



Strategic Leadership: Leading & Managing Change

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Agenda



- **Prerequisites for Effective Change Process**
 - **Leader Influence Processes**
 - **Systems Thinking**
 - **Strategic Capacity**
- **The Influence of Organizational Culture**
- **Instituting Meaningful Change**
 - **Change within groups/teams**

To improve is to change; to be perfect is to change often.
Winston Churchill



Organizational Axioms



- Large organizations need formal processes
...They don't have to *use* them
- Personalities matter more than org charts
- The willingness to change (usually) varies inversely with the organization's current financial health or mission success
- Individual effectiveness depends on one's ability to
 - learn quickly
 - work with people who are different (abilities, aptitudes, backgrounds)
 - understand/adapt to the culture of one's organization (*Before* changing it)
 - demonstrate "value added" to the office/role



Assumptions



- **Leaders have significant effects on the competitive advantage of organizations.**
- **Leader Development remains the fundamental challenge for virtually all large-scale organizations.**
- **The development of leaders at all levels becomes the long-term top priority of any organization that depends on competitive advantage for survival.**
- ***Art and Science* inform leader development strategies. (I will focus primarily on science)**
- **Performance ~ Fn (Ability, Motivation, Climate)**



Leadership Definitions



A Military Perspective: *Leadership is the process of influencing people by providing purpose, direction, and motivation while operating to accomplish the mission and improving the organization.*

(Army Leadership Manual, FM 6-22, 2006)

An Academic Perspective: *The essence of organizational leadership [is] the influential increment over and above mechanical compliance with the routine directives of the organization.*

(Katz and Kahn, The Social Psychology of Organizations, 1976)

A Political Perspective: *If your actions inspire others to dream more, learn more, do more and become more, you are a leader.*

(John Quincy Adams, 6th US President)

A Business Perspective: *Leadership: the art of mobilizing others to want to struggle for shared aspirations.*

(Kouzes & Posner, The Leadership Challenge, 1995)



Power and Influence



PERSON IN A POSITION
OF AUTHORITY

LEADER

**Bases
of
Power**

POSITIONAL

Legitimate

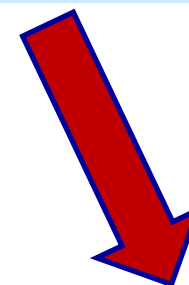
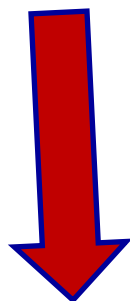
Reward

Coercive

PERSONAL

Expert

Referent



Resistance

Compliance

Identification

Internalization

**Outcomes
of
Influence**

Where is *your* focus?



Motivation for Power



What do you hope to achieve?

Personalized Power – a desire to use influence for personal benefit

Socialized Power – a desire to use influence for others' (individual or organizational) benefit

NOTE: Considered to be *independent* constructs – and they can sometimes be in conflict.



Interaction/Examples



| | | |
|--------------------------|---|--|
| High Personalized | Self-actualization is personal accumulation of wealth and/or power. Sacrifices organization for self (Bernie Madoff) | Self-actualization results from a balance of self and others' achievements. How much is enough? |
| Low Personalized | Probably not a leader | Self-actualization is achievement of others. Sacrifices self for the organization (Mother Teresa) |
| | Low Socialized | High Socialized |

It might be that, at the strategic level, socialized power must overshadow personalized power so that you are willing (have the moral courage) to make personally risky assertions/decisions that benefit the larger organization.



20+

STRATEGIES

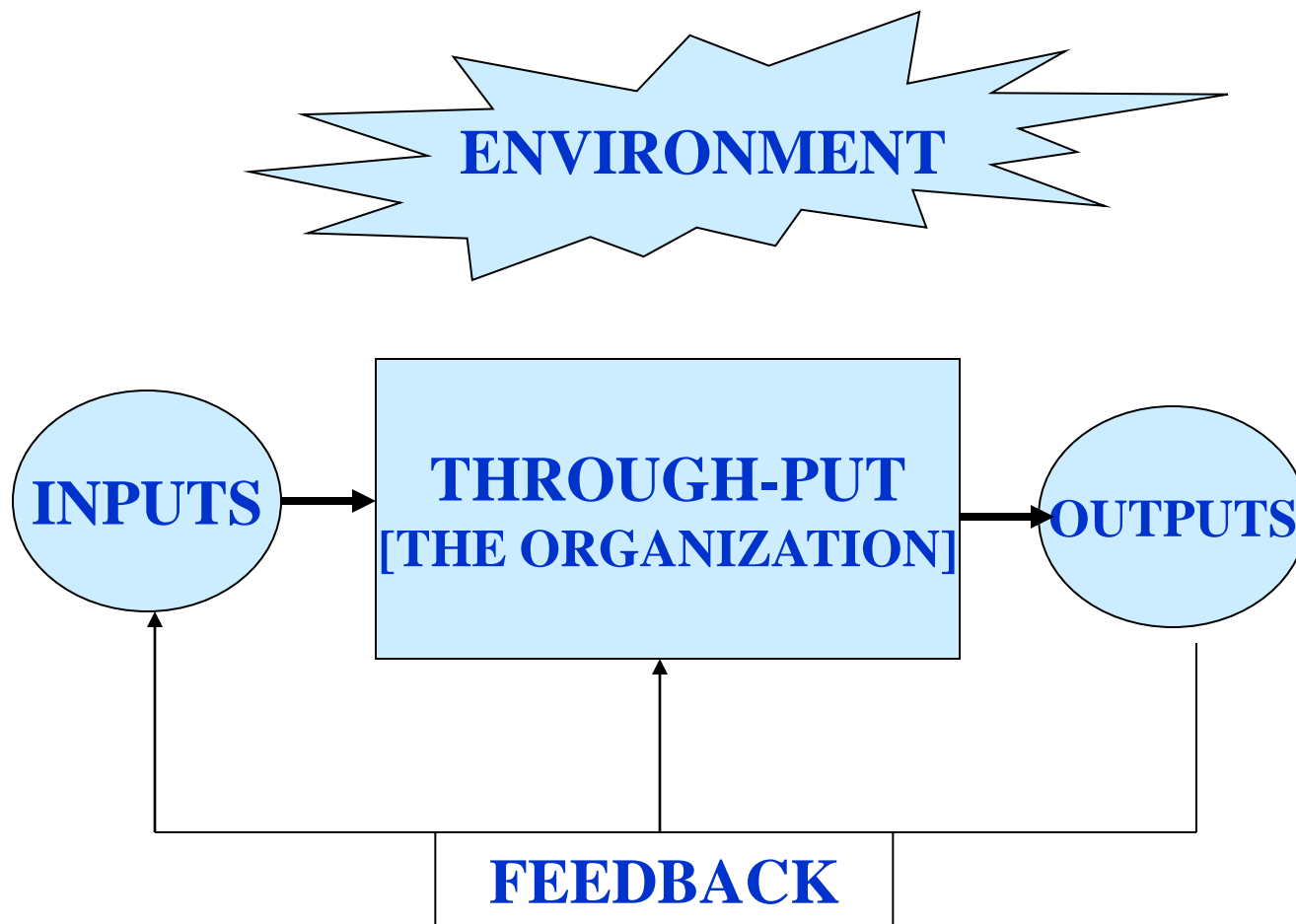
UNCERTAINTY

LOW

HIGH

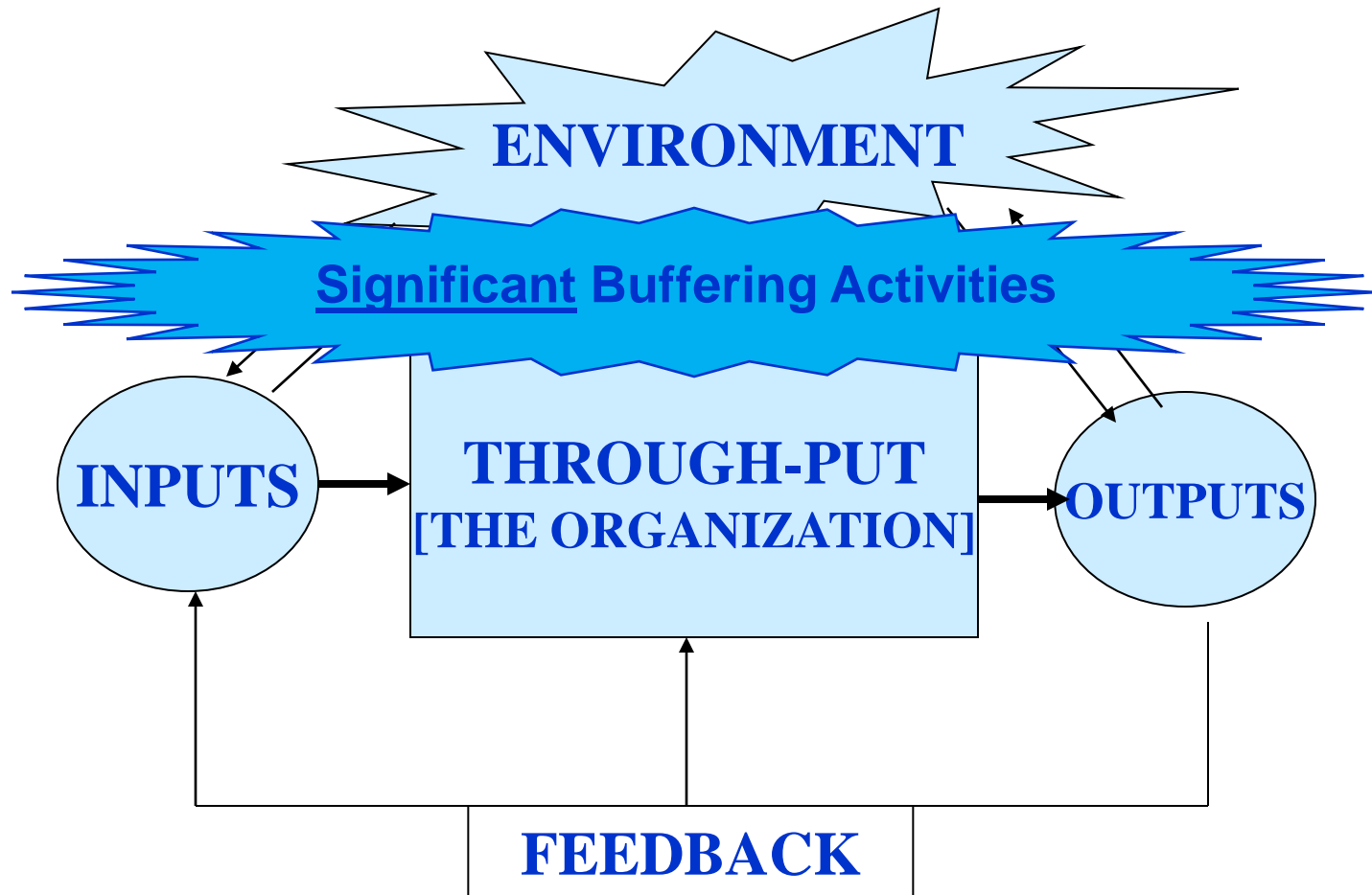


A “System”



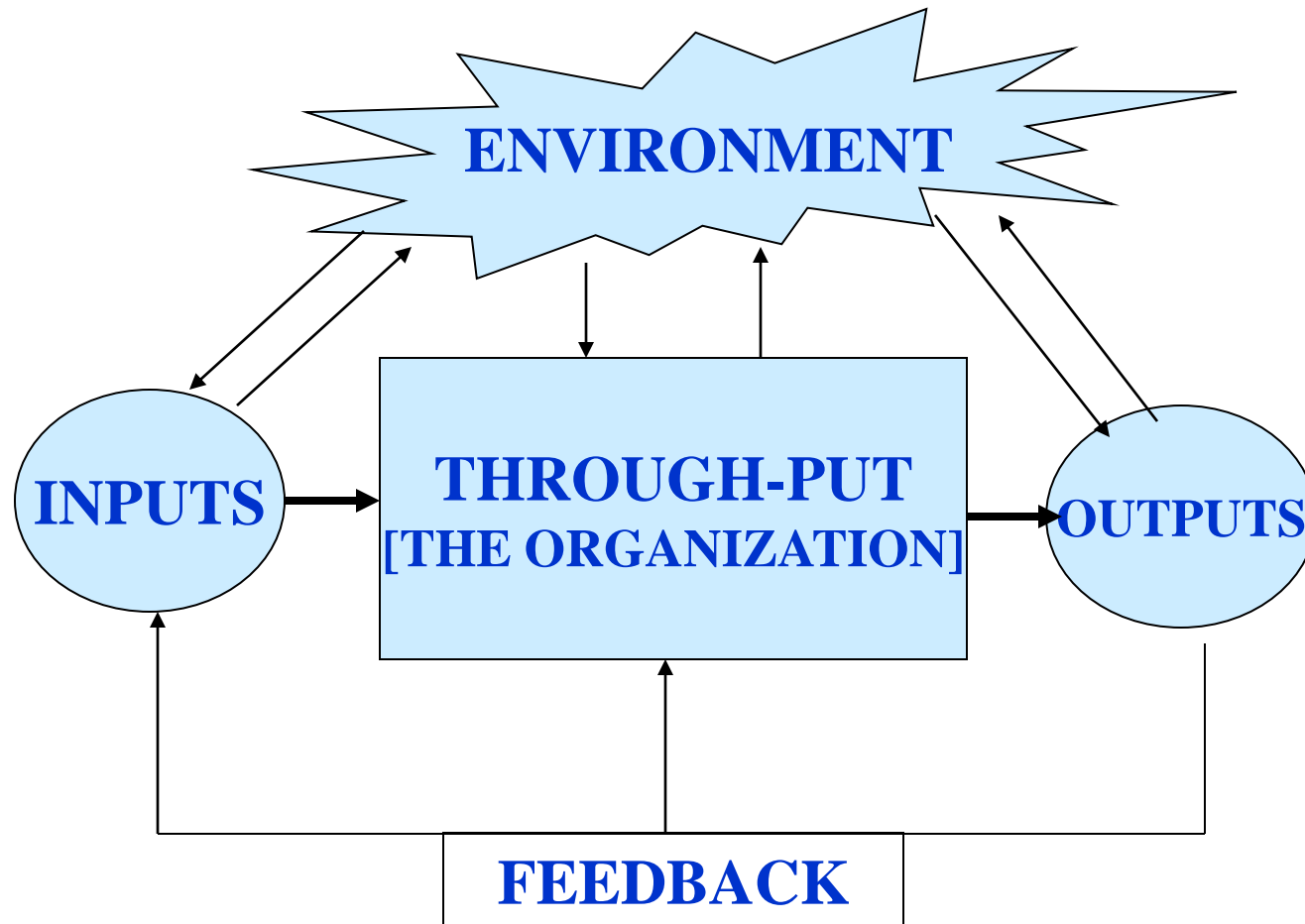


A “Closed System”





An “Open System”





A “Strategic System”





Systems Thinking



Seeing the whole, not just the parts

Understanding interrelationships

Understanding dynamic processes

Mastering indirect effects

Applying rigorous logic where possible

Understanding where logic does not apply





Laws of the 5th Discipline

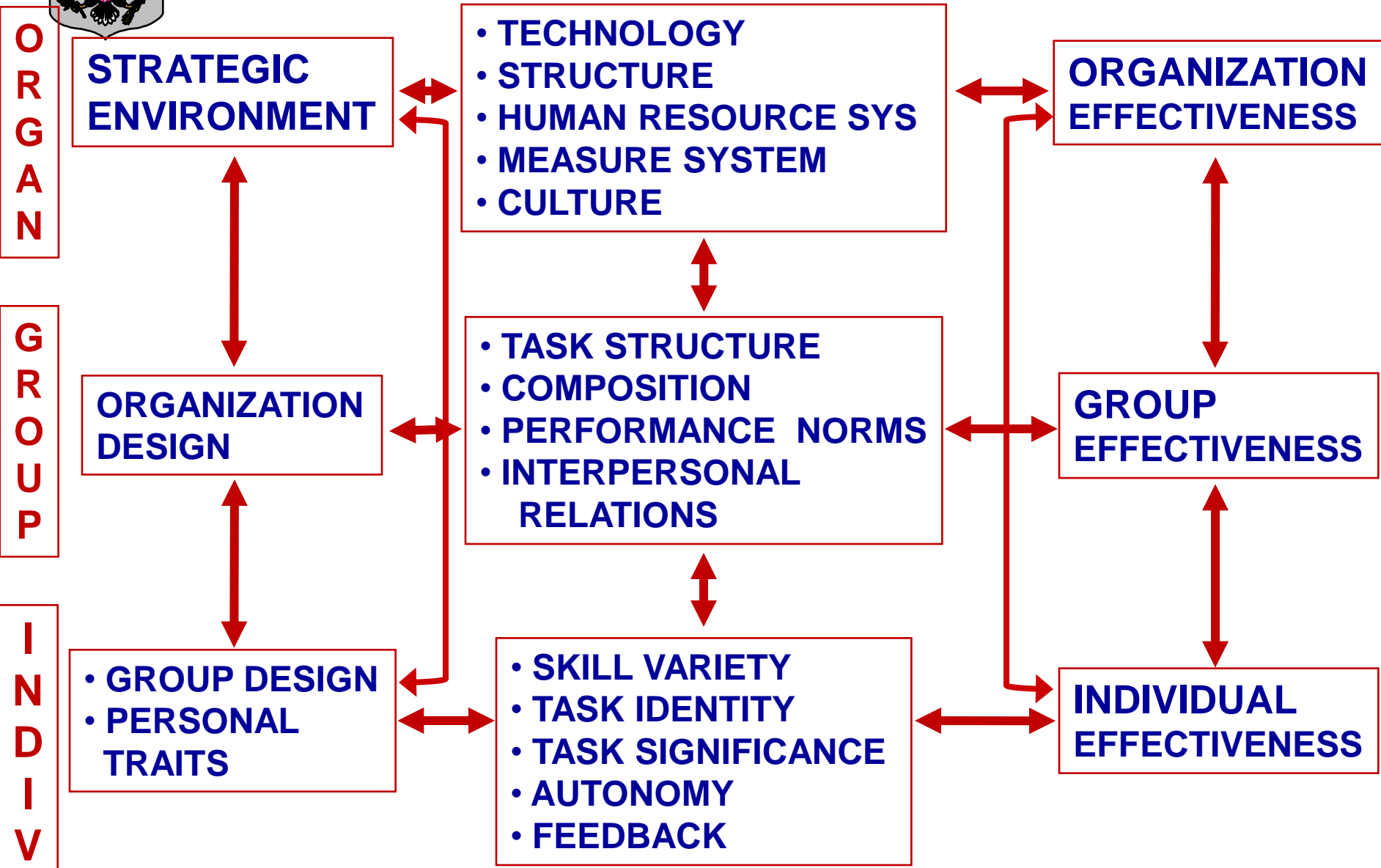


Based on the work of Peter Senge, The Fifth Discipline (1990/2006)

- Today's problems come from yesterday's solutions.
- The harder you push, the harder the system pushes back.
- Behavior grows better before it grows worst.
- The easy way out usually leads back in.
- The cure can be worst than the disease.
- Faster is slower.
- Cause and effect are not closely related in time and space.
- Small changes can produce big results— but the areas of highest leverage are often the least obvious.
- You can have your cake and eat it too, but not at once.
- Dividing an elephant in half does not produce two small elephants.
- There is no blame.



Interdependent Levels

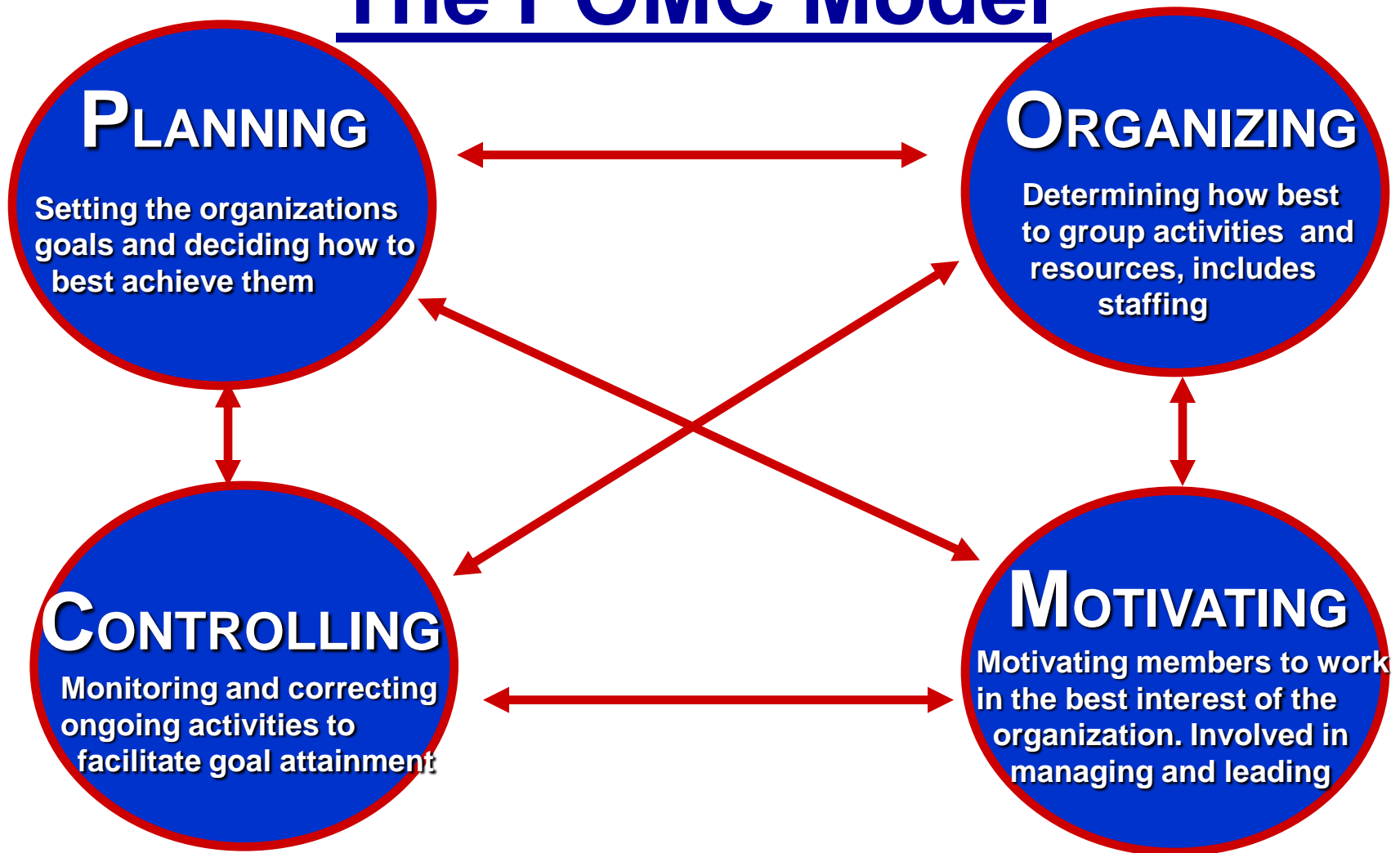




Interdependent Processes

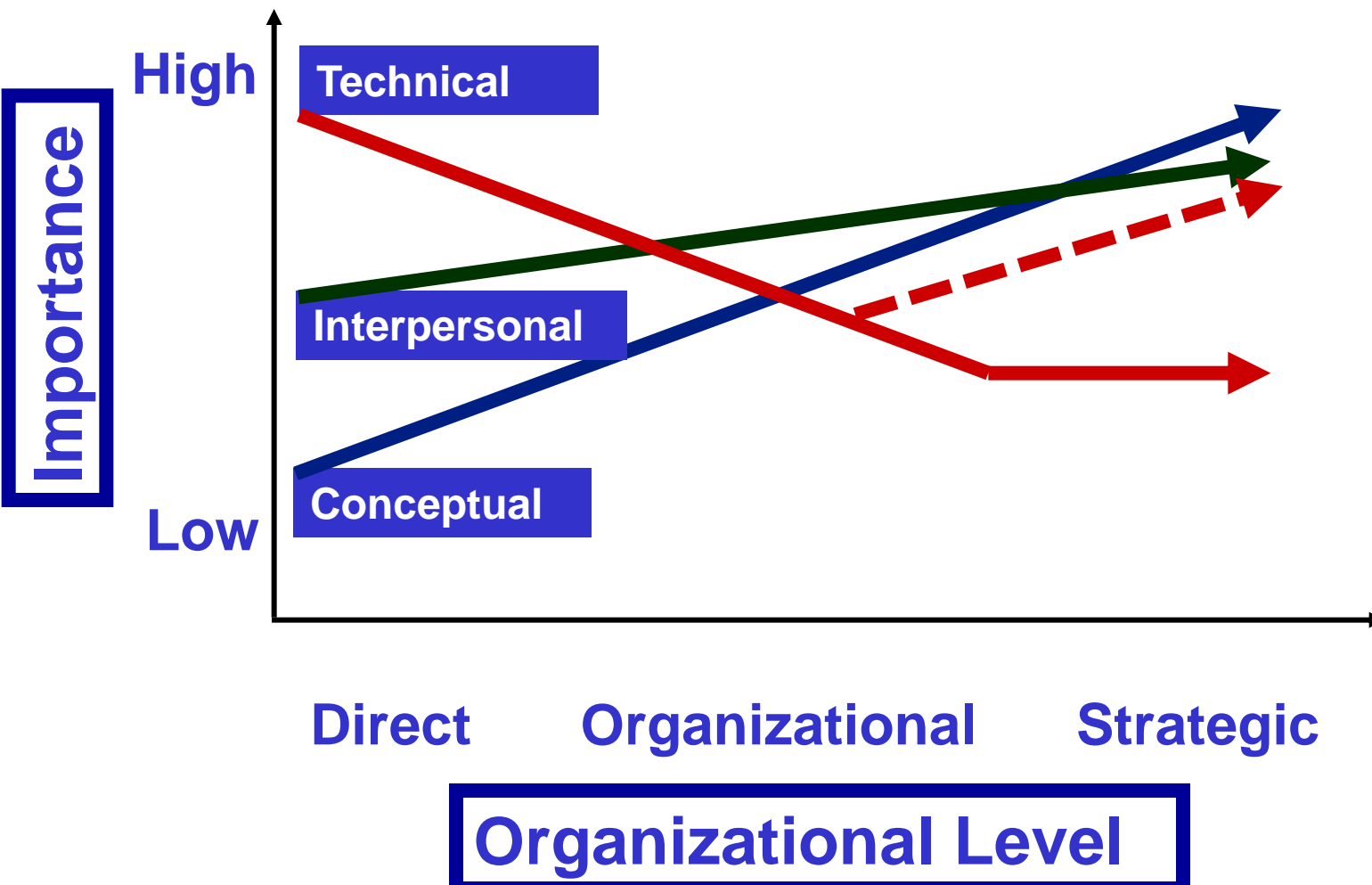


The POMC Model





Required Competencies





Strategic Capacity

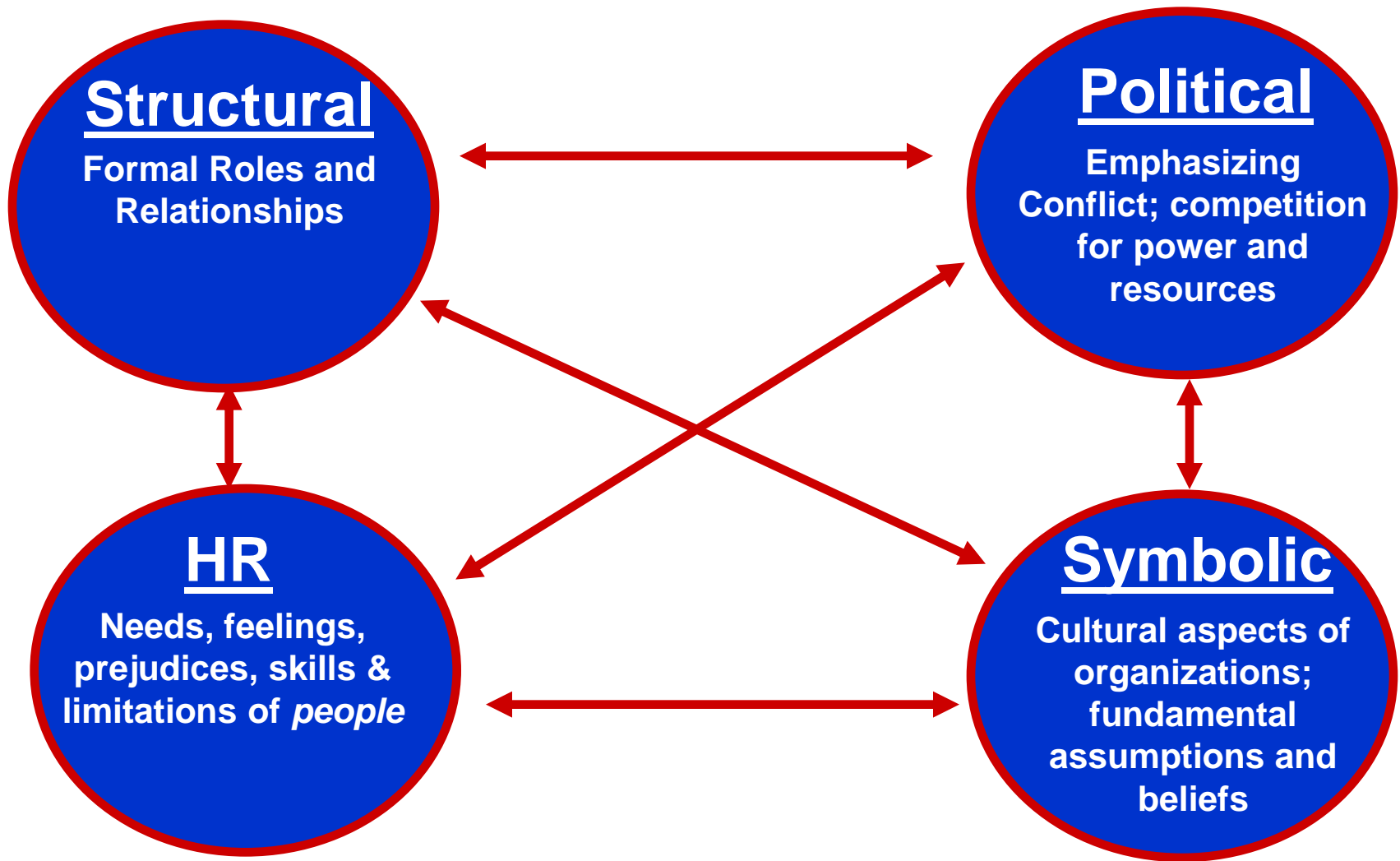


- What is it?
- Why is it necessary?
- Can we develop it?





Interdependent Frames





Strategic Leadership



The process used by a leader to effect the achievement of a desirable and clearly understood **vision** by influencing the organizational **culture**, **allocating resources**, **directing through policy and directive**, and **building consensus** within a **volatile, uncertain, complex**, and **ambiguous** global environment which is marked by opportunities and threats



Vision



- “Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future.”

John Kotter, 1996

- “At its simplest level, a shared vision is the answer to the question, “What do we want to create?”

Peter Senge, 1990

- “A vision is an articulation of a future state, a statement of being that codifies the essence of the organizational purpose in a way that bridges both the old and the new”

Gordon Sullivan, 1995

- “A leader-focused activity that gives a sense of identity, purpose, direction, and energy.”

Strategic Leadership Primer, 2010



Why Vision is Essential*



Vision refers to a *picture* of the future with some implicit or explicit commentary on why people strive to create that future. In a change process, a good vision serves three important purposes:

- Clarifies the general direction for change,
- Motivates people to take action in the right direction, and
- Helps coordinate actions of different people in a remarkably fast and efficient way.



Practical Advice



- **Written in leader's own words**
- **Integrates a mental “picture”**
- **Expresses the contribution we want to make, not what others will say about us.**
- **Fits the culture**
 - **Relative and credible**
 - **Offers everyone a stake in the outcome**
- **Worthy of the effort--a great cause**
- **Provides guidance for decisions & actions**
- **Inspires people into action**
 - **Integrates personal and organizational purposes**
- **Builds a bridge to the future**



Vision & Strategy



Consider this exchange from Alice in Wonderland

Alice said to Cheshire Cat, *"Would you tell me, please, which way I ought to go from here?"*

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where-" said Alice.

"Then it doesn't matter which way you go," said the Cat.



A Strategy “Model”*



To ensure national security, the three “legs” of National Security Strategy must not only exist, they must be balanced.



*Yarger, H.R. (2006). Strategic Theory for the 21st Century: The Little Book on Big Strategy, Strategic Studies Institute, US Army War College



Components of Strategy



Ends are the strategic outcomes or end states desired.

Ways are the methods, tactics, and procedures, practices, and plans to achieve the ends.

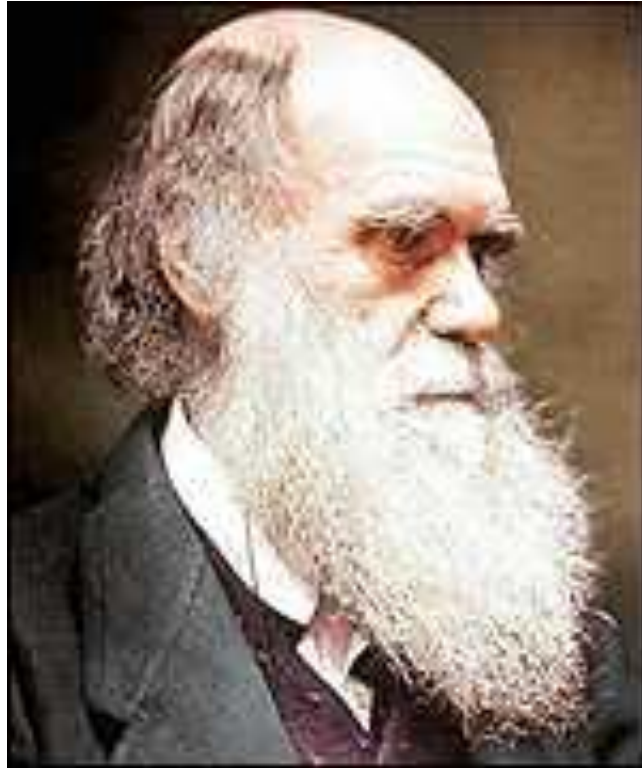
Means are the resources required to achieve the ends, such as troops, weapons systems, money, political will, and time.

The model requires that strategic leaders balance:

- what they want with what they are willing and able to pay for , or
- what they can get for what they are willing and able to pay.



The Necessity for Change



“It is neither the strongest of the species that survive nor the most intelligent but the one most responsive to change.”

***Charles Darwin
British Naturalist***



Components of Change



➤ CONCEPTUAL FRAMEWORK

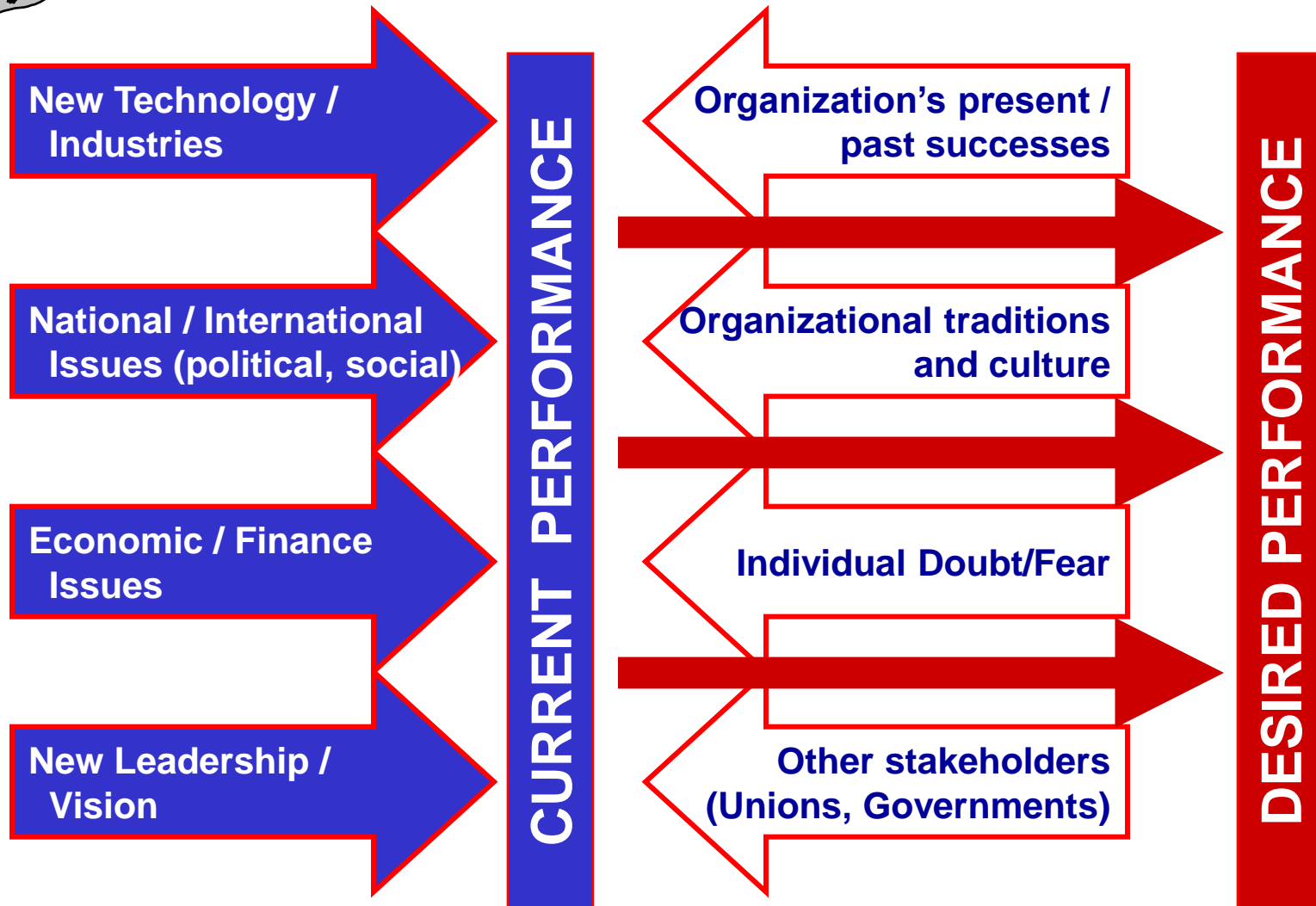
What to change?

➤ EXECUTION FRAMEWORK

The process for instituting change!



Dynamics of Change



** Adapted from Kurt Lewin Model*



Meaningful Change

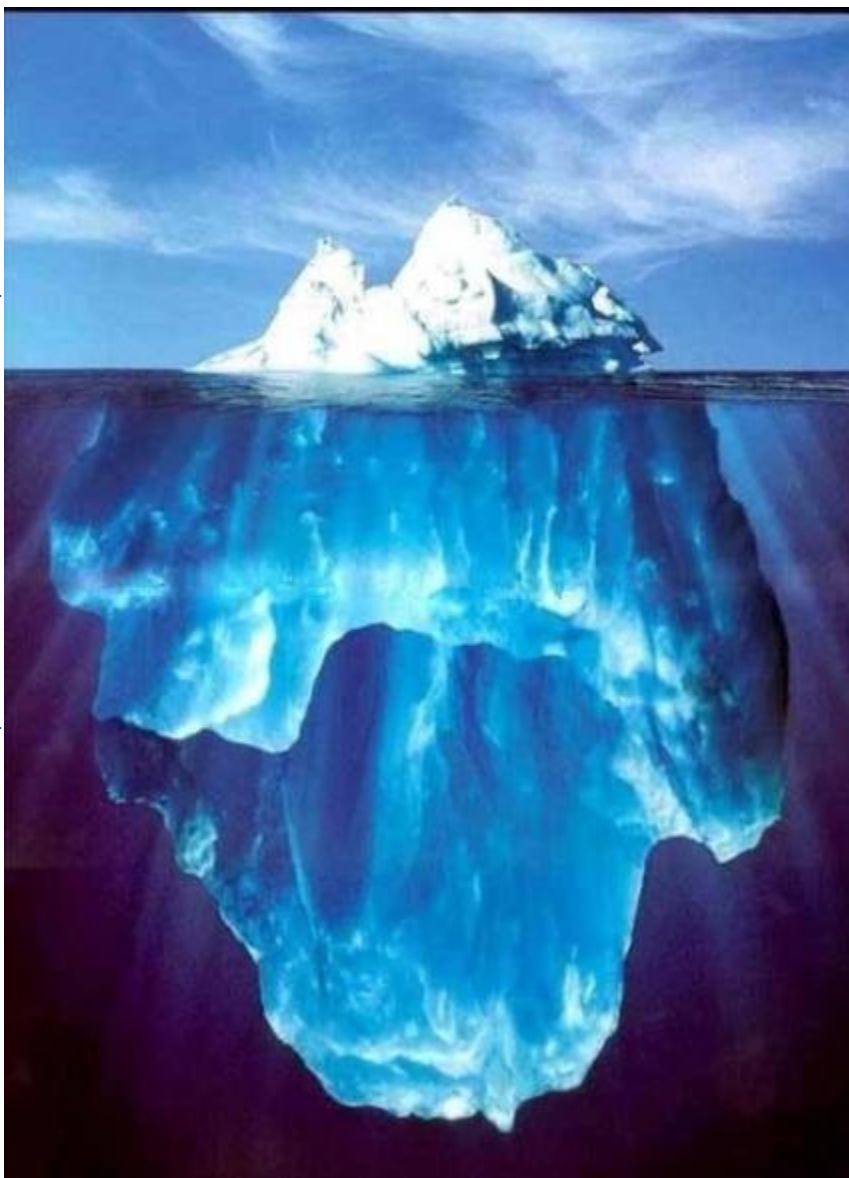


Surface Changes

Management

Deep Rooted Changes

Leadership





Organizational Culture



- Shared values and beliefs that underlie an organization's identity
- The glue that holds an organization together when faced with uncertainty and chaos
- Implicit assumptions held by leaders and workers at every level that determine how to perceive, think about, and react to organizational problems

“Culture eats Strategy for lunch every time”



A Definition



- A culture of a group or organization is:
- “a pattern of shared basic assumptions ...
- that an organization learns as it solves its problems....,
- that has worked well enough to be considered valid ...
- and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relations to those problems.”



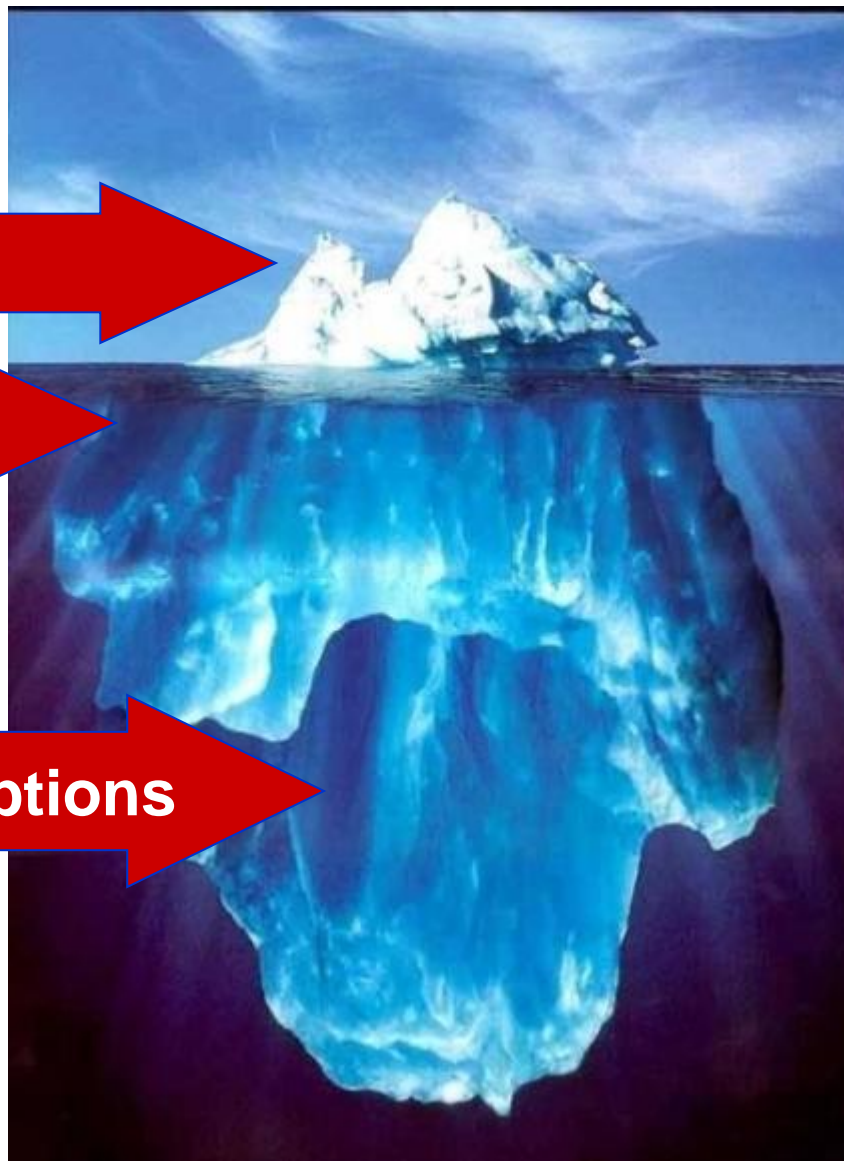
Levels of Culture



Artifacts

Values

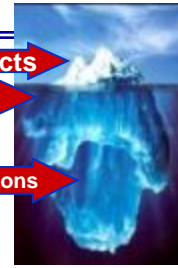
Underlying Assumptions





Artifacts

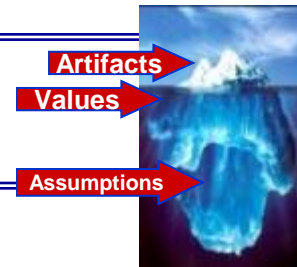
Artifacts
Values
Assumptions



- **Visible organizational structures and processes**
- **What one sees, hears, and feels when first encountering the “unfamiliar”**
 - **Language/Jargon**
 - **Clothing**
 - **Decorations/Symbols**
 - **Stories**
 - **Ceremonies**
 - **Interactions**
 - **Etc.**



Values



- An open proclamation about how a group expects everyone to behave
- What ought to be
- Beliefs of a person or social group in which they have an emotional investment

ARMY VALUES

Loyalty: Bear true faith and allegiance to the U.S. Constitution, the Army, your unit, and other soldiers.

Duty: Fulfill your obligations.

Respect: Treat people as they should be treated.

Selfless-Service: Put the welfare of the nation, the Army, and your subordinates before your own.

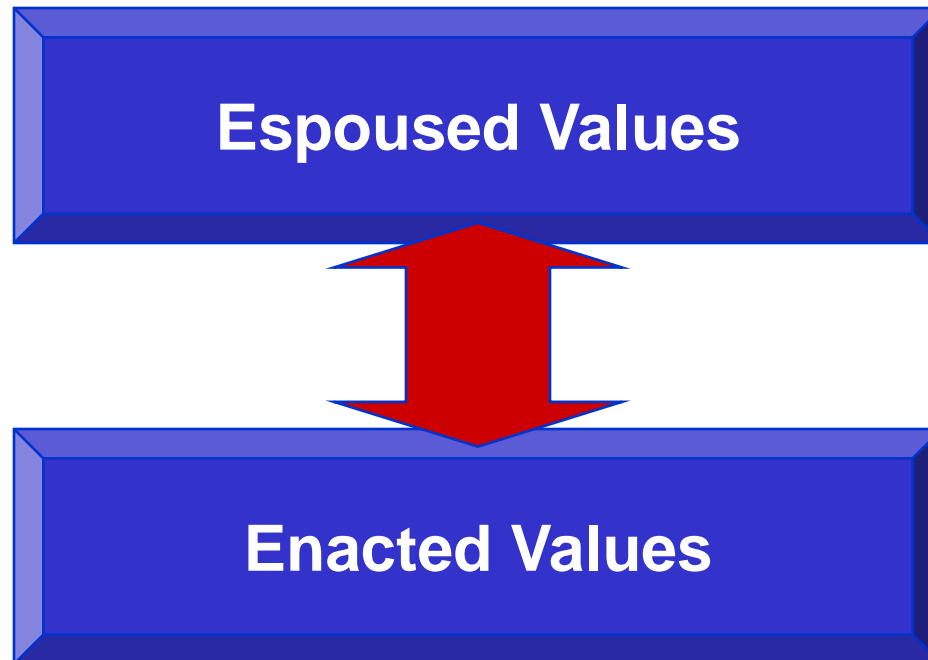
Honor: Live up to all the Army Values.

Integrity: Do what's right, legally and morally.

Personal Courage: Face fear, danger, or adversity (Physical or Moral).



A potential conflict

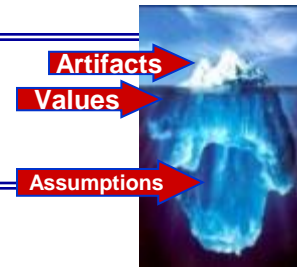


*The **example** of great and pure individuals is the only thing that can lead us to noble thoughts and deeds.*

Albert Einstein



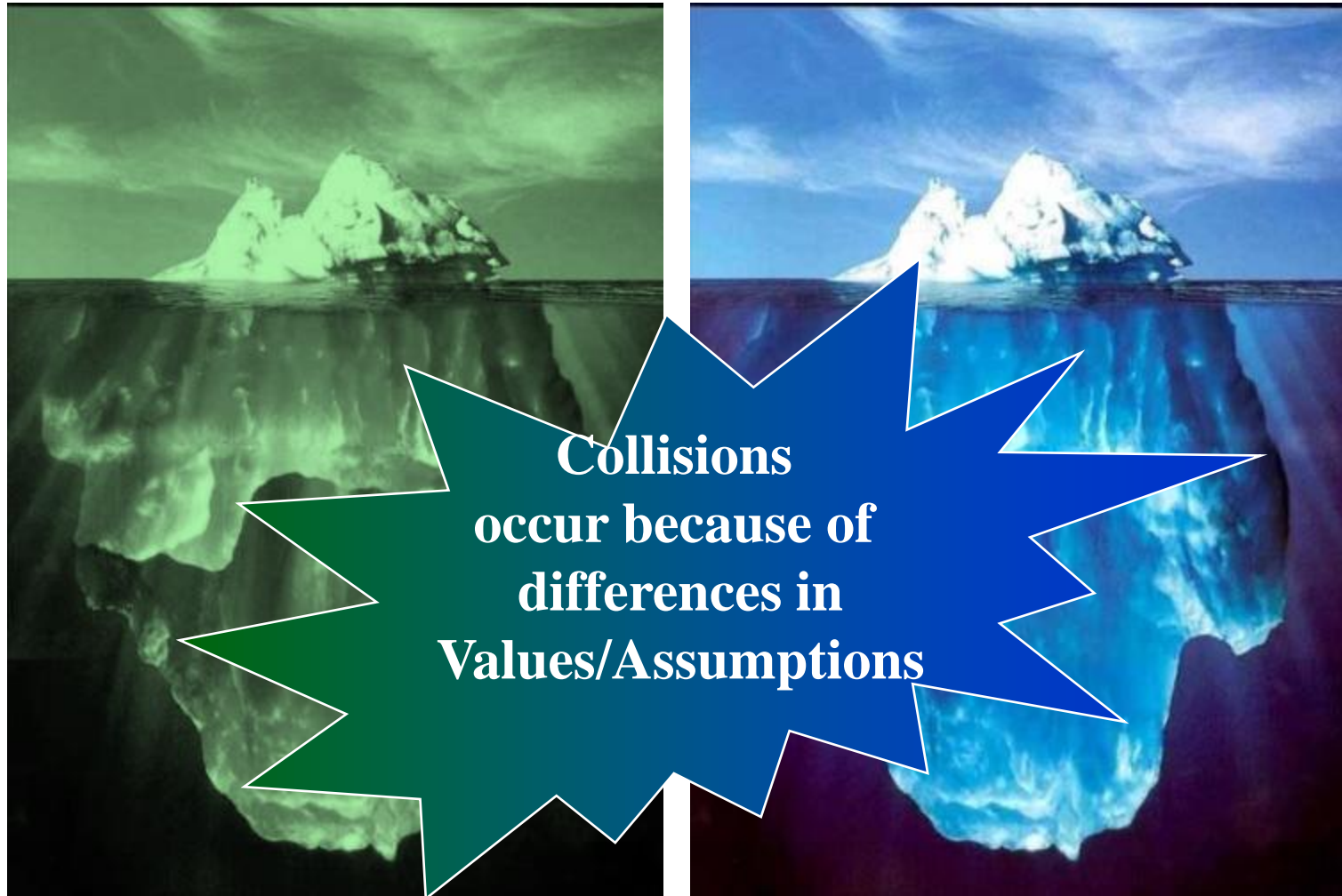
Assumptions



- Deeply held (sub-conscious) beliefs about “right” and “wrong”
- Developed over time, often by achieving success in turmoil
- Taught through socialization processes (“How we do things around here”)
- “Founders” have particularly strong impacts
- Potentially identified by asking “why” (MANY times)
- Distinguish groups, organizations, nations, etc....

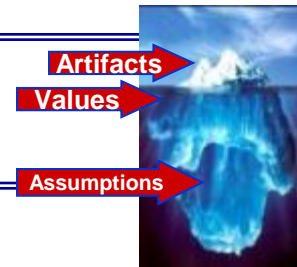


Organizational Conflict





“A Model”



| | |
|----------------------------|---------------------------|
| ➤ Performance Orientation | High.....Low |
| ➤ Individual Identity | Individual.....Group |
| ➤ Basis of recognition | Individual.....Collective |
| ➤ Power Distribution | Equal.....Unequal |
| ➤ Competitive expectations | Aggressive.....Supportive |
| ➤ Measures of success | Objective.....Subjective |
| ➤ Human orientation | Internal.....External |
| ➤ Behavioral expectations | Active.....Passive |

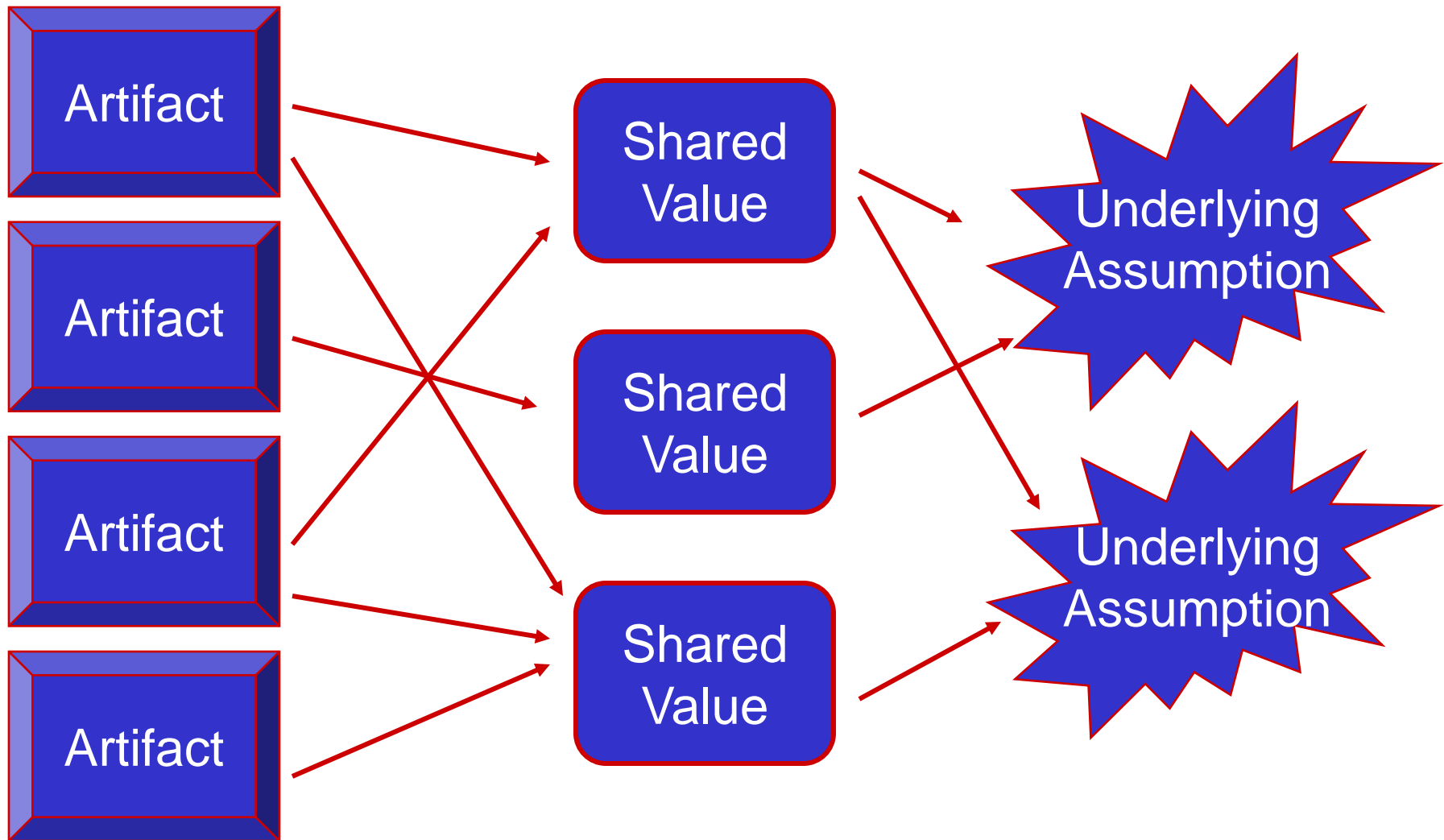
"A company's culture either facilitates the accomplishment of the organization's goals and objectives or it interferes with the process.... It is never neutral."

Executive Leadership, Clement and Jaques, 1991

*Based on the theoretical work of Edgar Schein, 1985/1992, Organizational Culture and Leadership



How to Assess Culture





Cultures & Subcultures



Subculture: a group having social, economic, ethnic, or other traits distinctive enough to distinguish it from others within the same culture or society.

The Random House Dictionary, 1969

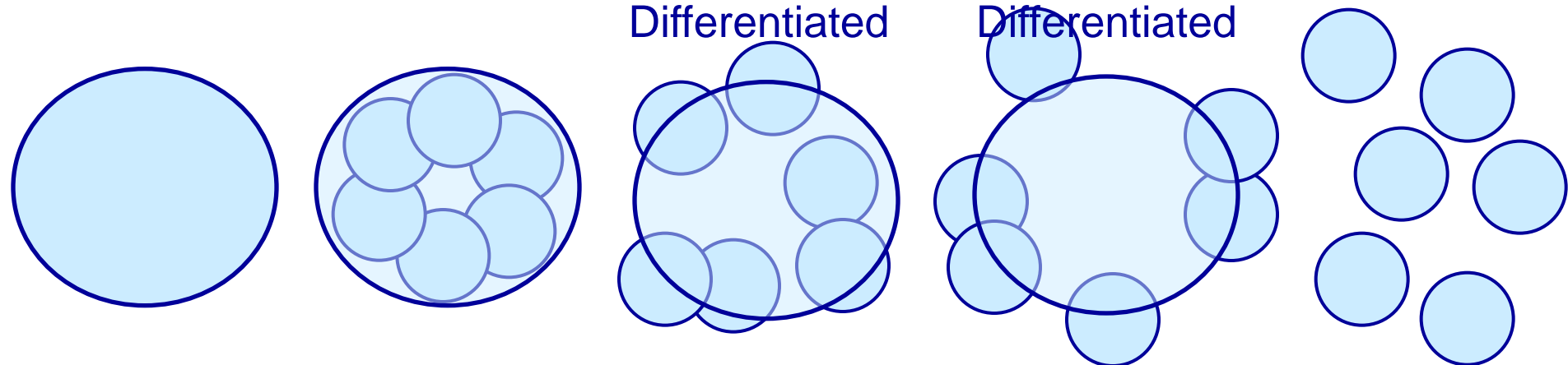
Unitary

Integrated

Slightly
Differentiated

Significantly
Differentiated

Disorganized



More Diversified Subcultures

Based on the theoretical work of Hatch, M. J. (1997). [Organization theory: Modern, symbolic, and postmodern perspectives.](#) Oxford, UK: Oxford University, p. 226.



Changing Culture



**Culture does not change because
we desire to change it.
Culture changes when
the organization is *transformed*;
the culture reflects the realities of people
working together every day.**

Frances Hesselbein



Influencing Culture



Embedding Mechanisms

- Attention, Measurement, Control
- React to critical incidents
- Role model/coach
- Reward criteria
- Selection/Recruitment criteria

Start here

Reinforcing Mechanisms

- Organizational design and structure
- Systems/procedures
- Physical layout
- Stories, legends, myths
- Formal statements



Leading and Managing Change Processes*



- **Allowing too much complacency...** *...Establish Sense of Urgency*
- **Failing to create powerful guiding coalition...** *...Create Guiding Coalition*
- **Underestimating the power of vision...** *...Develop Vision & Strategy*
- **Under-communicating the vision...** *...Communicate the Change Vision*
- **Permitting obstacle to block the vision...** *...Empower Broad-based Action*
- **Failing to create short-term wins...** *...Create Short-Term Wins*
- **Declaring victory too soon...** *...Consolidate Gains/Persist w/ Change*
- **Neglecting to anchor change in the culture...** *...Anchor new approaches in the Culture*

Be careful not to build cement structures – Success dilemma

*Based on the work of J. Kotter



“Change Happens”



Change | ||| ➔

**Problem Solving
Creativity = Novelty**

**All people solve problems
and hence are creative**



Problem Solving



Two *problems* must be managed:

1. The problem to be solved

2. The people solving the problem

**We
will
focus
here**

Critical Assumption:

Without addressing *Problem 2*, you'll never optimize the solution for *Problem 1*.



Change “Style”



Style reflects aspects of personality and/or preferences.

Reported preferences do NOT predict effectiveness in utilizing a preferred style.

No style is “better” or “worse”.

Understanding differences can help us to be more effective, both individually and as a team.



KAI



(Kirton Adaption Innovation Inventory)

A valid and reliable measures of an individual's cognitive style – the *manner* in which one brings about change.

Specifically, it measures your preferred style of problem solving

KAI measures style (manner) not level (amount) of creativity



Paradigms



What it is:

- A set of beliefs, values, rules, standards, and techniques (A Mental Structure)
- Shared by members of a group, organization or society (Consensus)

What it does:

- Helps to determine Relevant from Irrelevant
- Are Necessary and Useful
- Are developed from past experiences and data
- Are approximations and incomplete

Related concepts – theory, policy, frame of reference, doctrine



A “Change” Question



**When do I refine, extend,
modify the current
paradigm
and when do I replace it?**

Evolution or Revolution?



KAI: Range of Results



32



96

160

More adaptive

More Innovative

Evolutionary Change

Revolutionary Change

**More
Concern**

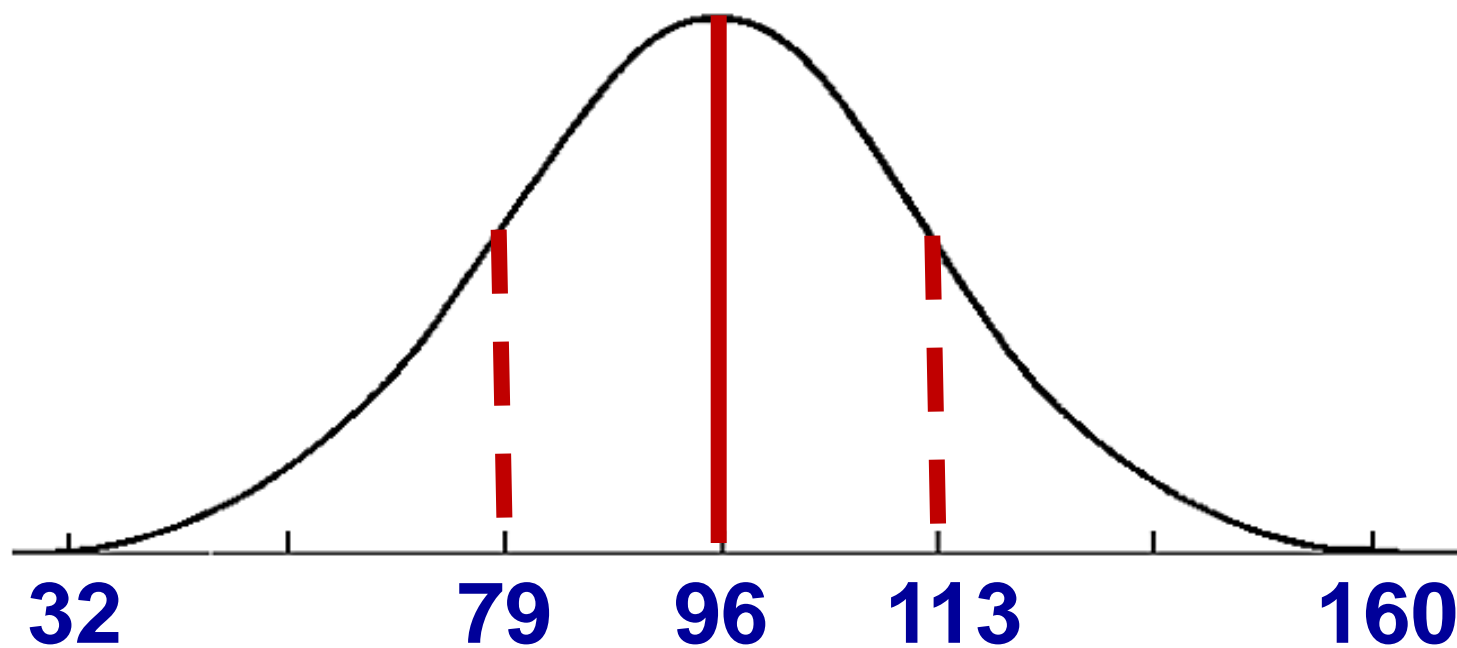


**Less
Concern**

**Structure
Consensus
Efficiency
Relevancy**



KAI: Distribution



More Adaptative

More Innovative

67%



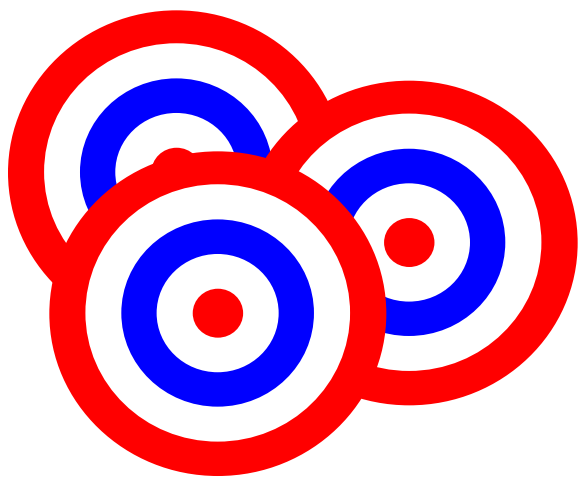
Problem Development



32



More adaptive

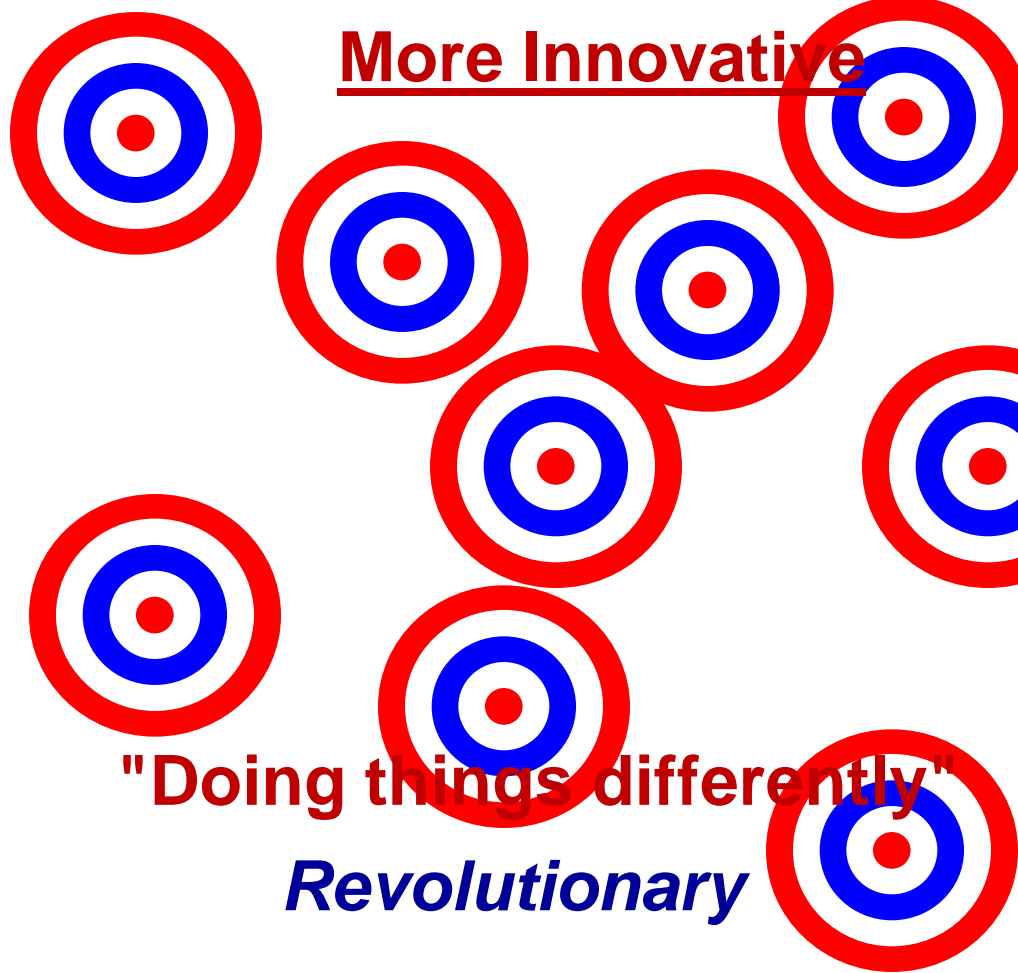


"Doing things better"
Evolutionary



160

More Innovative



"Doing things differently"
Revolutionary



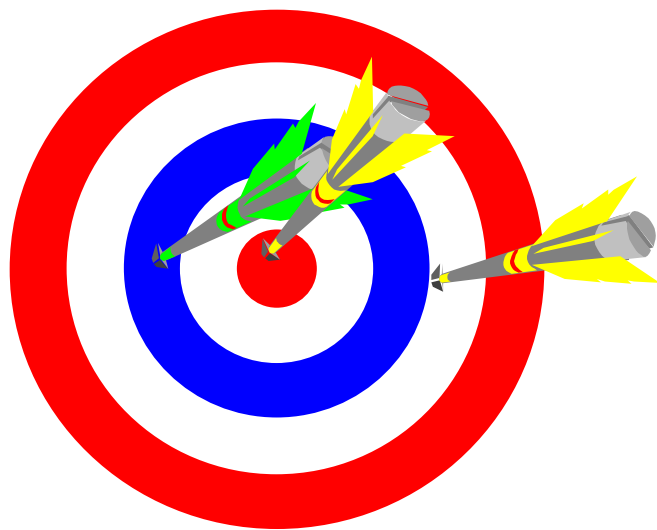
Solution Alternatives



32



More adaptive



"Doing things better"

Evolutionary

160



More Innovative



"Doing things differently"

Revolutionary



Rule/Group Conformity



How closely does one follow the rules?

Maintains continuity, stability,
group cohesion, being prudent
with authority

Solve problems by use of
rules/procedures/policies

Challenges rules rarely and
usually when supported by
group consensus

Engages in radical behavior,
seen as a catalyst to
“comfortable” groups or
consensual views

Alters rules to solve problems

Challenge rules, customs,
policies, and consensual views

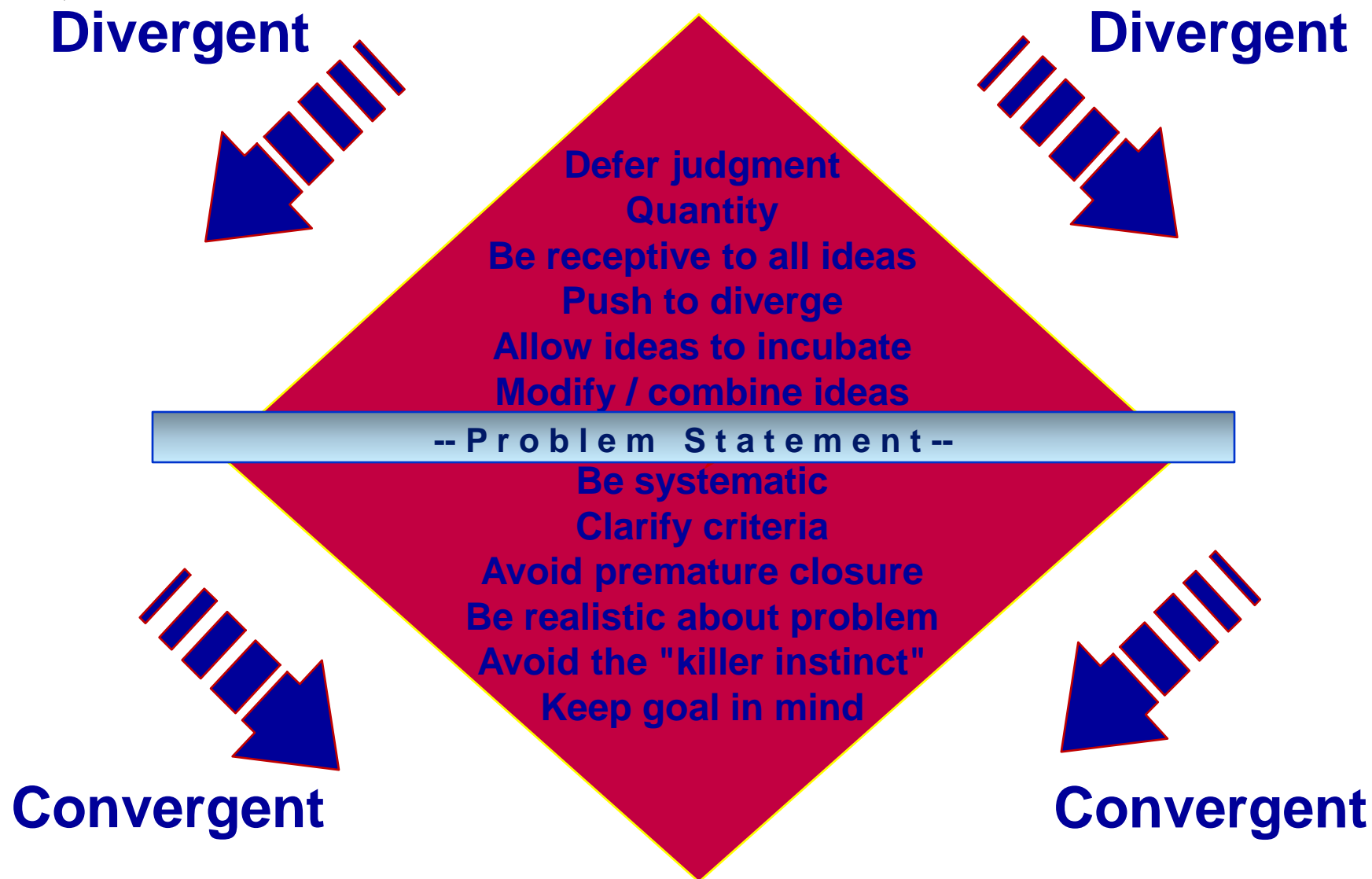


More Adaptive

More Innovative



A “Creativity” DM Model





Several “Observations”



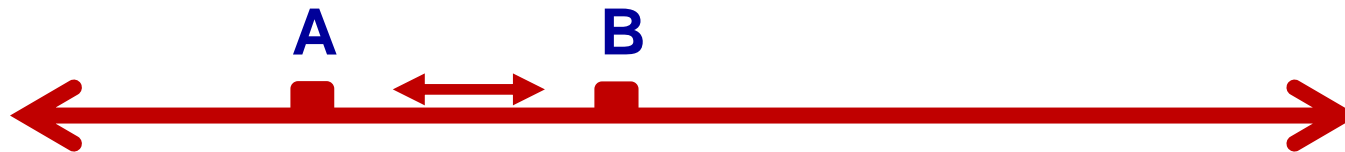
- Your score is “relative” within the group you work. (more adaptive in one, more innovative in another)
- “Bridgers” (generally, the folks in the middle) have a critical role of “interpreting” between groups.



Interpersonal Interaction



Relative difference on continuum



- 10 points or more = see differences
- 20 points or more = potential for disagreement and conflict

WHY? Because your *preferences for change* are different!



Unique Contributions



32



160

More adaptive

- Provide stability and continuity
- Concerned about consensus, structure, and unnecessary risk
- Provides selected well-developed ideas
- Defines, refines, extends, and improves

"Doing things better"

Evolutionary

More Innovative

- Challenges rules, customs and assumptions
- Provides numerous ideas
- Redefines problem
- Often see paradigm shifts first

"Doing things differently"

Revolutionary



Perceptions of Others



32



More adaptive

- Sound
- Conforming
- Over-reliant on rules
- Too concerned about consensus
- Overly cautious

160



More Innovative

- Impractical
- Abrasive / irreverent
- Erratic
- Disloyal
- Undisciplined
- Overly risky



“Fitting In”



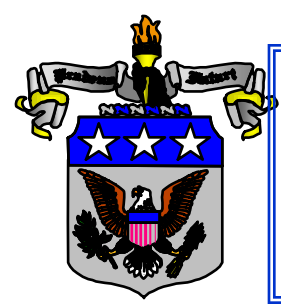
- Individuals gravitate towards that part of the organization that matches their style.
- If mismatch occurs, then *coping skills* are required.
- "Coping" is behaving outside one's preferred style
 - can be done VERY effectively
 - is psychologically costly and stressful
 - done for minimum amount of time



Some Generalizations



- Everyone is creative but often in different ways
- We can tend to denigrate the style we don't prefer
- Most revolutionary changes take a long time to make efficient (steam boat and the clipper ship, bow and arrow and the musket)
- As the problems get more complex, the need for diverse viewpoints increases.
- One measure of effective leadership involves getting the best out of people who are far away from the leader (on the KAI continuum)



A Strategic Leaders' Unique Responsibilities



Values

- Know what your individual values are
- Know what your organizational values are
- Recognize how each interacts with societal values
- Reinforce your values at every opportunity
- Use those values as your touchstone
- Repeat the important points

Vision/Ends/Intent

- Know the strategic direction of the organization
- Figure out how to communicate that intent
- Communicate it clearly (and reinforce it constantly) to every level of the organization



For What It's Worth...



- Effective Strategic Leadership depends on self-awareness, effective influence, and cognitive power.
- Change is good. It keeps us young (and in business!).
- Change is both internally initiated and externally driven. Distinguish between the two.
- Consider both *what* and *how* to change.
They are different processes.
- Culture is never neutral.
- Change will impact all aspects of your organizational systems. Be Diligent.
- You must both *manage* and *lead* change.
Either, independently, is incomplete.



Questions

Comments

Discussion