or exist to serve the same functions. However, they all possess a "vertical arrangement of subsystems which comprise the overall system, priority of action or right of intervention of the higher level subsystems, and dependence of the higher level subsystems upon actual performance of the lower levels."[4] Selecting and implementing a particular hierarchy requires identifying its shape and structure based on the needs of the organization.[5]

Although the existence of hierarchies has pervaded a litany of organizations throughout history, they are not without their challenges. Hierarchies tend to "push people around…frustrate human intelligence…distort communication…and place obstacles in the path of good work."[6] Leavitt succinctly summarizes hierarchies by stating, "Their vertical designs violate the norms and values of horizontal, egalitarian societies."[7] In other words, hierarchies interrupt the natural order of business by creating an unnatural, and often unnecessary, impediment to the flow of information, communication, and the organizational process.

If hierarchies impede the smooth operation of an organization, why do they exist and why have they been the structure of choice by so many organizations for so long? Hierarchies are a form of corporate governance and provide the justification for misaligned incentives.[8] That is, their various levels afford exorbitant compensation for those at the top of the pyramid, which is often a source of contention for those at the lower levels. The American dream is based in part on the potential for upward mobility within society and organizations. However, the unbalanced

economic compensation within organizations has created "widespread expressions of discontent."[9] This is one area in which hierarchies fail.

Another problem for hierarchies lies in communication. Creating multiple levels of control within an organization may appear logical and conducive to efficiency. However, "levels in a hierarchy potentially lead to distortions in the transmission of information and implementation delays, while spans of control are limited by how much information a manager can process."[10] Yet, for all the negative effects associated with hierarchies, they are prevalent in organizations throughout the world.

An Unintended Consequence

Perhaps one of the reasons hierarchies exist is to serve an unintended consequence. Their pyramid structure requires dedication and tenacity if one is going to ascend the ranks, as it were. A combination of talent, skill, and business acumen, along with a little luck, can provide an individual with the opportunity to reach the next rung on the corporate ladder. At the same time, the hierarchy can provide the means and opportunity for employees to reach their level of incompetence, which is better known as the Peter Principle.[11] The Peter Principle posits the idea that through a series of promotions within an organization, an individual will eventually reach a level beyond which he cannot be promoted due the limitations of his abilities. Thus, he has reached his level of incompetence because he cannot perform on the next higher level.[12]

This principle assumes that promotions occur based on competence alone. Fairburn and Malcomson note that promotions "help assign people to the roles where they can best contribute to the organization's performance [and they] serve as incentives and rewards."[13] While these are valid reasons to promote individuals up the hierarchical structure, the challenge of promoting an individual to a position commensurate with his skills and abilities still exists. This is particularly true if the promotion is part of an incentive. Using promotions in this manner can result in laxer standards for the promotion than would otherwise exist and can very well lead to the manifestation of the Peter Principle.[14]

Regardless of why individuals are promoted, the fact that they are eventually promoted contributes to the existing organizational hierarchy by increasing its size either vertically—for example, if a new position is created—and horizontally, by adding more bulk to an existing layer. However, we must consider "the timing of promotions during a worker's career depends on performance and inferred skills."[15] As such, the hierarchy will remain intact and unchanged most of the time, changing as the need and situation dictate.

Leveling the Pyramid

While hierarchies have been the standard structure for many organizations, the rise of the global economy has had a leveling effect. "Firms are flattening their corporate hierarchies. Spans of control have broadened and the number of levels within firms has declined."[16] The reduction of organizational levels has resulted in a new form of structure—the flat organization. The name is misleading in that it implies a one-level organization. This is simply not the case. "Flatness of

organizational structure describes an organization's relative number of management levels in the chain of command."[17] The hierarchy still exists; it is just smaller.

This is a growing trend in modern businesses. "Companies have been flattening out their management hierarchies in recent years, eliminating layers of middle management that can create bottlenecks and slow productivity."[18] This has resulted in "more teamwork, less bureaucracy, better communications, opportunities for professional development, and greater job satisfaction."[19]

Flat organizations are similar to decentralized organizations, "meaning that the authority of individuals and teams is enhanced."[20] Decentralization has become more prevalent due to globalization. Palanithurai and Ramesh observed, "Decentralization is the direct and faster route to address the issues that globalization brings about."[21] Reducing the layers of a hierarchy and replacing it with a flatter, decentralized structure tends to increase information flow and improve communication.[22] "Decentralization increases not only the productivity of groups in performing complex tasks that require much communication, but also member satisfaction and perceptions of group potency."[23]

"Globalization and a rapidly evolving workforce is redefining how we think about competence, creativity, productivity, and the structuring of organizations."[24] Organizations are casting aside excess baggage and becoming flatter, which is a strategic choice.[25] Flat organizations incorporate the collective will of the employees rather than the will of governing managers in the upper levels of the hierarchy. "In flat structures, all members participate in decision-making, perhaps as individuals, or in groups through voting and committees."[26]

Globalization has turned the world into what Campo referred to as a *tossed salad.*[27] That is, the world is more than just a mixture of personalities and cultures where individuality is lost in the blend. Rather, it is a cohesive combination of diverse cultures, economies, and ideologies existing simultaneously on the world stage. "[Globalization] is a complex, self-generative force that emanates from many sources and extends to every corner of the planet."[28] It involves changing demographics and a workforce with new abilities, skills, and capacities. Organizations have responded to globalization by restructuring—eliminating hierarchal levels, flattening the traditional pyramid, and embracing non-traditional ways of doing business. However, we must ask, will the pyramid ever be completely flat? Will the hierarchy ever be placed in the trash heap? Some organizations are in the process of trying to make that happen.

A Structure by Any Other Name

The age-old argument that nothing is in fact something is applicable to organizational structure. Can an organization exist without structure, and if it does exist, does its existence alone indeed connote a structure regardless of its name, shape, or size? One organization has been without a hierarchy or a contemporary structure since its inception. The Valve Corporation in Bellevue, Washington has no bosses, no hierarchy of which to speak.[29] Essentially it exists without a structure.

> At Valve, there are no promotions, only new projects. To help decide pay, employees rank their peers—but not themselves—voting on who they think creates the most value. Any employee can participate in hiring decisions, which are usually made by teams. Firings, while relatively rare, work the same way: teams decide together if someone isn't working out.[30]

Valve Corporation is not alone. Headquartered in Woodland, California, Morning Star is the world's largest tomato processor. Their mission is to "create a company in which all team members will be self-managing professionals, initiating communications and the coordination of their activities with fellow colleagues, customers, suppliers, and fellow industry participants, absent directives from others."[31] W. L. Gore and Associates is another example of an organization that rebels against traditional structure. Gore "is organized as a loose network of employees responsible to each other and their projects but lacking job titles."[32]

Although the aforementioned organizations lack a traditional structure and are essentially flat in comparison to their contemporary counterparts, I must again return to the question of whether the lack of a formal structure invariably constitutes *a* structure. Philosophically speaking, we could ask, if someone builds an organization but denies its structure, is it still an organization? In response to this quandary, I am reminded of the lyrics to an 80's song, *Free Will,* that state, "If you choose not to decide, you still have made a choice."[33] If organizations shy away from traditional structures and fail to identify or name what structure they do have, that is certainly their business. However, making such a choice does not negate the existence of a structure.

In his book, *Flatland,* Abbott describes a world in which dimensions do not exist. Shapes move "on or in the surface, but without the power of rising above or sinking below it."[34] Throughout his work, Abbott describes life without dimensions and how differently the world functions due to the absence of dimensions. Yet, for all its grandiose and clever thought, the author admits that a line on a piece of paper at a microscopic level has a degree of dimension. That is, it has height and depth in addition to its single width. Therefore, even though he creatively demonstrated what the world would look like in a single dimension, Abbott nevertheless affirmed the existence of three dimensions, no matter how minute the scale.

The same can be said of organizational structure. No matter to what degree or how few levels it may have, organizations possess some form of structure. Hamel concluded, "Structures need to appear and disappear based on the forces that are acting on the organization. When people are free to act, they're able to sense those forces and act in ways that fit best with reality."[35] The advent of globalization lends credence to Hamel's words as organizations have changed structure and adapted designs conducive to successful business practices in the global economy.

The Future of Organizational Structure

Hierarchies have reigned supreme for centuries. It is difficult to imagine they will be quickly relegated to the recycle bin in place of a flatter, decentralized structure. Yet, it is clear that globalization is impacting organizations and their design. As cultural boundaries are bridged and a new generation enters the workforce, organizations can expect more change.

In addition to globalization, another factor that must be examined is the changing demographic of the workforce, particularly the different generations in the workforce. "Generation Y make up a major portion of current workers, and will constitute most of the full-time workforce by 2020 as the Boomers retire."[36] This is a major change in technological skill and ability. Specifically, Generation Y workers "are more adaptable, confident, able to multi-task and technologically savvy."[37] As Baby Boomers retire and younger people enter the workforce, different expectations exist, which means organizations will have to adapt in order to be successful. This includes amending or revising current structural designs to fit the changing demographic needs of the workforce.

Pixar Animation Studio embodies what a future organizational structure might look like. There's no denying the success of the studio, which produced the blockbuster hit, *Toy Story* and its two sequels. Pixar is a loosely structured organization, and that is putting it mildly. A few rules apply to their structure. The first rule is "'no studio executives.' Pixar is run by creative artists, or as [director] Andrew Stanton called it, 'film school without the teachers.'"[38] The creativity is not limited to artists and directors. "Everyone from janitors to auditors is encouraged to submit ideas, and all ideas are considered."[39] There is an open flow of communication reminiscent of decentralized organizations.

Perhaps organizations of the future will focus less on structure and more on flexibility, such as a networked organization, which "offers a way to design work and working relationships along both axis of structure and processes that will meet the needs of the work to be accomplished in the most effective and efficient manner."[40] Networked organizations provide flexibility and the development of lateral relationships across the organization. This fosters an environment of integration.[41]

Virtual organizations are another possibility. "Current trends indicate that companies of the future will become organizations with fluid boundaries, where even large companies may be confederations of smaller ones that constantly interchange with one another."[42] The economic challenges have caused some organizations to "outsource a number of organizational functions, replacing traditional structure with an interorganizational [sic] network or virtual organization."[43] Technology has made the world a smaller place, and globalization has connected economies across the globe. Economics is a prime mover driving globalization.[44] As such, the use of a virtual organization expedites action while minimizing cost. "The virtual organization's structure enhances flexibility by supporting management's ability to respond quickly—and cheaply—to changed circumstances."[45] The organizational structure of the future may well not exist outside of cyberspace.

Conclusion

Structure is the sine qua non of organizations. It determines who does what, how authority is distributed, and how decisions are made. An organization's structure is the computer equivalent of the kernel, the epicenter of action and decision. Although they are not without their shortcomings, hierarchies have been predominant throughout history and have served organizations well. Today, the majority of organizations operate with some form of hierarchical structure whether identified as such or not. A few lone organizations have successfully broken

with tradition and implemented alternative structures in which titles and levels do not exist. They have entered uncharted territory in the global economy and paved the way for other organizations to follow.

The addition of Generation Y to the global workforce presents new challenges for organizations, which must adapt their design to meet the needs and expectations of a new generation of workers who possess skills, knowledge, and abilities that far exceed those of previous generations. Organizations have responded to globalization and the rise of virtual organizations by flattening their organizations and adopting new forms of structure. Although organizations have attempted to eschew structure in any form in the name of progress and expediency, they invariably develop an operational format that allows work to get done and for decisions to be made. This alone infers a structure does, in fact, exist. While organizations may not necessarily need structure, they certainly find a way to create and implement one regardless of its name or the academic theory under which it falls.

The title of this article is inspired from a line in the movie, *Blazing Saddles,* in which would-be deputies assert they do not need badges to do their job. After all, the badge is merely a symbol of the law, which exists without the presence of a badge. Well, it might exist without the presence of a badge, but when the bullets start flying, a badge helps tell the good guys from the bad guys. In other words, it provides identification and serves as a symbol of the law. We may not need organizational structure, but as this article has demonstrated, it does have its advantages. And for the foreseeable future, it's here to stay in one form or another.

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Seeing Clearly – The First Tool for Leadership/Organizational Creativity

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Leadership scholars and practitioners postulate that creativity is increasingly essential for survival. However, this paper proposes that before becoming creative, it is essential for leadership within an organization, and the organization as a whole, to "see clearly." This paper exposes the reader to reasons why leaders need to see clearly and it provides six techniques for doing so: resolving to see; taking a holistic, system-level view; seeking contributions of the entire enterprise; varying perspective; remembering the "OODA Loop"; investing in employee training; and being proactive. Seeing clearly will assist leaders as they contemplate becoming more creative while remaining coordinated and concerted with their present efforts.

And Jesus said, "Why do you look at the speck of sawdust in your brother's eye and pay no attention to the plank in your own eye?...You hypocrite, first take the plank out of your own eye and then you will see clearly to remove the speck from your brother's eye" (NIV, Matt 7:3, 5).

Leadership scholars and practitioners postulate that creativity is increasingly essential for survival. "Creativity is a component [of innovation] that enhances the ability of organizations to retain their competitive advantage as well as to stay ahead of their competitors"(Parjanen, 2012, p. 109). Creativity is the ability to ponder the endless possibilities in a changing world with something fresh and new. "Creativity is seen by most experts in the field as the process of developing ideas that are both novel and useful" (Burkus, 2014, p. 5). Creativity requires the ability to see clearly what now exists and posture what may occur in the future. Creativity is "idea generation (ideation)" (Denti & Hemlin, 2012, p. 1240007-1), as contrasted with innovation, which is the implementation of ideas. However, before beginning to become creative, this paper postures that it is essential for leadership within an organization, and the organization as a whole, to "see clearly." This will require removing some "planks."

Northouse (2010) describes leadership as "a process whereby an individual influences a group of individuals to achieve a common goal" (p. 3). By leadership, this paper does not merely refer to the CEO or president, but rather, anyone who is in a leadership role, whether that role is assigned or emergent. "Leadership that is based upon occupying a position is called assigned leadership…when others perceive an individual as the most influential person, regardless of title, the person is exhibiting emergent leadership" (Northouse, 2010, p. 6). Also within this paper, "[leadership] is a function of action" (Black, Morrison, & Gregersen, 1999, p. x).

The word organization "stems from the ancient Greek word *organon*, meaning a tool or instrument: something with which one works" (Morgan, 2006, p. 277). Toffler (1971) has this to say about organizations: "An organization is nothing more than a collection of human objectives, expectations, and obligations. It is…a structure of roles filled by humans" (p. 127). This ability to view the organization as a collection of individuals with a purpose is key to seeing clearly, and worthy of restating: "an organization is a collection of individuals, whose members may change over time, forming a coordinated system of specialized activities for the purpose of achieving certain goals over some extended period of time" (Hitt, Miller, & Colella, 2009, p. 9).

Why Do We Need to See Clearly?

"God knows that when you eat from it your eyes will be opened…when the woman saw that the fruit of the tree was good for food and pleasing to the eye, and also desirable for gaining wisdom, she took some, and ate it. She also gave some to her husband" (NIV, Gen 3:5-6)

Having one's "eyes opened" with the inherent ability to see in a clear and discerning manner has its roots in the earliest discussions of mankind, as in the Genesis example above. Due to how we have evolved, and how paradigms have changed as we progressed from agrarian to industrial, to post-industrial, we also need to refocus our eyes and remove "planks" so that we might see more clearly. "If agriculture is the first stage of economic development and industrialism the second, we can see that still another stage has suddenly been reached" (Toffler, 1971, p. 14). What are those "planks" and how did they form? If we can agree that we are indeed moving (or have moved) from an industrial to a post-industrial world, our discussion will focus along that seam.

Basics of the Industrial Age

The emergence of the factory system during the Industrial Revolution posed problems that earlier organizations had not encountered. Work was performed on a much larger scale by a larger number of workers, and required maximum efficiency, leading to hierarchical, bureaucratic organizations (Daft, 2010, p. 23). The factory required standardization from its workforce, not necessarily innovation. On the production line, the essence is moving parts along to complete the task. "This paradigm required size, role clarity, specialization and control. This has given way to speed, flexibility, integration, and innovation" (Ashkenas, Ulruch, Jick, & Kerr, 2002, p. 6).

Post-Industrial/Information Age

The post-industrial age has been called many terms. For example, some see it as the age of information. Regardless of the name, "two fundamental forces have shaped the world society: the electronic information revolution and global economic interdependence" (Rosen, Digh,

Singer, Philips, & Phillips, 2000, p. 10). These two fundamental forces, can be further subdivided into "technology, travel, trade, and television" (Marquardt & Berger, 2000, p. 3), forming a global interconnectedness, unprecedented in preceding years.

Huntington calls our present state "sheer chaos" (Huntington, 1996, p. 35), but not from the standpoint of a lack of order. We see evidence of this chaos reflected in changes regarding the impacts of nation-states to smaller groupings. Additionally, corporations are increasingly global, expanding beyond national borders. For example, for decades, the United States and the Soviet Union were diametrically opposed, with each deterring the other from warfare. Yet, in 2001, a small group known as Al Qaeda launched an attack directly on the United States, and we find ourselves battling them ever since. "Chaos, complexity, and change are everywhere" (Sanders, 1998, p. 4), not just in the example above. The music industry provides a good example of the rapidity with which change is happening. Within less than one lifetime, recorded music has gone from reel-to-reel tapes, to vinyl records, to 8-tracks, cassettes, MP3 players, CDs and now cloud computing. This information age displays intense global competition, rapid and nearly constant change, and transformative technological developments, as well as cultural and societal issues.

How do Planks Form?

As we have progressed from the industrial to the post-industrial era, we have not necessarily advanced our organizational models. Dr. Martin Luther King, Jr. once stated:

> When we look at modern man, we have to face the fact that modern man suffers from a kind of poverty of the spirit, which stands in glaring contrast with a scientific and technological abundance. We've learned to fly the air as birds, we've learned to swim the seas as fish, yet we haven't learned to walk the Earth as brothers and sisters. (Kerber, 2007)

The same could be stated for many organizations and the models they follow. There must be an understanding that "leaders and followers form an action circle around a common purpose" (Chaleff, 2009, p. 2). This would allow all within the organization to clearly see where the organization is headed, and make contributions to getting to that destination. Recalling the Genesis story, opening of the eyes can be likened to achieving wisdom, which is also necessary from creativity, and lacking wisdom would indeed be another plank.

> Sternberg...argued that creativity should be observed in relation to wisdom, [which] is not just about maximizing one's own self interest, but balancing intrapersonal, interpersonal, and extrapersonal such as one's city, country, environment, or God...although wise thinking must be creative, creative thinking need not be wise. (Mrnarevic, 2011, p. 13)

Children are born creative with eyes and their other senses attuned to their surroundings, picking up the behaviors and social and cultural traditions the environment offers. We find that it aids in their creative ability, creating fertile imaginations. However, in our post-industrial world, "our education system is [still] predicated on the idea of academic ability, and there's a reason. The whole system was invented – around the world, there were no public systems of education, really, before the 19th century. They all came into being to meet the needs of industrialism" (Robinson, 2006). Thus, there needs to be a reinvention of the educational system to facilitate

clearly seeing in this new world. Senge (2006) quotes Deming as stating, "we will never transform the prevailing system of management without transforming our prevailing system of education. They are the same system" (p. xiii). "From a very early age we are taught to break apart problems, to fragment the world [and what we are seeing or experiencing]. When we then try to see the big picture we try to reassemble the fragments in our minds" (Senge, 2006, p. 3). As a metaphor to aid in understanding, could a snowstorm be defined by studying the individual flakes? This would be a futile, non-productive effort. We need the ability to see the entire storm to understand what is happening. Likewise, we could not describe a completed jigsaw puzzle by examining one piece, or even a few pieces grouped together. We need an understanding of the complete picture to even have a prayer of putting the puzzle pieces together!

How Do We See Clearly?

"So give your servant a discerning heart to govern your people and to distinguish between right and wrong. So God said to him [Solomon]…I will do what you have asked. I will give you a wise and discerning heart" (NIV, 1Kings 3:9-12)

Resolve for yourself to "see." "Organizations should never outsource their eyeballs," (Oster, 2011, p. 126) while removing the planks from their eyes. What does that mean? For one, it requires eliminating bias. We also need to be wisely discerning. "By looking in the mirror and seeing ourselves both as we see ourselves, and as others see us, we have an opportunity to [imagine] powerful new possibilities" (Morgan, 2006, p. 26). We also need an understanding of others: "Leaders who respect others also allow them to be themselves, with creative wants and desires...they approach other people with a sense of their unconditional worth and valuable individual differences" (Northouse, 2010, p. 387). The global environment is one that contains many cultures with varying worldviews. "Culture roots and anchors us" (Rosen et al., 2000, p. 33). As businesses seek to engage on the world stage, they must be attuned to those views, roots, and anchors, or they will fail.

Take a Holistic, System-View. A learning organization is one that includes systems thinking, personal mastery, mental models, shared visions, and team learning, but "systems thinking is the discipline that integrates the [other] disciplines, fusing them together into a coherent body of theory and practice" (Senge, 2006, pp. 11-12). Systems thinking allows us to "see disabilities more clearly—for they are often lost amid the bluster of day-to-day activities" (Senge, 2006, p. 26). As we have learned to view the world and organizations from an industrial age mindset, we must now view them from a holistic system lens, putting pieces back together to examine the entire storm not merely each individual flake. For example, Edison did not merely bring forward a lamp, but realized "it would require efficient electrical generations, wiring, metered distribution, sockets...all of these separate parts...for one machine" (Utterback, 1996, p. 61). "We live in a world made up of nonlinear dynamical systems" (Sanders, 1998, p. 70), and they need to be viewed in that manner. This is a holistic approach, which takes an innovative vision to a new and larger dimension.

Everyone contributes to the organization's awareness and health. "At the time of writing the Declaration of Independence, its author, Thomas Jefferson was in a follower role. He was a junior member of the committee and was assigned the task by John Adams and Benjamin

Franklin" (Yukl, 2010, p. 139). But he saw clearly what needed to be done and took action. Within organizations, if everyone is seeing clearly, creativity can occur from any rank within.

Varying one's perspective is a practical approach to seeing clearly by "restating a problem many different ways, and diagramming, mapping and drawing a problem" (Michalko, 2001, p. 17). This concurs with the fifth of Covey's *Seven Habits*: "Seek first to understand then to be understood" (Covey, 1989). The leader is not only responsible to see clearly, but also must help others to do likewise, providing others with the same sight picture. It "must make sense to others [and] must be understandable" (Handy, 1989, pp. 134-135). Diversity of thought helps the organization to change perspective, and should be encouraged. Diversity should be "sought across boundaries, and at all levels, [with the] call for a new culture of leadership that shapes horizontal, non-hierarchical relationships without relying on formal power and control" (Deiser, 2011, p. 18).

Remember the OODA Loop. Seeing clearly is also the first of four steps in John Boyd's "OODA Loop." This approach grew out of a military view of how to combat an adversary, either as an individual or as a strategic plan, but it is also applicable in the business arena. "OODA" means: "observation, orientation, decision, and action" (Hammonds, 2002). The first step, germane to this discussion, is to observe, or in the vernacular of this paper, to see clearly. Being able to see clearly facilitates our ability to apply speed, flexibility, integration, and innovation to whatever challenges arise. As was stated previously, it is not solely the leader's responsibility to observe, which enhances the ability of the organization to be creative. "Every organization wanting to stay competitive in an innovation-driven economy needs creativity from every one of its people" (Burkus, 2014, p. 48). To have unity of purpose, the organization needs unity in what is being observed or seen, as well as the way ahead. While doing so, understand that observation takes time. "Learning to see slow, gradual processes requires slowing down our frenetic pace and paying attention to the subtle as well as the dramatic" (Senge, 2006, p. 23).

Employee training is an area that inspires seeing clearly as it demonstrates the desire for everyone to take responsibility and become involved. It also combats whatever negative effects arose from the educational system, as previously mentioned. "When you share responsibility with [leadership training] teams, it really gets people thinking about ownership" (Marquardt & Berger, 2000, p. 88). As the teams are trained, and as they take on ownership, conditions are ripe for creativity. "Under the right conditions, everyone can generate great ideas" (Burkus, 2014, p. 11). Moreover, it is not necessarily "experts" who will provide those fresh ideas, as they may have "planks" in their eyes: "People who solve tough problems often come from the edge of a domain. They have enough knowledge to understand the problem, but don't have a fixed method of thinking" (Burkus, 2014, p. 85). This avoids "what [Harvard's Chris] Argyris calls skilled incompetence—teams full of people who are incredibly proficient at keeping themselves from learning" (Senge, 2006, p. 25).

Being **truly proactive**, which "comes from seeing how we contribute to our own problems…all too often proactiveness is reactiveness in disguise" (Senge, 2006, p. 21). Gryskiewicz (1999) tells the story of a Japanese fishing villager who, unlike his neighbors, built his home facing the direction of the perennial tsunamis. By doing so, he was able to see clearly what was going on in the surrounding environment, and acting upon true knowledge, take steps to survive the next

event. "He could not take control of the sea but he managed his responses to it in the most effective ways" (Gryskiewicz, 1999, p. xix).

Conclusion

To see clearly, one should take a bite out of the apple of resolving for oneself that they will and can see, while striving for a holistic, system-level view. Engage with all within the organization to help them clearly see. This will require some training programs as well as time. The followers and the leader did not become "blind" overnight. Leaders should realize that even the lowliest of followers might have the creative idea that leads to organizational success. Finally, leaders should remember to observe, both inside and outside the organization, to include what may seem to be unrelated fields. They may just supply the prescription the leader and the organization need to succeed in a changing world, with something fresh and new.

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