Defeating the Status Quo... Why Leaders Matter
GO ARMY!
BEAT NAVY!!!
Key message...Remember This

1. We live in a VUCA world

2. Culture drives performance / results

3. Leaders matter ....a lot
As a leader, how can you navigate the VUCA world?
Volatile

exponentially accelerating change with record levels of market volatility (VIX)
the inability to know everything, the lack of predictability and likelihood of “surprise” events
The multiplex of forces, the chaos and confusion that surround an organization or environment
The Rule ..... SIMPLE = EXECUTION = RESULTS
differences in interpretation when contextual clues are insufficient to clarify meaning
As a leader, how can you navigate the VUCA world?
“Commander’s Intent drives WHAT needs to be done”

**Vision**

**COMMUNICATE** - relentlessly communicate a sense of purpose and *lead* people towards it

**BELIEF** - in yourself and others, supported by facts and evidence

**FOCUS** - ensure your team’s efforts are aligned and focused on the right areas
“Learn to Ask WHY questions to understand the Root Cause”

CURIOSITY - ask questions (coach) that challenge the status quo in your organization every day

EMPATHY - get where people are coming from - their hopes, fears and desires

OPEN MIND - explore new ideas, reflect and seek constructive criticism
**Clarity**

**Simplify** - chop the fat, cut through the complexity and distill the core down to its essence

**Intuition** - use the gift of knowing without reasoning, trust your gut and your experience

**Systems Thinking** - approach problems from a holistic perspective (a system of dynamic, interacting, *interdependent* parts)

“Effective Planning is Holistic and Connects the Parts”
Agility

DECISIVENESS - adapt quickly to changing circumstances and make decisions with confidence

INNOVATE OR DIE - learn from your mistakes and continuously seek new ways to get better at what you do

EMPOWER - value networks over hierarchy, collaboration over control and set people free to do great work

“Discipline Creates Space….Empowering Enables Agility”
Some events change our lenses through which we judge the successes of yesterday, gauge the relative importance of decision facing us today, and ultimately decide the course we set for tomorrow”

Sean O’Keefe, author “Organization at the limit”
January 16, 2003

STS – 107
(Space Transportation System)

NASA/s 113th Flight

February 1, 2003
Engineers requested an inspection by the crew.... Mission Managers discounted the strike, no action taken to confirm shuttle integrity.
The physical cause of the accident.. "breach in the thermal protections system on the leading edge of the left wing caused by a piece of insulating foam"

What happened and why did NASA continue to launch shuttles despite many years of evidence

The Cause of the Problem...1.7 pound piece of foam

But......what for it
The Real Issue.....Leadership and Culture

“The accident was a product of long-term organizational problems”

Wow....
The CAIB concluded.....

“the accident was probably not an Anomalous, random event, but rather likely rooted in NASA’s history and the Human Space Flight Programs’ culture.”
“Instead of waiting for a leader you can believe in, try this: Become a leader you can believe in.”

Stan Slap
Just So You Know....

- 87% of employees worldwide are not engaged...US 70%

- Companies with highly engaged workforces outperform their peers by 147%

- Most companies are maximizing only 5% of their workforces
And yet ....We are not taking action

• **71%** of leaders believe engagement is the key driving sustainable results

• **72%** rank recognition as having a significant impact on employee engagement

• **24%** of leaders say their employees are highly engaged
The culture engine .... It drives everything

“You know what kinds of organizations are explicit about building a strong culture?”

“The successful ones.”

Patrick Lencioni
What Is Culture?

• Culture is about what is deeply valued in an organization

• Culture is the collection of words, actions, thoughts and “stuff” that clarifies and reinforces what an organization truly values

• The whole point of culture is drive the success of the enterprise

Stuff: Non-human parts of culture

Source/Credit: Jamie Notter, Culture That Works, Work XO
Sounds Great…But…

- Integrity
- Communication
- Respect
- Excellence

These 4 values were chiseled in marble in the main lobby. Nice words, but they did not drive the right behaviors.
Culture begins with beliefs and finds expression in behaviors.
BE A DOER
Disruptive Leadership....Defeating the Status Quo

The **TWO** enemies of change:

**History and Success**
These Three Things

1. Be absolutely clear on where you want to go and why

2. Model the behaviors....your life is your message

3. Defeat the status quo by stretching the organization
Formula for Success

$E = mc^2$
Formula for Success

E - Everything we do
M - Magnify when we
C - Communicate
C - Collaborate
Thank You
What you thought was most important

leadership, communication, move up, leadership, potential, ability, management, development, skills, collaboration, teamwork, effective, motivation, culture, alignment, productive, teams, growth, goals, knowledge, problems solving, mission, values, strategy, experience, quality, empathy, problem solving, awareness, personal, professional, accomplish, motivate, vision, values, growth.
What might be missing?

leadership

communication

moveup
talent

quality

empathy

change

potential

team

competency

management

ability

development

skills

leaders
d
collaboration

growth

motivation

goals

knowledge

problem-solving
"I want the public to think of us as 'The Company With A Heart'. But I want you to think of us as the company that will chew you up, spit you out and smear you into the carpet if you screw up."
How do These Leaders Adapt to Constantly Changing Environments?
What leaders do and don’t do matters a lot!

“The culture of any organization is shaped by the worst behavior the leader is willing to tolerate.”

Gruenter and Whitaker
Where Are You Playing?

Above

Playing the Line

The Mendoza Line

[Image of baseball cards]
A Continuous Learning Culture is Important Because Stuff Happens

“No Operational Plan survives First Contact with the Enemy”
No Business Plan Survives First Contact with the Market
• What happened and why did NASA continue to launch spacecraft despite many years knowing foam debris problems?
• How could NASA forget the lessons of Challenger in 1986?
• What should NASA do to minimize the likelihood of such accidents in the future?
• What was the culture like at NASA that led to this disaster?
• What was the decision-making framework NASA used that led to a launch decision?

Source: Organization at the Limit, Lessons from the Columbia Disaster, Starbuck and Farjoun, 2005
<table>
<thead>
<tr>
<th></th>
<th>Columbia</th>
<th>Challenger</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lift off date</strong></td>
<td>January 16, 2003</td>
<td>January 28, 1986</td>
</tr>
<tr>
<td><strong>Buzz factor</strong></td>
<td>First Israeli in space</td>
<td>First school teacher in space</td>
</tr>
<tr>
<td><strong>Total crew members</strong></td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Men</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Women</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>African American Physicist</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Omen</strong></td>
<td>Damage to left wing after launch</td>
<td>Freezing cold weather prior to launch</td>
</tr>
<tr>
<td><strong>Weather</strong></td>
<td>Very cold weather days before launch</td>
<td>Extremely cold weather at launch time</td>
</tr>
</tbody>
</table>
Implications and Lessons Learned

Managers and leaders must pay attention to relational issues in organizations.

Seize and freeze...under time pressure, research demonstrates that teams tend to resolve situations more quickly and collect less information that they would were time pressure not present. As a result, individuals or teams operating under time stress often seize and freeze on certain definitions of a situation without adequately probing to see if that definition is the most appropriate.

Conflict between engineers and managers...conflict between safety and effectiveness
- Schedule vs safety
- Costs vs EVA
- Manager overrule engineers

Create foresight. To achieve a very high reliability and resilience, one first must look back with clarity unobscured by hindsight.
Lessons Learned

1. Drift toward failure as defenses erode in the face of production pressure

2. An organization that takes past success as a reason for confidence instead of investing in anticipating the changing potential

3. Fragmented distrusted problem-solving that clouds the big picture

4. Failure to review assessments as new evidence accumulates

5. Breakdowns at the boundaries of organizational units that impeded communication, collaboration, and coordination

6. Ineffective learning can precede flaires and perpetuate them...learning organization...slow lelarning prenets orgnaiztion

7. Large size forces organizations to decentralize, and ecetration can become disorderd gramentation

8. Complex technologies compel organization to develop complex structures and mgmt. processes

9. Weak prioriton of goals induces organioatn to waster resoruces on tertiary activities while performaing primary actdiites

10. Managerial facades hide true performance
Example 2.. Friendly fire in northern Iraw

p. 188 organizational intimies
Columbia Space Shuttle Disaster

Learning target: I can explain how the shuttle disaster happened and why caused it.
3 Rules of Warfare

1) Focus on the Enemy

2) Fight the Enemy, Not the Plan

3) When in Doubt, See Rule #1

“Mission First...People Always”
3 Rules of Business

1) Revenue before costs

2) Better before cheaper

3) When in Doubt, See Rule #1

“Customers Determine Our Success”
Exercise: Slinky / Building Blocks
We live in a VUCA world
and how Leaders can navigate it
Vision
Understanding
Clarity
Agility
Do You Have Your Dog Tags On?
The biggest threat to innovation is internal politics and an organizational culture, which doesn't accept failure and/or doesn't accept ideas from outside, and/or cannot change.
MEET THE NEW FACE OF BUSINESS LEADERSHIP

BY BRIAN O'KEEFE

WHY COMPANIES LIKE WAL-MART, PEPSICO, AND GE ARE RECRUITING THE MILITARY'S ELITE

PG. 108

PLUS: GEN. DAVID PETRAEUS ON BEING THE BOSS

TRALEY LLOYD

WEST POINT
ARMY CAPTAIN
COMMUNICATIONS OFFICER IN BAGHDAD
WAL-MART STORE MANAGER

U.S. ARMY
Hic Sunt Leones
What You Should Know About Culture...The Hard Facts

- Culture eats strategy for breakfast!
- People leave the culture, not the organization.
- Your culture is your most valuable competitive asset.
- You can’t copy a culture, you have to create it.
- Any culture that is evolving on its own is falling behind...
  Causing a drag on performance, rather than enhancing it.

Source/Credit: www.torbenrick.eu
Depends On Your Point of View
‘You don’t get to choose your culture. You choose how you allow your culture to grow.”

Jamie Notter

TEAMWORK MAKES THE DREAM WORK

Culture is a living breathing thing. It is created and re-created by everyone in the organization through their words, thoughts and actions.
The world is changed by your example, not by your opinion.

Paulo Coelho
What Followers Expect From Their Leaders

- TRUST
- COMPASSION
- STABILITY / CONSISTENCY
- HOPE
What Types of Behaviors Enable Trust, Compassion, Stability and Hope

• Straight Talk
• Transparency
• Results
• Confronting Reality
• Authenticity
• Extending Trust
Emerging Model Suggests 3 Key Elements Needed

1. Effective Leadership...Commit to the journey

2. A Working Model or Framework

3. Performance
One Framework To Consider

Effective Leadership = CHARACTER + RESULTS

Source/Credit: Modified from Ulrich, Zenger and Smallwood, Results-based Leadership, 1999
The Mendoza Line

The Minimum Standard
CORE VALUES
Leading In Constantly Changing Environments

Major General (Retired)
Keith Thurgood, Ph.D.

June 17, 2016
“May you live in interesting times.”

寧為太平犬，不做亂世人
• Commissioned 1981
• 28+ year career Army officer
• Corporate CEO
• Deployed in Operation Iraqi Freedom
• Led the 95th Training Division (Afghanistan)
• Airborne Qualified
• Author – The X Factor: Sustaining Personal and Organizational Xcellence
• Husband and father of five kids 12 grandchildren
Objectives

1. Introduce the concept of VUCA* and why it matters

2. Develop some ideas and tools that you can use while leading in a complex and changing environment

3. Discuss some common themes that enable leaders to thrive in changing environments

*Volatile, Uncertain, Complex, Ambiguous
What does this picture tell us about our operational environment?

“Instead of waiting for a leader you can believe in, try this: Become a leader you can believe in.”

Stan Slap
Just So You Know….

147% companies with highly engaged workforces outperform their peers

24% leaders say their employees are highly engaged

87% employees worldwide are not engaged

leaders believe engagement is the key factor in driving sustainable results

71% leaders identify recognition as having a significant impact on employee engagement

72%
Group Discussion

Discuss and agree on the top 3 concerns in your organization?

Questions:

1. What are the team's strengths, weaknesses, threats and opportunities?
2. What are the analytical questions that distinguish what you think from what you know?
3. Is your strategy right or wrong? How do you know?
As a leader, how can you navigate the VUCA world?
Leadership Lessons from US Military

Volutility
- Translate data into information
- Communicate early
- Ensure your intent is understood

Uncertainty
- Get a fresh perspective
- Be flexible
- Glance back, look ahead

Complexity
- Develop collaborative leaders
- Stop seeking permanent solutions
- Train tomorrow’s heroes now

Ambiguity
- Listen well
- Think Divergently
- Setup incremental dividends

http://theo.org/special-collections/spotlight/2019/november
A Framework for Action

Vision and Intent
Understanding
Clarity
Agility

Trust....Empowerment....Team....Learning Organization
Commander’s Intent

- A clear concise statement of **purpose**.
- **Aligns** team toward a common end state.
- Encourages **initiative** by stating what, not how.
- Purpose + End State + Key Tasks = **Execution**

Commander’s Intent is most effective when:
- it clearly defines the top priority
- the communication of intent is simple and repeated often
Strategy is About Delivering a Vision or Future…3 key elements that support intent

**ENDS**
End State
or Vision

**WAYS**
Strategies
& Tactics

**MEANS**
Resources
for Execution
Commander’s Intent
“Cadence and Message”

What is your Cadence and Message?
The “Back Brief” Is A Way To Check Alignment

- Provide clear intent – Task and Purpose…
  WHAT and WHY

- Give subordinates time to do their own planning, consult with their team, develop their own “How”

- Come back together to CHECK ALIGNMENT

  - What are the benefits of this approach?
  - How do you see this enhancing trust, especially in constantly changing environments?
“Never tell people how to do things, tell them what you want to do and they will surprise you with their ingenuity”

- General George S. Patton
Small Group Discussion

Think about Constantly Changing Environments like yours, and discuss the following within your group:

• How could you use Commander’s Intent within your organization?

• Do your people know your “Cadence and Message?”

• How do you see these concepts aligning with your trading partners like GE?
  – Empower & Inspire Each Other?
  – Deliver Results in an Uncertain World?

• Be prepared to share with the larger group.
Problem

Government spending too much money on keeping the steps of the Jefferson Memorial clean.
Why #1

Too many bird droppings…
too many birds
Why #2

Birds are attracted to large moth population
Moths are attracted to lights
Why #4

Lights are on for longer period of times
Why #5

Repairs being made to monument
What to Do?

Hire 3 shift supervisors working 8 hour shifts and 12 sanitation workers.....4 per shift..... to keep the monument clean
Total cost: $1.6MM
Alternative?

**Real Solution:** Turn the lights off earlier  
Total Cost: Save $200K

**Lessons:**
1. Ask, "**why, why, why**"….get to the root cause of the problem in VUCA world
2. Understand the **2nd/3rd order affects** of decisions
After Action Review (AAR)

• **Definition**: A professional discussion of an event, focused on performance standards, which enables individuals to discover for themselves:
  • **WHAT** happened
  • **WHY** it happened
  • **HOW** to sustain strengths and improve weaknesses

• A tool leaders and organizations use to get the maximum benefit from every mission or task; it **ensures success is repeatable** and not accidental.

Source: Training Circular (TC) 25-20
Hic Sunt Leones
The Reality of Change in Organizations

Percentage of Employee Engagement

- Explorers
- Pioneers
- Homesteaders
- Resistors & Saboteurs

Source/Credit:
Leadership and Change

70%
Clear Planning Coupled with Role Clarity

How Is The Competition Doing?

What Adjustments Will I Need to Make?

What Do The Indicators Tell Me?

How Am I Doing?
Video
Empowerment

Empowerment Frees the Team to Act
Small Group Discussion

Think about Constantly Changing Environments like yours, and discuss the following within your group:

• How can you create clarity for your team and organization? Please share some specific examples.

• How might you create an environment and culture of empowerment?
  - *How do you empower others to act?*
  - *Why is planning important?*

• Be prepared to share with the larger group.
Summary

- Vision drives performance and the Commander’s Intent drives what needs to be done no how
- Seek to understand by asking “Why” questions
- Effective planning is holistic and connects the parts to achieve clarity.
- Discipline creates space…Empowerment creates agility.
Final Exercise

Think about Leading in VUCA environments like yours and identify the following:

• What are you willing to try?

• What ACTIONS will you take to improve your leadership effectiveness to achieve better outcomes in this environment? Please be specific relative to your current role.
Nothing Breeds Success
Like Failure

Nothing Breeds Failure
Like Success
Back Up
Collaboration Will Win

“Vertical”
Staff, Strategic, Capital Campaign, HQ, Departments

Deliver Strategy -- “easy”
Status Quo

“Horizontal”

Deliver Strategy -- “hard”
Defeat Status Quo
“THEY”
A Learning Organization

Situational Awareness

- Learn continuously; Try new stuff!
- Treat every event as an opportunity to learn
- Conduct positive After Action Reviews (AARs)

How and when can you apply AARs on your team?

Source: Leader Business 2012. All rights reserved
The Economics of Trust

\[ \downarrow \text{Trust} = \downarrow \text{Speed} \uparrow \text{Cost} \]

\[ \uparrow \text{Trust} = \uparrow \text{Speed} \downarrow \text{Cost} \]
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“Customers Determine Our Success”
“Plans are nothing. Planning is everything.”

- Dwight D. Eisenhower
Empowerment

Accountable

Responsible

“I Am Accountable and Responsible”
The Operational Environment

**VUCA is the new normal**

- **V**olatility
- **U**ncertainty
- **C**omplexity
- **A**mbiguity