

Sample 1 (research paper excerpt)

The extraordinary expansion in the size and complexity of private enterprise that attended the Industrial Revolution gave rise to the first truly big businesses the world had ever known. And in the form of the colossal railroad industry of the nineteenth century, the large-scale capitalist bureaucracy was born. In the century that followed the domination of the railroads, the term “bureaucracy” has taken on an almost exclusively pejorative meaning as any kind of organization that suffers from an excessive, convoluted reporting structure burdened by waste and a resistance to change. The case of General Motors during the end of the twentieth century – documenting the tumultuous period in which the automotive giant traded its rarified status as industry leader to that of hopelessly out-of-touch relic better known for its boondoggles than its cars, and its long struggle to recover at least some measure of its former glory – poses some interesting questions about the nature of bureaucracy itself. As an enterprise matures, enjoys success and scales according to the demands of its growing market share, is the shedding of the very entrepreneurial spirit that drove its original value proposition, and the steady accumulation of detrimental bureaucratic practices inevitable? And if the onset of bureaucracy is the natural extension of any successful organization over time, what qualities must be leveraged to drive high performance rather than inhibit it?

By the 1980s, GM's bureaucratic inertia that had already resulted in the loss of a significant portion of its share of the automotive market was made all the more apparent by the fresh dynamism of Ross Perot's Electronic Data Systems (EDS) that GM Chairman and CEO Roger Smith had acquired in an attempt to modernize his flagging car company's information management systems. Rather than succeeding in lifting GM from its slump, however, the attempt to graft the nimble data processing

outfit onto his bloated operation created far more problems than it solved.

The foresight Smith exhibited in understanding the need for change in his organization did not extend to fully appreciating EDS's capabilities. Even more telling than the apparent mismatch between EDS's expertise and GM's needs, however, were the vast array of problems that arose from the fundamental differences between each firm's culture and the men at their helms. Where GM's managers resented EDS's executives for the substantial financial compensation they were awarded through the unique pricing model that made EDS so competitive, EDS employees balked at the independence they surrendered when subjected to GM's far more strictly regimented ways of doing things. The friction exhibited by their respective workforces was only magnified in the conflict of personalities between Perot and Smith themselves. While Smith had originally claimed to be seeking to "inject high-tech know and a can-do spirit into a stodgy company," his loyalty to the status quo and aversion to change was brought into sharp relief by his increasingly public conflicts with Perot, culminating in the formal severance of their business relationship. As an outsider without the allegiance of a highly insular and intransigent organization, Perot didn't stand a chance.

Yet while Smith would be rid of Perot, he would retain EDS, the company the Texas entrepreneur had founded twenty years earlier. Without Perot as its guiding force for the first time in its history, what happened to the culture of EDS without him is especially revealing about the nature of bureaucracy. In the wake of his unceremonious departure from the GM board in 1986 after Smith offered him twice the market value of his shares in the company to buy him out for \$700 million during a time when GM was losing nearly half that much a quarter and laying off workers in the tens of thousands – a move that only further underlines the firm's bureaucratic propensity

for misguided priorities and misspending capital – serial entrepreneur Perot threw himself into his next business venture, Perot Systems Group. But did EDS retain its autonomous, entrepreneurial culture and continue to clash against GM without its founder? If Perot's adversarial disposition toward EDS following his departure is any indication – outbidding it with an even more innovative pricing structure than the one he pioneered at his former company, filling key positions at Perot Systems with defecting EDS personnel, and receiving requests for employment from thousands more loyalists – then the answer is a most emphatic no; in the contest of cultures, bureaucracy prevailed.

During the era that followed the ultimately ineffectual reigns of Smith and Robert Stempel, his short-tenured successor (the same period that would see Perot bring his own particular brand of entrepreneurial spunk to national politics in two insurgent presidential bids), GM underwent a transformation at the hands of a new board of directors from outside the company purported to be as sweeping as any since the establishment of the reigning organizational structure pioneered by Alfred P. Sloan, Jr. that had stood for seven decades. Beginning by separating the role of GM chairman and CEO for the first time in thirty years, the outside directors sought in their new leader someone who could deliver on many of the revolutionary anti-bureaucratic prescriptions for GM articulated several years earlier by Perot – listening to the customer, rewarding the workforce, eliminating waste and banning authoritarianism.

While the major role he played in rescuing GM's ailing European operations in the 1980s certainly figured prominently in the board's decision to go with thirty year GM veteran Jack Smith to succeed Stempel as CEO, perhaps the most significant attribute this former payroll audit clerk had going for him was his reputation within the company as someone who "wasn't a slave to the old ways of doing things." These perceptions

notwithstanding, however, the spirit of this Smith would ultimately prove to resemble that of his predecessor of the same name far more than the entrepreneurial mien of the man who railed against him a decade earlier.

Sample 2 (business case essay)

Ackoff's epistemological hierarchy illustrates how wisdom can be derived from data by means of judiciously applied scientific reasoning and reflection that passes through the intermediate stages of information, knowledge and understanding. As a progression of steps that begins with parts (data) and ends with a whole (wisdom), it makes an elegant case for thinking in systems over more traditional learning that exclusively promotes reductive analysis. There is sometimes a tendency in systems circles, however, to view the difference between analytic and holistic thought almost as we might view the difference between blindness and sight. While this point of view does not ignore the value of aggregate data points as the first step on the road to wisdom, it often fails to sufficiently emphasize that each of those data represent the building blocks that together form the foundation on which that "most durable and unbounded level of knowledge" stands. Just as scant or biased data can lead the numerically naive to jump to conclusions that are no better than opinion, wisdom is only as wise as the quality of the data from which it's derived.

After a long campaign waged over a generation to acquire just as much of their competition's business as possible, a former employer of mine had grown from a regional competitor to a nationally recognized brand and bona fide monopoly that dominated the market in almost every state. But since the middle of the last decade, as a result of game-changing technological advances in advertising platforms, that monopoly has simply lost much of its relevance. Many folks in the business had been amazed at the speed and relative ease with which they made so many of these acquisitions in the early 2000s; and after the bubble burst, they found out why. The competition that had sold them their share of the market had foreseen and responded

to structural changes in the economy that my former employer had seriously underestimated.

By way of describing very large systems whose sustainability is heavily reliant upon external factors - economic, technological, environmental, etc. - Meadows, in her *Thinking in Systems*, describes how processes that have always produced the same successful outcomes, can suddenly, for no apparent reason, stop working. In such cases, the stakeholders of said processes fail to appreciate the frequently subtle changes taking place in those domains that affect the performance of their systems, and most crucially, the rate and severity of the impact those changes have on their interests. This is analogous to what happened to my former employer. The wisdom of their business model had once been sound; it faithfully delivered predictably profitable outcomes for over seventy years. But over time, the data on which that wisdom was originally founded had simply ceased to be meaningful.

One of the ways in which systems thinking attempts to cope with changing and divergent world-views is through the leveraging of Soft Systems Methodology. In order to achieve "the richest possible picture of the problem situation" (Jackson, *Systems Thinking: Creative Holism for Managers*, 2003), SSM stresses the importance of gathering and analyzing as much data as possible before any meaningful assessment on a systems level can take place.

Along with leveraging a soft systems approach, so too might the application of Ohno's Five Whys have helped guide my former employer away from making foolhardy business acquisitions. If, for example, they had stopped to ask why it had become so much easier for them to acquire their competition's business, and progressed along a

path of increasingly illuminating questions and answers, they may have discovered the critical root cause that would have kept them on more sound financial footing.

Because these analytical strategies can be used in concert with holistic techniques – particularly Deming's Plan, Do, Check, Act continuous improvement methodology – they are not mutually exclusive to maintaining a solid systems perspective. Moreover, by furnishing us with the ability to either revalidate or invalidate – on an ongoing basis – the underlying data that support any prevailing wisdom that informs a process on a systems level, they help us to avoid making the dangerous assumption that the future performance of a process is necessarily assured by its past success.

Sample 3 (book response essay)

Members of every generation are tempted to believe that the times in which they live are somehow special or significant in a way that distinguishes them from those of other generations. This tendency to look at one's own age in this way has become especially pronounced since the dawn of the modern era, in which the pace of change began to increase as never before. Since the Industrial Revolution, an average lifespan means being born into a world that will be profoundly different, if not utterly unrecognizable, by the time one departs it. This sense of transience that permeates our understanding of the world stirs something inside our collective unconscious that tends to make us believe the world is on the verge of something new, that the present moment in time is of critical importance. Sometimes, this preoccupation with the present produces a happy conceit that promotes a belief in a prosperous future. More often than not, however, we look toward the future with trepidation and foreboding.

Joseph Nye, in his own look forward-looking *The Future of Power*, illustrates this pessimistic tendency in both American and European societies. (Nye, pp. 156-157, 161). Traditionally the two most powerful socioeconomic zones in the modern world, the United States and the nations of Europe have ample evidence through their ancestor civilizations of Greece and Rome to remind them of their own potential for imminent decline and collapse. Nye, however, maintains a somewhat more sober perspective in his assessment of the current state of power relations in the world at the dawn of the twenty-first century. He is no less convinced, however, that this moment in history represents a period of profound change and that the current generation is indeed living during an era of unparalleled importance.

The new world order that arose in the aftermath of the Second World War has undergone significant shifts in recent years that have given rise to a far more complex and unpredictable international landscape. The Information Age is transforming the nature of global power itself. With the widespread rise of the internet, power has diffused outside the strict domain of government. (Nye, p. 113). The ability to organize and exploit opportunities and resources through cyberspace represents an unprecedented opportunity for non-state actors who seek to achieve military, economic or political objectives. Terrorist organizations, for example, leverage networks as a means of achieving their goals beyond the scope of traditional interstate warfare. (Nye, pp. 120-121). With Iran, and the revolutionary nations of the Middle East that have become vulnerable to it, the influence of Islamic theocracy threatens to destabilize that part of the world and the all the economies that rely upon its natural resources. (Nye, p. 232). Given the almost symbiotic relationships to which modern global economies are bound, the rise of China, India and other fast-developing nations are challenging the continued ascendancy of the West as never before. And woven throughout each of these storylines are the persistent dangers of nuclear proliferation, economic depression, and the environmental sustainability of the earth itself.

Along with the changing face of world affairs, Nye makes the case that traditional concepts of power are changing; and in order to remain viable, nations must learn to exercise their ability to leverage what power they have accordingly. Writing in the early nineteenth century, the German military thinker Carl von Clausewitz famously declared that “war is the continuation of politics by other means.” Indeed, for most of human history, military power has been the primary means by which political authority has expressed itself. But alliances have grown more interdependent; as tragically evidenced by the global conflagration that inaugurated the twentieth century, the initiation of hostilities of one nation upon another can automatically draw their

neighbors into war. And now that the ultimate expression of military power can swiftly assure the mutual destruction of both sides with the flick of a switch, the costs of war have increasingly become just too great. That said, however, Nye acknowledges that war is by no means obsolete. With the increased role on the world-stage of non-state actors as combatants and the asymmetrical tactics employed by terrorists upon civilian targets, warfare sadly remains alive and well. (Nye, pp. 33-34).

In today's world, the global economy has become the new battlefield. Because of their exposure to economies from every corner of the globe, national financial markets have become increasingly vulnerable. The potential challenges to the West from the emerging BRIC nations, and from China in particular, come not from the traditional form of territorial expansion, but from our escalating economic interdependence on one another. (Nye, p. 56). Accordingly, if we seek to bring the aphoristic wisdom of von Clausewitz up-to-date in Nye's terms, we might propose to say that "economic power is the continuation of war by other means." The course that American presidential candidacy has taken since the foundation of the Republic, for example, is emblematic of the way in which economic issues have begun to trump military matters as extensions of politics. In the nineteenth century, military service was almost a prerequisite to hold our highest elected office. Indeed, the luster of some of our presidents' former military careers as generals eclipsed whatever contributions they would later make at 1600 Pennsylvania Avenue. By the end of the last century, however, and during this year's election cycle in particular, business experience has replaced military service as one of the most highly touted attributes that modern politicians can boast; and we have no reason to believe this trend will not continue in the future.

Given the hazards that come with negotiating this complex and constantly evolving landscape, Nye advocates for the thoughtful use of what he calls "smart power." Smart power skillfully balances the polarities between "hard power," the application of clear and direct power to command by force or payment, and "soft power," the application of the subliminal and indirect power to co-opt through attraction and persuasion. (Nye, pp. 20-21). The term may be relatively novel, but the concept of smart power itself in practice has been with us for a long time. Nye cites myriad cases throughout history in which softer tactics like the setting of agendas or establishing preferences have been skillfully combined with military force or economic sanctions. (Nye, p. 19). Why, then, is it so important to insist upon smart power now?

Nye repeatedly reminds us of the importance of context. Contexts change over time and we must vigilantly respond to those changes. (Nye, pp. 9, 208). As far as smart power is concerned, the practice may be old, but the context is new. The human frame of reference is much broader today than it has been for the vast majority of our time on the planet. For eons, the extent of the human world was the family and the tribe. With the birth of civilization came the advent of the village and then eventually the city-state. And while the concept of international relations significantly predates the modern era, the emergence of a global community that is symbiotically interdependent is brand new in the human experience. This milestone lies at the heart of Nye's case for the future of power in the world. In the past, any destruction brought about by "hard" military action was relatively circumscribed to the immediate region of the combatants. The scope of the engagement and the yield of the armaments were relatively limited. Today, however, the scope is planetary and the yield is nuclear. The application of smart power has become far more than just good policy; upon its use or neglect now and in the foreseeable future may well determine the fate of the species and the planet.

So what does this all mean for the prospects of the United States in this century and beyond? The rise of other nations need not necessarily imply the decline of America and the West. As Nye has illustrated, power diffusion promises to be far more prevalent in the future than power transference. As power diffuses, the pace of technology accelerates, and the borders between nations become increasingly blurred. And while the future is difficult to see, we can be fairly clear about some basic ground rules for national sustainability in the years to come. The age of unilateralism, and of political, cultural and economic hegemony is over. The future of our own power in the world will depend greatly on our capacity to share it.