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Executive Conversations
About Creating Agile
Organizations

ROLAND DEISER

TRANSFORMERS

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ROLAND DEISER

ECLF Press

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ECLF Press

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Introduction

Competitive success—if not the very survival—of most of today’s organizations is increasingly dependent on their ability to innovate, learn and change on an ongoing and sometimes radical basis. The 21st century business environment is a highly interconnected world of complex global networks that engage in novel ways of co-evolution and co-creation, with stakeholders dispersed across the globe. Organizations are continuously faced with disruptive forces that require just-in-time strategic responsiveness and a high degree of organizational agility.

Thriving in this context is particularly challenging for large and global players that usually struggle with the structural symptoms of the “elephant disease:” high organizational complexity, bureaucracy and inertia, political infighting, a culture of silos, slow response times, and more. Most senior leaders are keenly aware of these challenges; they know that their organizations need to learn new capabilities to remain competitive, and that the old recipes of the 20th century management tool kit are becoming obsolete.

But developing this level of responsiveness and agility is not easy. It requires, in fact, not just new capabilities but a *new approach to capability development itself*, transcending the traditional functional boundaries of HR, strategy, and operations. It requires a radically new paradigm of corporate learning and development.

To address this challenge, a group of executives from major global corporations teamed up in 2005 to launch a dedicated forum that would engage in ongoing strategic dialogues about how best to create *transformational corporate learning architectures* that would drive agility and thus serve as critical enablers of competitive advantage.¹ Participation in the Forum was limited to senior executives from large and complex organizations only; vendors and service providers were not invited. This policy assured peer level exchanges and led to meaningful in-depth conversations based on openness and trust. In October 2005, Crédit Suisse hosted the inaugural meeting of what became known as the *European Corporate Learning Forum* (ECLF).² Since then, the initiative has grown into an ongoing global project, with close to 120 major corporations participating at one time or another.³

Transformers is the result of the first 10 years of ECLF conversations. It contains a selection of keynote speeches, group discussions, case studies, and research results from ECLF's history. Also included is a synthesis of insights from a Silicon Valley Expedition that 20 members undertook in 2011. Combining conceptual frameworks from thought leaders with practical lessons learned from many corporations. The book provides unique perspectives on the challenges of an emerging practice that aims to serve as an enabler and driver of strategic and operational capabilities in large and complex organizations.

1. Orchestrated by Roland Deiser, the initiative was launched by EADS and quickly joined by founding members Bertelsmann, Deutsche Bank, E.ON, ERGO, and Novartis.

2. In light of increasing global interest, ECLF was renamed "Executive Corporate Learning Forum" in 2013.

3. A list of involved corporations and participants can be found in the appendix section of this book.

Chapter Overview

The book is structured in 10 chapters, each shedding light on a specific issue that relates to the theme:

- **Chapter 1.** What are the design principles of the 21st century organization? What kind of leaders do we need to shape the new context? What does it take to develop a matching leadership culture?
- **Chapter 2.** How can organizations leverage the capabilities embedded in learning practices that can help them foster agility and create sustaining competitive advantage? How can the learning function itself become an engine for strategic and organizational change?
- **Chapter 3.** What is the interplay between strategy and learning as these two functions must increasingly converge to respond in real time to disruptive business environments?
- **Chapter 4.** What is the relationship between innovation and learning, and in what ways can learning interventions help companies deal creatively with discontinuity and change?
- **Chapter 5.** How do C-level executives perceive the role of learning & development, and how can they best leverage this function within their organizations?
- **Chapter 6.** How do major corporations structure their L&D function? Are corporate universities an answer?

- **Chapter 7.** What are the dynamics of the complex value chain of learning, from internal stakeholders to the multi-billion dollar industry of business schools, software firms, consultancies, training firms, coaches, and more? How do these dynamics change as the practice transforms?
- **Chapter 8.** Social technology, videogames, and collaboration platforms—how does technology change the game, and what underlying social infrastructure is required to leverage its potential?
- **Chapter 9.** What are some examples of innovative initiatives that companies deploy to drive change and transformation?
- **Chapter 10.** What can we learn from Silicon Valley about learning, innovation, and leadership in the digital age?

How to read this book

What you hold in your hands is a loose collection of close to 100 articles synthesized from the ten years of ECLF presentations, workshops, discussion groups, and more. Many of them are just a few pages long, highlighting a thought, a practice, or an insight. Some of them are deeper deliberations on a subject that deserves depth and greater exploration. None of them requires more than a 10 minute read.

Transformers does not have to be read in sequence; you are welcome to dive into wherever you choose to open it, or you may just flip pages and read what attracts you most. With its creative graphic design, and its short, easy-to-digest articles, this book is meant to be picked up again and again, as readers will continue to be inspired whenever they browse through it.

Who will benefit from this book?

If you are interested in how to shape larger organizations and systems in a way that they become flexible, agile, and innovative, you will enjoy and benefit from this book. *Transformers* is relevant for anybody who works in organizations and is faced with the challenge of how to adapt and change. It will appeal to senior executives and managers who are involved in the domains of strategy, organization, change, innovation, HR, and general management. It will also appeal to a broad scope of consultants, especially those whose practices focus on strategy, organization, leadership, change management, and innovation.

A big thank you to all ECLF members who were so generous to engage in dialogue and share their thoughts and experience over the years! *Transformers* is your stories, and it is dedicated to you.

21st century organizations are different: open, networked, horizontal, and enabling. What does this mean for

THE FUTURE OF LEADERSHIP?

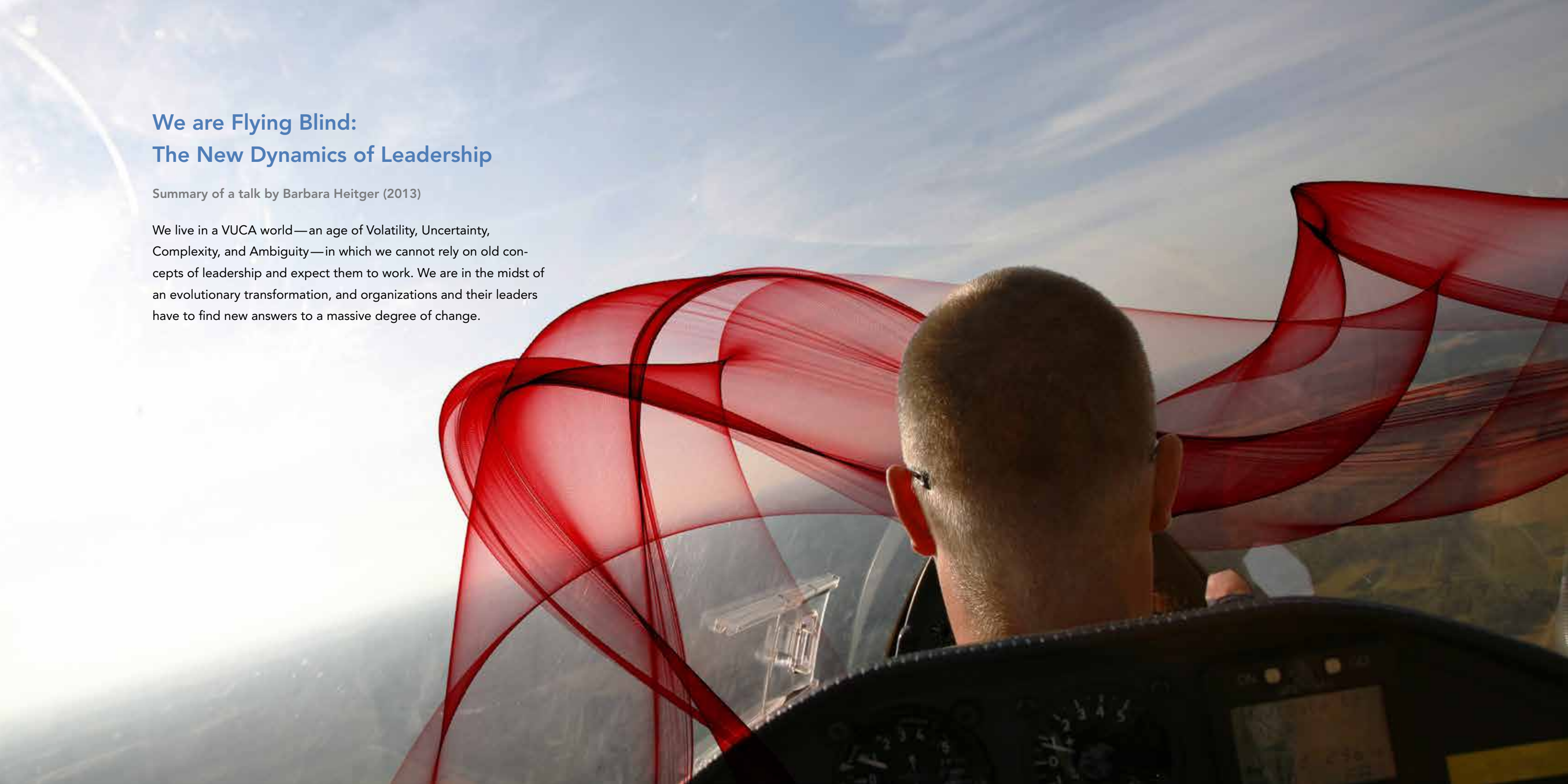


1

We are Flying Blind: The New Dynamics of Leadership

Summary of a talk by Barbara Heitger (2013)

We live in a VUCA world—an age of Volatility, Uncertainty, Complexity, and Ambiguity—in which we cannot rely on old concepts of leadership and expect them to work. We are in the midst of an evolutionary transformation, and organizations and their leaders have to find new answers to a massive degree of change.



Seven Trends Affecting Organizations

Seven disruptive trends are impacting organizations today, and they have significant implications on what leaders need to learn.

MULTINATIONAL → GLOBAL

In a world in which companies are increasingly global, we need leadership models that fit in different cultures, and a governance model with global standards but local flavor. L&D needs to address the firm's core identity while allowing for local autonomy.

VALUE-CREATING COMPANIES → VALUE-CREATING NETWORKS

Companies are increasingly working in strategic alliances with others, including vendors, suppliers, and even competitors. This requires different leadership skills such as influencing and persuasion since command and control are irrelevant in these alliances.

DESIGNING PRODUCTS & SERVICES → DESIGNING CUSTOMER EXPERIENCES

Steve Jobs is famous for recognizing and implementing this trend with Apple products. Leaders need to understand this new relationship with customers and be willing to take a deep dive into the world of their customers' experience.

CRISES-ROBUSTNESS → AGILITY & RESILIENCE

With so much disruption and societal transformation going on, leaders must develop strategies that are agile and quickly adaptable. This means new content, paradigms, and a willingness to tolerate ambiguity. It may mean, for instance, tolerating less efficiency because you are investing in an agile strategy.

OPACITY → TRANSPARENCY

The web and online tools make transparency a must. Many areas of leadership are impacted by this, from hiring to contracts to PR and communications.

DECIDING & IMPLEMENTING → CO-CREATION

The top-down command and control nature of leadership is giving way to collaboration and co-creation. This requires new skills from leaders and a different dynamic.

HIERARCHIES → COMMUNITIES

Hierarchies are flattening as horizontal collaboration becomes more important. Self-organizing communities with their potential for innovation and co-creation are gaining power.

A Paradigm Shift in the Nature of Leadership

Taken seriously, these trends create a significant paradigm shift in the nature of leadership. They mean more open and transparent sharing, faster interactions, greater equality among employees, more emphasis on peer-to-peer exchanges, tapping into networks and using Web 2.0 tools, and the need to create an environment of trust. Leaders have their work cut out for them to adjust to these trends. They need to double check their inner landscape and the assumptions they have long held.



MANAGING THE AMBIGUITY OF
COMPLEX ORGANIZATIONS

Leadership in complex and chaotic environments requires:

- Entrepreneurial spirit where new ideas and innovation are welcome.
- The ability to create sense and develop storylines to provide connection for others to follow.
- Networking capabilities and creating common standards to work across silos and build platforms.
- Rapid prototyping and co-creative capabilities.
- Immersive learning abilities to experience things, get feedback, and develop new ideas.
- The need to create resilient solutions and agile responsiveness.
- Skills at "dilemma flipping."
- Intercultural competencies.
- Social media literacy.

In light of the above, L&D can no longer focus just on individual leadership development. Working with leaders today is more like coaching a high performance sports team: not focusing on creating stars but rather emphasizing how the team must play together. The new agenda is to create leaders who can talk honestly with each other, and collaborate with openness and trust.

Reassessing Complexity

Snowden and Boone have also distinguished four levels of complexity that impact how leaders must lead in this new world.¹ Each requires different leadership dynamics:

- **Simple.** Patterns are repetitive, with a clear relation between cause and effect and straightforward answers to problems. It's a world of known *knowns* and a stable environment—standardized policies and procedures suffice.
- **Complicated.** Requires expert diagnoses of situations, as causality cannot be identified by just anyone. There are many known *unknowns* with often multiple right answers.
- **Complex.** Leaders must deal with a lot of uncertainty and many unknown *unknowns*. There is not one right solution, as many different ones could work. Standard leadership is ineffective; the level requires a deeper understanding of patterns and platforms for co-creation and collaboration.
- **Chaotic.** There are no patterns, and no one knows what is going on. A leader's first task is to create clarity, make sense of events, and come up with quick actions and a safe space for people to develop solutions.

1. David J. Snowden and Mary E. Boone: *A Leader's Framework for Decision Making*. Harvard Business Review, November 2007

The L&D function can use this model to deconstruct situations and see at what level their company operates, so they can base their leadership development initiatives on their specific environment. We need new leadership models to deal with the increasing frequency of Levels 3 and 4. It is important to find out what leaders need in terms of an intervention repertoire and then support them accordingly so they can appreciate at which level they are working.

Implications for L&D

There are a number of critical transformations learning leaders must make to deal with the new realities. They must get closer to the leaders' context, becoming more observant and capable of diagnosing situations. They need to establish co-creative development settings that follow innovative design principles, such as aligning their content and governance to the complexity level their company is working under. They must incentivize collective learning and create settings that are safe to allow for emergent learning among leaders. L&D must move away from being teachers to becoming more like "guidance counselors" who help individuals develop self-learning capacities. Finally, and most importantly, they must link disconnected learning experiences and integrate them so they support strategy development, leadership community building, change implementation, innovation, cultural change, and network building.

Designing Responsive Organizations

Summary of a talk by Aaron Dignan (2014)

In light of today's increasingly complex market conditions of continuous disruption, organizations must become highly responsive and agile to remain relevant. Over the last few years, we could witness the paradigm of business models leapfrogging towards a new quality of speed and ease. Two factors have played critical roles in this development:

- the plethora of available platforms, tools, and insights that allow ideas to come to life more easily and more frequently than ever before; and
- content channel networks that turbo-charge ideas and expand to dramatic scale much more quickly.

Today's startups build platforms upon pre-existing platforms, allowing successful ideas to materialize exponentially faster than in the past, thereby creating major echo effects in the economy at large. For example, by leveraging platforms, companies like *Uber* or *Airbnb* only had to create the 1% bandwidth of network optimization to connect passengers in need to drivers in need, or landlords in need to travelers in need, altering the dynamics of supply and demand in novel ways.



Ants, the Immune System, and the Internet

We all unknowingly encounter complex systems that exhibit the virtues of responsiveness and agility on a daily basis, although we may not always link their challenges to those of global organizations. Ants are a great example, as they are an incredibly resilient species that learns fast, and that communicates and collaborates in remarkably effective and flexible ways. Another one is the human immune system, with its ability to respond efficiently upon detection of foreign and undesirable intruders. And then there is the Internet—an incredibly complex, yet simple, global self-organizing distributed universe.

All of these systems process information efficiently, display notable resilience in the face of volatility, operate effectively in a decentralized way, and make autonomous decisions based on simple rules.



They are effectively networked organizations with limited centralized control, a lot of divergent behavior and a culture of exploration—all of which enables them to act intelligently in the face of disruption and stress. They are united by basic principles that foster adaptability, resilience, and efficiency, and a common mission and purpose that creates value for the greater system.

Similar to startup-cultures, these systems are self-editing, they replicate successful behavior quickly, and they do not hesitate to generate a great deal of waste as a trade-off for effectiveness. They are great showcases of what it takes to achieve agility and responsiveness in large and global organizations.

Client-Centricity as an Organizational Design Principle

Shareholder value alone is “not a winning purpose.” Rather, successful organizations must operate with “client-centricity” as their guiding principle, creating value for customers by seeking out problems to solve or needs to fill. Beyond being a mere component of the mission statement, client-centricity must be reflected in the organizational design of a corporation.

One example of a client-centric approach is the *agile squad model* that organizes teams of employees vertically around products (or more specifically *pieces of products*). Traditional

disciplines are loosely held horizontally, and all employees are directly responsive to users (clients). The team that takes care of Amazon's "buy with one click" function is a perfect example of such a squad. These teams are like mini-startups: small, multidisciplinary, self-editing, and designed around completing work on a given project. These squads also have identities in the pipeline of a project's process; there are four team types—the *think it*, *build it*, *ship it*, and *tweak it* teams. Once an item passes from one team to the next, the team changes identity and flag colors.

Another example is a *self-organizing* or *open allocation organization* like the structure at Valve, an American video game development and digital distribution company. Valve's organization is built on membership, trust, and autonomy. Their motto is, "your desk has wheels on it, go find work to do." Individuals can bounce between projects and all are organized around the single principle of the Valve's success. The company structure is successful, and the organization is hugely profitable, adaptive, and fast.

SELF-ORGANIZING

Are teams defining their own roles, structure, and tasks on an ongoing basis?

Are they empowered to achieve a clear outcome or purpose?

LEAN

Are teams lean enough in size and scope?

7+/-2 people is a healthy team size. Smaller teams reduce risk and uncertainty.

Four Architectural Principles of Team Design that Help Maximize Responsiveness

AUTONOMOUS

Are teams able to do their work with minimal interference and approvals?

Are they spending more time with clients or with other functions/ departments?

MULTIDISCIPLINARY

Are teams made up of most (if not all) the skills they need to get the work done?

Locked in a room, would they finish?

Remaking 21st Century Leadership at GE

Summary of a talk by Raghu Krishnamoorthy (2014)

The new realities of global business change the context of leadership and the design principles of leadership learning. Three major shifts have significant implications for talent and learning:

- 1. Continuous discontinuity.** Since Jeff Immelt took over as GE's CEO and Chairman in 2001, we have been witnessing continuous discontinuity that no one would have anticipated: 9/11, Katrina, the wars in Iraq and Afghanistan, the big recession, the Arab Spring, and most recently the crisis in the Ukraine and the emergence of ISIS—to name just a few. Global organizations invariably feel the impact of this unpredictable change, and must figure out what to do in the face of persistent disruption.
- 2. Demographic shift.** We can see a psychographic shift in the mindsets of thirty year-olds as compared to sixty year-olds, from control/command to connect/inspire, from loyalty to meaning. The Gen Y demographic seeks to be different, celebrating individual uniqueness over conformity. As this demographic expands, the culture of leadership must adapt accordingly.
- 3. Leadership shift.** In the past, scale and size dictated competitive advantage, now *information* prevails as the key differentiator. Organizations must cultivate, enable, and support knowledge workers, thereby continuously creating new capabilities that meet the demands of the times. The new leadership paradigm values everyone as unique and requires continuous learning from everybody.



In the past decade or two, GE had focused on Six Sigma and operational excellence, leveraging the company's global reach and scale by a sophisticated supply chain strategy, especially in the areas of manufacturing and IT. Consequently, the company's leadership culture was characterized by an external focus on managing the bottom line and on expansion. People were measured based on KPIs and MBOs. But each era requires exercising a different set of muscles. Even culture has a life cycle.

Today, simplification and speed are of utmost concern. As a consequence, GE is moving towards repositioning itself as a nimble, responsive, and agile organization. Rather than communicating values in the form of top-down commandments or manifestos, the new culture demands that leaders effectively "connect and inspire," engaging employees on an emotional level.

Cultural Change and Leadership Change

It became clear that if GE wanted to remain competitive in 2020, they would always need to be able to pivot. So how does an organization pivot and stay on the leading edge? Taking a holistic approach, organizations must transform themselves on two levels: *cultural change*—the software of the organization (the hard part) and *leadership change*—the muscle that makes things happen.

No culture exists in a vacuum, and it is essential that leaders not only practice cultural values, but also provide the texture for fostering organizational capabilities. GE developed a multi-functional approach by concurrently strengthening IT and Talent Management to shape the desired culture, foster new leadership, and build the capabilities based on the demands of the novel context.

Five core beliefs are now driving the current change process on the culture and leadership front:

1. **Customers determine our success.** The customer should be at the beginning, middle and end of everything we do.
2. **Stay lean to go fast.** Start simple and move fast to help the customer succeed.
3. **Learn and adapt to win.** Never stop learning, iterating and evolving.
4. **Empower and inspire each other.** Today's business environment is not about command and control but about *connect and inspire*—effective leaders must coach and enable others to rise.
5. **Deliver results in an uncertain world.** As context changes, it can get harder to see around corners and pivot. In those moments, most of all, one must intensify the focus on outcomes.

First and foremost, culture remains the primary operating rhythm. Rather than doing annual assessments of how things are working, responsive and agile organizations must look at priorities and what needs to be done on a continuous basis: shape-shifting to meet current demands at any given moment must be an ongoing process. All large, global organizations must determine where they want to pivot to deliver results in an uncertain world, all the while retaining the central core values that constitute their identity.

The Implications for Accountability, Talent Development, and Learning

Beyond transforming the beliefs, values, and the culture at large, GE transformed its approach to accountability, moving from an emphasis on documenting to an emphasis on dialogue. Beyond providing constant coaching and feedback regarding improving effectiveness, they also re-examined how to incentivize learning and distill information in a way that inherently attracted people to it. Technology has been immensely helpful in tying learning to performance.



Designing Leaders—the Interplay of Culture and Leadership

Rather than *developing* leaders, the current context asks for the *design* of leaders. Leadership design occurs from the inside-out; the cultural infrastructure and organizational software breeds great leaders. All employees must understand and embrace the beliefs and values—intellectually, emotionally, and practically—as they guide all aspects of work.

Looking ahead, the mission of GE Crotonville remains unchanged: to inspire, connect, and develop the GE leaders of today and tomorrow. But what will tomorrow's leaders look like? Ideally they will possess a core of integrity and accountability, a hunger to win, and a passion for learning. They will be further distinguished by their authenticity and judgment, and the self-confidence to stand apart. As global entrepreneurs, champions of technology, and agents of change, they will be shaped by a wide range of experiences, from transformational learning to on-the-job opportunities. Above all, like the GE leaders of today, they will have a multiplier effect—an ability to drive positive outcomes globally.

Leadership Challenges in a Networked World: A Framework for Capitalizing on Social Media

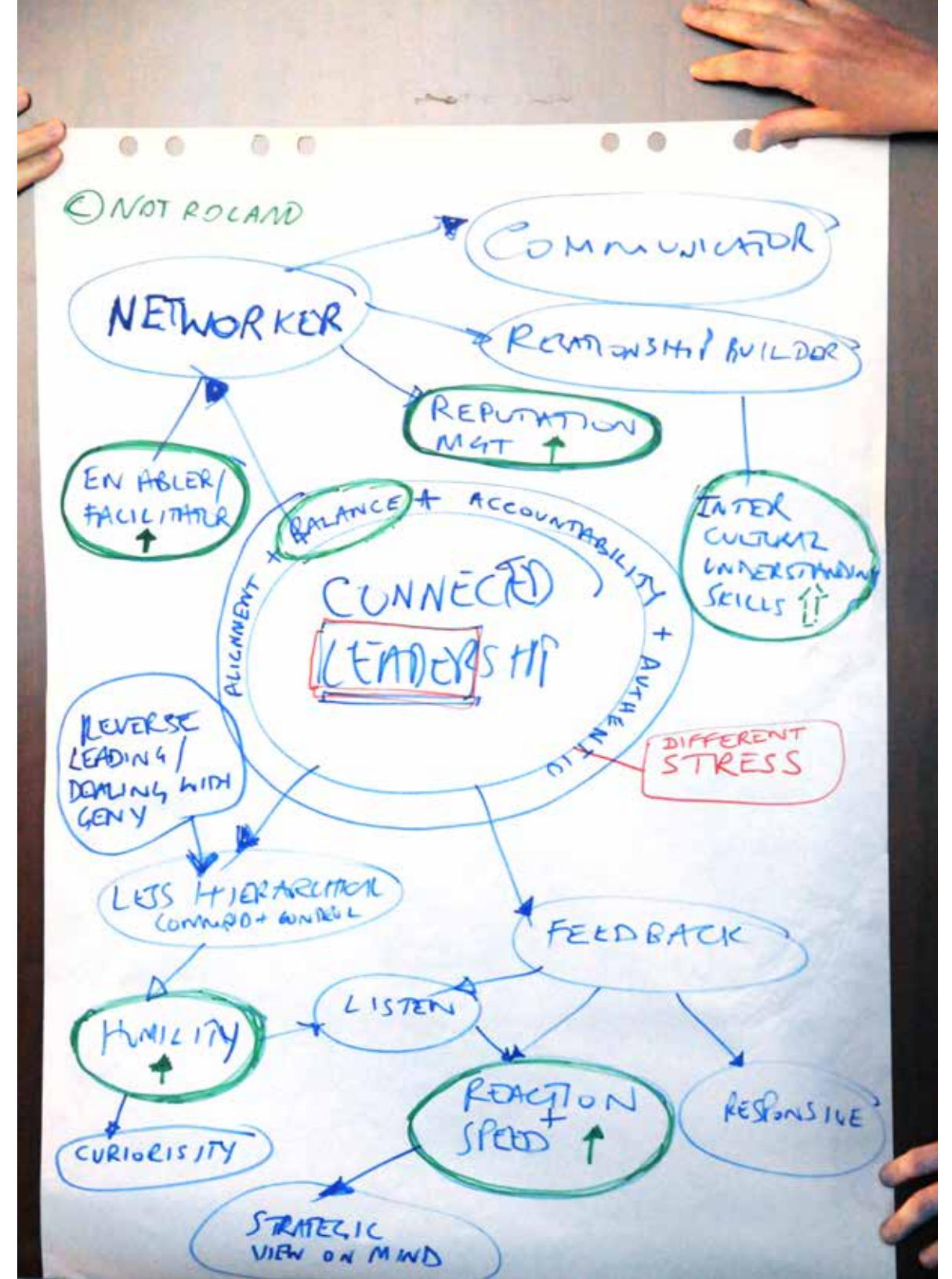
Roland Deiser (2012)

The growing importance of social media in organizational communication and collaboration results in novel challenges that reshape the paradigm of leadership in large corporations. Over the last couple of decades, communication technology has become a key driver of societal development with significant impact on how businesses and organizations work. After the massive change that resulted from the dot.com era (Web 1.0), social media (Web 2.0) is now reshaping global communication dynamics on an even more fundamental level. Today's corporate leaders can no longer afford to sit

on the sidelines; they need to develop a deep understanding of how to deal with the opportunities and risks that come with the proliferation of social media.

This has major implications for learning departments who will have to ensure that leaders obtain the new literacies required in this brave new world. There are six interrelated dimensions of Organizational Media Literacy that need to become an integral part of a leader's role repertoire. Companies that develop a critical mass of leaders that master these realms will outperform laggards in this field.¹

1. See Roland Deiser & Sylvain Newton: *Six Social Media Skills Every Leader Needs*. McKinsey Quarterly 1/2013



THE LEADER AS PRODUCER

Creating Compelling Content.

Leaders need to know how to create compelling rich multimedia content that people will respond to, and they need to excel in co-creation and collaboration—the new currency of the social media world.

THE LEADER AS DISTRIBUTOR

Leveraging Dissemination Dynamics.

Leaders need a deep understanding of the nature of the various social media tools and the dynamics they unleash, as participatory dissemination can be viral and is naturally hard to control. Mastering the combination of the logic of broadcast and participatory media will be critical.

THE LEADER AS RECIPIENT

Managing Communication Overflow.

Social media creates unprecedented information overflow and the demise of editorial filters. Leaders need to become sophisticated at managing and leveraging the multiple channels of incoming communication as well as the ability to assess the relevance and factuality of information.

THE LEADER AS ADVISOR

Orchestrating Social Media Utilization.

With social media activity proliferating at every level inside and outside the organization, leaders need to become tutors and strategic orchestrators of all such activities within their realm of control.

THE LEADER AS ARCHITECT

Creating an Enabling Organizational Infrastructure.

Leaders need to make sure that their organizations are designed to encourage self-organized horizontal discourse and exchange, while implementing smart policies and vertical accountability frameworks to mitigate risks of irresponsible use.

THE LEADER AS ANALYST

Staying on the Cutting Edge of the Curve.

The revolution in communication and connectivity technology is not over; rather, it is accelerating. Leaders need to understand the nature of this revolution, recognize emerging trends, and leverage the resulting opportunities.

Harvesting the Power of Self-Organized Communities of Managers

Summary of a talk by Henry Mintzberg (2009)

The practice of management has depreciated over the past decades, largely through an unwarranted obsession with “leadership” that perceives leaders on the top as more important than managers in the middle. We live in an era of the “heroic” leader, someone who supposedly steps in to save the day. MBA programs tout that they teach leadership, but their students have little idea how to manage. Big name leaders receive huge bonuses based on their short-term impact, then two years later, their companies go bankrupt.

MBA programs are great at teaching business functions like accounting and finance, but terrible at teaching management. The case study approach is a superficial exercise; it accomplishes little in the way of truly educating managers. How can students analyze a case when they have never met the people, held the products, talked to the customers, or understood the inner workings of the company?

Kotter’s old model of top-down transformation is no longer valid. The idea of top executives being the only ones who can establish a sense of urgency, form powerful guiding coalitions, create a vision, and “empower” others no longer works. From the very top, you can’t see the real world on the ground below.

We need to bring the focus back on middle management and create a spirit of “community-ship”—management leadership that seeks citizenship in the community. The cure for so many companies experiencing leadership problems is to stop seeking heroic leadership and move towards “engaging management.”

Managers need to be developed not in classrooms but in their context, so learning needs to be organized around managerial mindsets.

It starts with engagement—engaged managers who care for their company and form teams to seek a sense of community. Connected engagement inspires a shared reflection on common experience, which is the most powerful learning people can encounter. And shared understanding is a great lever for organizational change.

It is middle managers who are the key to changing a company. Middle managers can drive small changes in work processes, and they can motivate people. The accumulation of the small changes middle managers can drive adds up to significant change. When groups of committed middle managers engage in change, other people see it and follow suit. The community inside becomes socially responsible outside.

Mintzberg's Model of Engagement for Middle Managers

ENGAGEMENT

Communities start with the establishment of teams of managers who are deeply committed to their organization.

CONNECTION

The teams connect as little communities to get things done. The most powerful way to accomplish this is when the managers reflect alone and together on the experience that they have lived in common within their organization.



IMPACT

Leadership in the middle is powerful. Teams of engaged managers can look both ways, up and down. They are close enough to the ground to appreciate the details, yet senior enough to see the "big picture."

OUTREACH

Managers look after the needs of their own organization—and become responsible citizens.

DIFFUSION

These factors set the stage for community-ship—when seeded groups, by their actions, set examples for others to follow.

Making Everyone a Leader: The Horizontal Organization at W.L. Gore & Associates

Summary of a talk by Debra France (2014)

Since Bill Gore founded the company in 1958, W.L. Gore & Associates has been a team-based, flat lattice organization that fosters personal initiative. There are no traditional organizational charts, no chains of command, nor predetermined channels of communication. Achieving sustaining financial success in an organization of 10,000+ people that does not have a single manager requires a set of distinctive capabilities and mechanisms—features that may well point us towards the enterprise of the 21st century. Here are the most important elements of Gore’s unique organizational design:

Responsive Organization

Gore’s organization is highly responsive and agile. Employees work in many small units, which allows them to diversify, all while mindful of the unifying purpose: producing great innovative products that add value for customers. There are no big rules, just guidelines. There is no centralized “mandate or control” station.



Leadership Creates Followership

The underlying thinking behind Gore's lattice structure is that just because one is named "leader" does not mean one has authority. Formal hierarchy alone does not create followership. As Bill Gore stated, "You might be president, but you can't make anybody do anything." Instead, he characterized a powerful leader as someone who is "really good at influencing in a visionary and compelling manner," and who makes commitments and promotes them in a galvanizing way. In this sense, everyone can be a leader, and everyone can get to work on a meaningful project at Gore.

Comfort with the Paradox of Polarities

Working with polarities has been a key component of Gore's success. Everyone has to grow comfortable with a culture of "ands" instead of "ors," maximizing the upsides of opposite ends of a spectrum, and minimizing the downsides. Polarity thinking pushes organizations to live in constant tension, which provides for more effective and nuanced decision making. For example, a corporation should strive to be both globally consistent *and* locally relevant. The rationale: local relevance alone would jeopardize the overarching corporate principles, while global consistency alone would not do justice to the unique challenges of the locale. Other

examples of polarity thinking are "control *and* autonomy," and "new *and* known values" when it comes to managing innovation.

Find Support with a Sponsor

Everyone at Gore can choose their own sponsor, an unthreatening "safe person" who is not an authority but someone offering friendly counsel to help a colleague to succeed. In line with polarity thinking, complementary personalities often team up together, building upon each other's strengths. For instance, creative people might choose technical minded and data-oriented people to help keep them on track. Managing both freedom and focus is important for all teams. Sponsors also help hone the polarity thinking in new employees, and balance "correction and protection." Each individual is tasked with managing the polarities within their own mindsets to leverage the best they can contribute.

Fundamental to Gore is "belief in the individual." They trust that smart, well-intentioned people will make good choices. There is no reason to have bureaucratic rules for the few who need them and overburden the environment. If individuals need more guidance, their sponsors can provide them. If an individual doesn't live up to the Gore beliefs and principles, their sponsors will coach them, and if they don't buy in, they are eventually out.

A Focus on Innovation, not on Process Excellence

Innovation ranks high on Gore's agenda. It means at times cannibalizing one's own markets, and breaking things to make them better. Many companies are brilliant with processes; Gore is not. A process-focused approach tries to eliminate the variation caused by people's behavioral variance, which conflicts with Gore's emphatic individual orientation. Not surprisingly, Gore has had challenges attracting individuals from more hierarchical cultures, as the flat, horizontal model does not translate well for them.



Multi-disciplinary Product Teams

Each product at Gore is managed by a multifunctional team of employees—like a stool with three legs composed of technical, manufacturing/operations, and sales/marketing—and an infrastructure that supports all of the legs. From the beginning of each project, employees invite other talents to join in on their ideas and seek the input of other experts who might get involved further down the line. This leads to an extremely inclusive culture (“Giving someone an invitation on Day One is saying *please be part of us.*”) As a result, company morale at Gore is very high, as the atmosphere promotes trust, respect, caring, and supports a great “work-life” balance. Profitability stems from engaged people working on great projects.

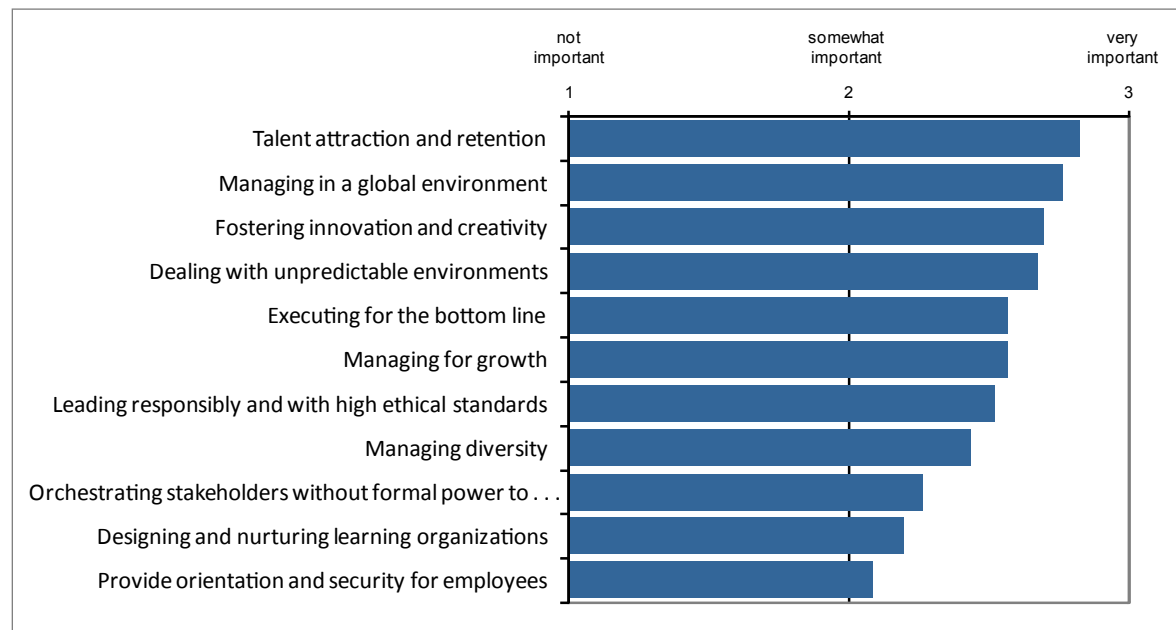
Simple Rules

Simple rules are crucial to Gore. Employees at Gore are “free agents,” and can thus live where they want as long as they can do their job effectively, remotely. At Gore the principles of how decisions and priorities are made “haven’t changed and don’t change.” No matter into which office in which part of the world people walk, they know how to act and how to decide because of these principles.

A Look at the Past Through ECLF Annual Surveys

Finding Talent, Coping with Globalization, and Fostering Innovation Are Perceived as Key Challenges

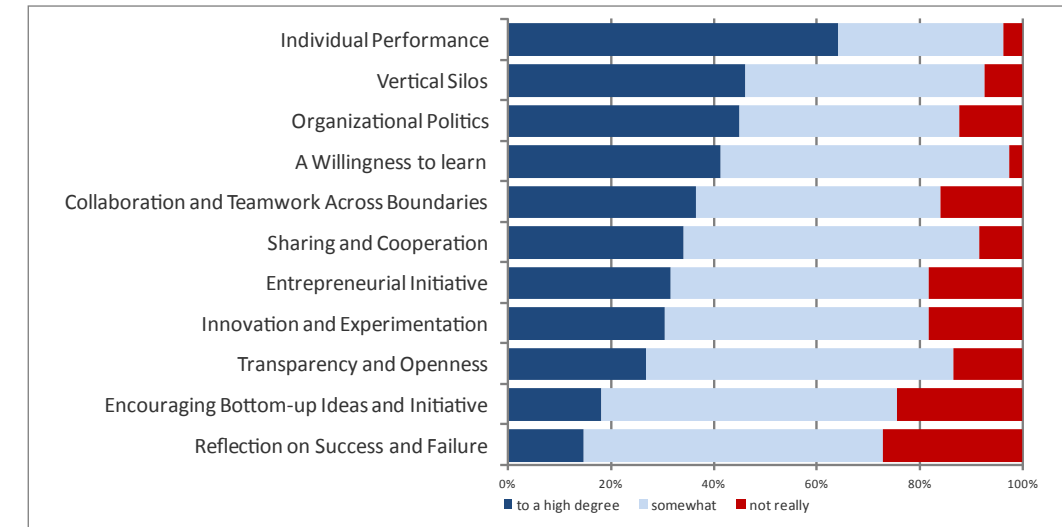
What are the key challenges you see for the typical leader of the future?



(2008)

When It Comes to Leadership Culture, Individual Performance, Silo Mentality, and Politics Still Rule

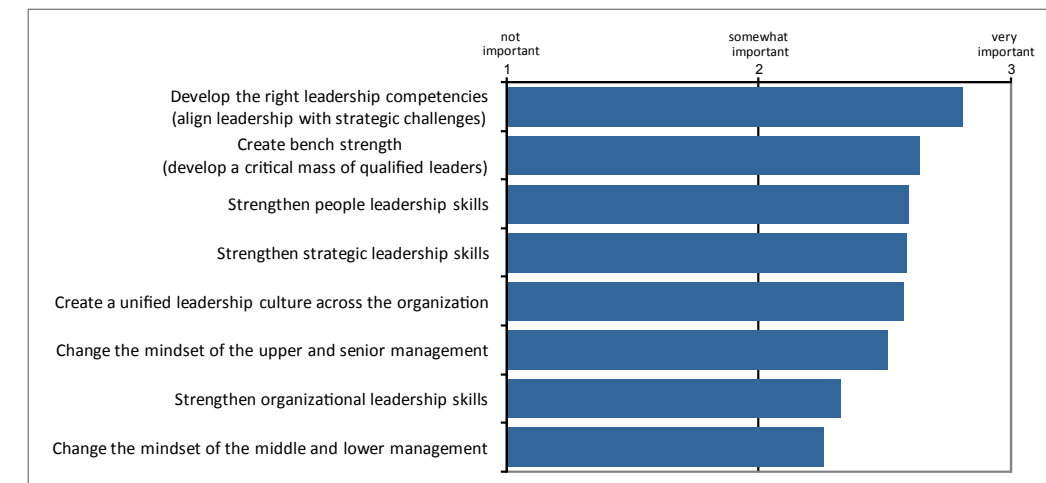
The current leadership culture in our organization is characterized by . . .



(2012)

The Majority of Companies Still Use Traditional Toolkits to Foster Leadership Development and Learning

When it comes to leadership, how important are the following issues in your corporation?



(2008)

L&D must play a significant role in shaping and capitalizing on the new social media environment as they are closest to topics like leadership culture, capability development, and organizational change.

Remarks on Leadership in a Networked World

Wrap-up of the 2012 annual meeting by Roland Deiser

■ Cisco is a fascinating model of an organizational design that has reinvented itself to create a culture of collaboration and adaptability. It altered its leadership rules, its decision-making, resources and systems to stop incentivizing silos and internal competition. It revamped its leadership culture to transcend the traditional hierarchical reporting. The company just recently piloted a new management certification program for junior and senior managers based on a social media-style platform in which managers

endorse each other peer to peer—just like how Amazon allows customers to endorse products. Soon direct reports will be able to use the system to rate their managers, so all employees can see who ranks as its best managers and leaders.

■ The ECLF survey suggests a gap forming in how organizations view the proliferation of social media, and their uncertainty about what to do about it. Few learning departments are prepared to address the issue. Yet we know that the paradigm of communication is evolving from a top-down broadcast model to a peer-to-peer paradigm. Video is the key medium of communication in the future, and the ability to tell compelling stories will be critical to attract audiences. This clearly requires that leaders and organizations develop new literacies.

■ We need to acknowledge the undeniable impact of Gen Y digital natives on organizational culture for whom social media is a primary method of communication. In such a universe, leaders who stand out in their production of videos, blogs, or tweets will become the most followed and respected ones.

■ Social media won't become the exclusive media organizations and leaders use, but rather a combination of both broadcast and social media will be used. The communication flows of the future will resemble a neural system of big and small pipes, all interconnected. Broadcast media will remain a valuable mode of communication both internally and externally, but it will converge

with the very different logic of participatory media that fosters engagement, connectivity, and collaboration.

■ We will see more individuals within the organization build their own personal brand using the tools of social media. Hierarchy will no longer define who becomes a leader. An individual with a lot of “badges” and a popular blog, videos, and tweets will be deemed an organizational leader.

■ If it is true that social media will be ubiquitous, that it will shape a new leadership culture, and that leaders will need new capabilities to cope with these new realities, organizations must respond to this challenge. As our survey indicated, there is currently little governance in place to address these issues. The solution is not to look to the CEO for guidance; we need a stronger focus than an overly busy CEO can afford. Neither is it prudent to assign social media governance to the communications department only; they have a broadcast media DNA and are not used to thinking in terms of organizational processes and dynamics. And it is not a pure marketing responsibility—their social media utilization targets customer engagement and branding. If we want to tackle the issue successfully, we need to think beyond traditional functions.



Starting with the very first meeting, I have always been struck by the openness with which members share their experiences, even those with rough edges. While we all appreciate things that go well, no one attempts to look perfect or as if they have all the answers. This helps us learn from each other. The authentic ‘true stories’ bring rich learning and a feeling of working together to raise the profession.

—DR. NANDANI LYNTON

Leadership Development Director, A.P. Moller–Maersk A/S



I had just become a corporate university manager when I joined ECLF in 2009. Since my first meeting, I felt like I was part of a team of high level professionals, passionate about learning in a relaxed and unconventional environment that stimulates open dialogue around practices, challenges, and successes. I learned an exceptional amount that helped me enlarge my understanding of learning as being far more than training. Thanks to ECLF, I reshaped my role to orchestrate, capitalize, facilitate and diffuse learning moments within the organization.

—STEFANO MANCINI

CLO, Director Business Faculty, AXA University