TOMORROW'S CHALLENGES

THE COMPELLING ATTRACTIVENESS OF FEWER IDEAS

TOO MANY IDEAS, ALL AT ONCE, CAN LEAD TO OVERLOAD

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How many ideas did Jack Welch need to unleash to reinvent General Electric in the 1980s, as the Cold War wound down and the world economy approached major technological and geo-political inflection points? It turns out not that many! And, let us not forget that this led to a remarkable remaking of what was already a highly successful organization, but an organization which was most likely unprepared for the world that was to come and in need of rethinking.

At that time, I was fortunate to work with one of Welch's regular golfing partners, who returned one week from an outing with Jack to speculate that "Jack Welch has had only six ideas in his entire career", and then went on to demonstrate the successes born out of Welch's relentless application of a few simple, yet powerful ideas: six sigma, bottom 10%, Toyota's asset management system, and the rest that we all knew so well (none of which were original to GE, by the way; more to his credit). I continue to think about this a lot, as I believe that there are times and places, especially in senior leadership positions, where fewer ideas are better than more!

Complex organizations need clarity, especially in operating environments characterized by hyper-volatility (our so-called VUCA world). Agility and speed can only be achieved by decentralization and delegation, and these worthy aspirations can only be applied effectively if the intended beneficiaries of more autonomy feel safe in exerting that authorization and if, at the same time, senior management is confident that everyone in the organization knows exactly what the objectives and rules of the game are; so that there is no need for excessive control or micro-management. Case in point, Jack Welch successfully ran what must be included among the most "ambidextrous" of organizations, where multiple business unit cultures addressed a wide spectrum of competitive clockspeeds, but while he granted much autonomy throughout the organization, he also insisted — from black-belts to upside mentoring — that some things be done the same throughout the entire group. This insistence on common process consistency, coupled with very simple measures ["first, second, fix or withdraw"] allowed GE to have a highly variegated surface area in the ways in which it touched the outside world, without a feeling of being adrift for those who worked inside. This is a variation on what my IMD colleague and good friend George Kohlrieser refers to as a "secure base," where goal, role and organizational clarity make risk-taking easier. Witness, as a counter-example, the reluctance of so many in and around the present administration in Washington to take public positions on important issues in the midst of so much leadership unpredictability at the top.

Do we need more big ideas? Yes, or course, but more big ideas generated in rapid repetition have the adverse effect of creating considerable uncertainty as to what we are doing, and where we are going, at the moment, and can eventually result in managerial exhaustion. The late leadership guru Warren Bennis once spoke about "great leaders not wasting their followers' time" as an attribute of leadership genius. The self-generation of confusion and uncertainty as a result of frequent and incoherent leadership actions is clearly a violation of such a principle. There is a familiar axiom of design-thinking that in the ideation phase you want quantity over quality in idea-generation, in order to generate novelty, and I agree with that completely in the innovation process, but up above, at the very top of an organization, when decisions are taken that result in the shaping of the character of corporate culture, fewer, better thought-out, more reflective and longer-lasting ideas will provide a safer environment for those being asked to take bigger chances below. Even at Haier, an organization that I have written about as having created an organizational culture where big change was considered both continuous and natural, there was a period in the late 1990s where CEO Zhang Ruimin recognized that too much change was unsustainable, and had to be reined-in a bit.

In our Virtuoso Teams project, Andy Boynton and myself argued that innovation magic occurs most brilliantly when the right team members are assembled, with a license to create big change, when they believe that they have the absolute freedom to contribute their very best ideas, and when, at exactly the same time, top management believes that it is in complete control. Such situations occur all too rarely, and one of the primary reasons for this is that idea-turmoil at the top of the organization leaves those below with insufficient guidance about what is expected, and what the parameters of their freedom really are. In such situations fewer and sharper ideas about the character and purpose of an organization, rather than more, can provide the clarity and reassurance needed to ultimately produce more, not fewer, market-oriented innovative ideas throughout the entire organization.

There is more than a touch of irony that a co-author of "The Idea Hunter", is championing fewer ideas, but a key role of leadership is recognizing when too much change is dysfunctional. Recent research by PwC suggests that fear of disruption is a critical concern of top management, and that panic-driven efforts to avoid or combat disruption are neither rare, nor successful. Their conclusions include slowing-down and looking carefully at your industry's situation, and your own corporate strengths. Easy to say, but does this feel like standing still as the world goes speeding by? Perhaps, and maybe too many of us are action-oriented, as in "ready, fire, aim," but while we might not be able to control external change, self-generated volatility can be unnecessary and dysfunctional and should be resisted, even at the cost of appearing slower. It is at just such occasions, when confusion threatens the performance of a group, that reflective team-wide discussions as to purpose, what business are we in, and what jobs in the customers' lives are we filling, become so important.

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