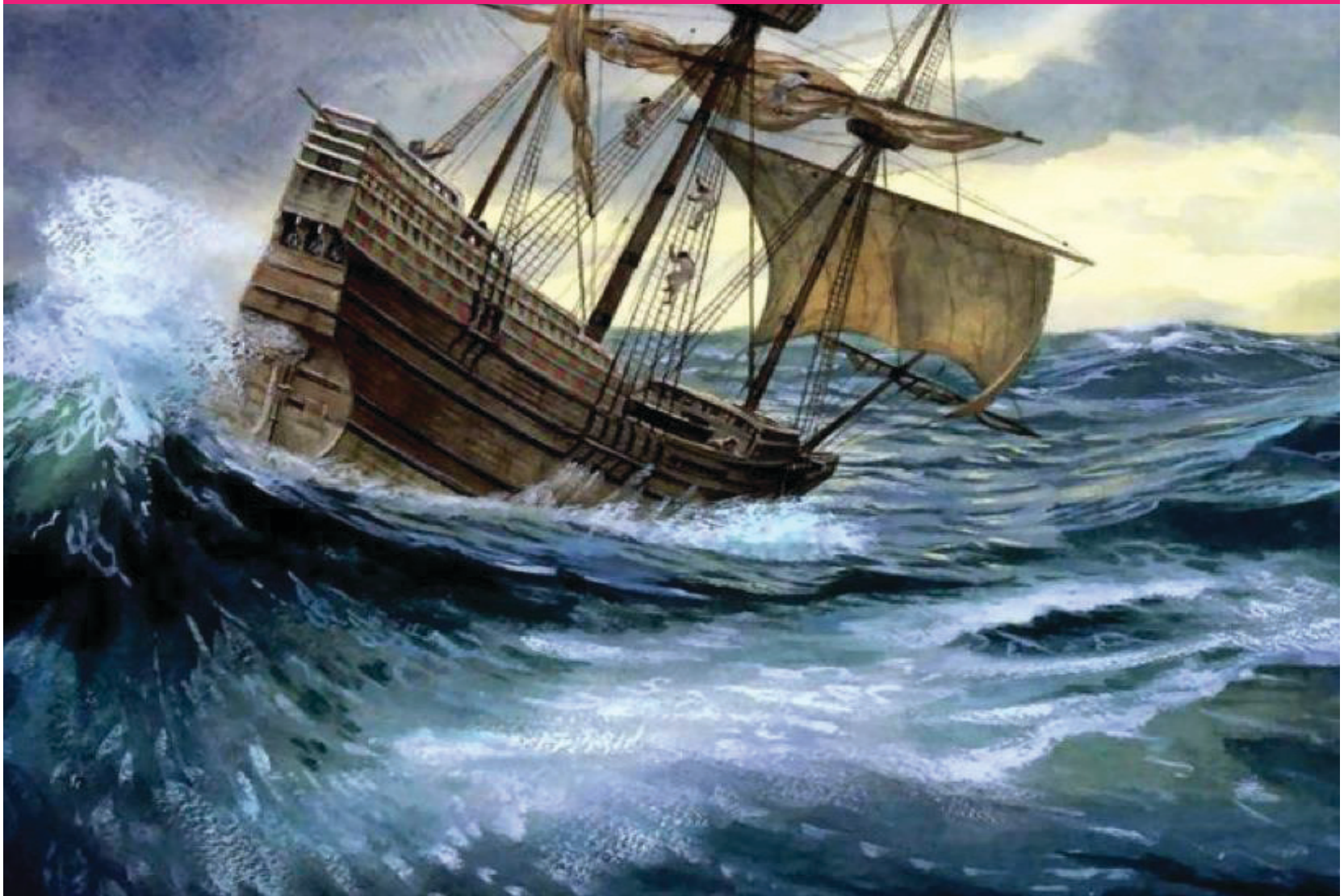


Stemming the jolt of leading in turbulent times

by Charles Obiajulu Ugwu - PhD



A defining feature of the current era is the spate of gyrations across all its functions. These come in the form of chains of occurrences as never experienced in the past ranging from; incipient uncertainties, ambiguities around even the hitherto routine tasks, failures of even the most detailed and presumably trusted strategies, maddening rate of change of change, increasing non-linearity of even the most basic factor relationships, deepening complexity of processes up to shocking irrelevance of the established approaches and standards.

Also prominent are various shades of stakeholders each with divergent perspectives, unrelenting demands and expectations, external political, bureaucratic, social and economic forces all challenging organisational visions and strategic aims and intents.

These phenomena are happening simultaneously with furious surge in interconnectedness and interdependence even amongst clearly differentiated processes, products, organisations and nations.

Kortler and Caslione had in their efforts at understanding the whirlwind captured the general feel as Chaotic. To them, we have entered into an entirely new era, an age of increasingly frequent and intense period of turbulence in the global economy. What is most instructive about their findings was that not only are the developments unlike anything the world knows and looked prepared for but the attendant turbulence was not going to go away in the near future but rather has become the “New Normal”.

As apocalyptic as the submissions may seem, they rather see any hope of effective coping strategy to be those that revolve around an understanding that the crises have precipitated a need for businesses to develop a new mind-set that takes into account the intermittent periods of disturbance as that would allow them thrive while under the constant threat of chaos.

Another disturbing feature of the now infamous New Normal, is that the age long theory of change of change which had posited that the end of one problem should naturally mark the beginning of another allowing organisations learning and experiences with some dose of clarity about expectations of the next problem, have all failed to add up. Few new challenge in the current era offer players any advantage of previous learning as each come with uniquely crafted and defined formats hardly amenable to old solutions. Swings have therefore not only become less reliable and unpredictable. The business landscape could at best be described as being in a flux- The Age of Turbulence.

Considered most strategic to the thrust of this paper, is the warning from Kotler & co. that “Underestimating chaos can lead to strategies that neither defend a company against its vulnerabilities nor allow it to take advantage of the opportunities that arise from chaos”. While not offering any elixir, the imperative of their work is that living in the age of the new normal for the major players especially the organisational leaders and captains leaves them with no smarter option than seeing Chaos as the relentless wave that you cannot stop but only learn to surf.

“Learning and knowing how to ride these waves will not only moderate the general perception of chaos as the disruptor that must be avoided, but enable the emergence of a new rhythm to the business processes”

Learning and knowing how to ride these waves will not only moderate the general perception of chaos as the disruptor that must be avoided, but enable the emergence of a new rhythm to the business processes that could provide both opportunities and fun as the potentials could be endless for the brave hearted.

While the jolt and challenges of the age of turbulence affects all irrespective of your role and level in the organisation, type of business, social, economic or political leaning/standing, gender or age, for organisation which form our focus here, the weight of the jolt certainly would be distributed according to the level of accountabilities players hold in ensuring not only the survival but the growth of the enterprise across seasons.

On this count, business leaders though may not necessarily the most exposed, are by virtue of their role in setting and driving the business agenda most strategically positioned like the pilots, to see and feel the severity and immediate and lasting impact of the storm on both the engine of the organisation – the intangibles (its people) and the structures made up of the tangibles. Any remediation with potentials for demonstrable and lasting results while the chaos last, must first focus on enhancing the capacity of these leaders to navigate the turbulence.

An often fabled approach to equipping leaders to stand up to chaos include the delusion of pointing to volumes of management ideas about how leaders mostly in the past have managed to cope presuming that what worked at such times and places would be successfully replicated in all other areas irrespective of the fact that business turbulence has both space and time dimensions that remain unique to such details as situations.

Another Burgeoning trend among business leaders has been the resurgence of recourse to and undue attention to endless analysis of the mistakes that have sparked both current and past turbulence in the hope of avoiding them as good hedge for insulating their organisation against turbulence. Much less attention has been on what has been done well especially those non activity specific interventions that are more in the mind-set shifts, culture and value zones during turbulence that had given the systems a better focus and gearing to stem the tides.

Contending with business Turbulence – the Leadership Restoratives

Since business turbulence as in the new normal has shown to be largely indeterminate and no longer amenable to reasonable space for predictions, any suggestions to business leaders on coping measures would as well be characteristically fluid and not overtly fixated on some so called standardisation and rules books or niche consultant's findings. This approach will not only free leaders from the limitations of having to follow sometimes flawed but established and tested standards with their constraints, but empower them to become more creative as they look for blue-ocean solutions and improvisations that fit the time, situations and circumstances.

While not being explicitly prescriptive, we may now explore the options and strategies for leading effectively in ways that would not only moderate the distractive jolts to organisational leaders in the age of turbulence but also provide the empowerment for seeing the treasures that otherwise are brought to the fore amidst the rubble of the chaos.

01. Organisational Delusions.

Even in the worst of times when business leaders are buffeted by; need for superior performance, staying at the top, achieving market leadership, ever shifting global forces, and rapidly changing technology, they are also not spared the relentless pressure to deliver profitable returns to their shareholders. This would explain the frenzy by these executives in their constant search for the magic bullets in the forms of books articles and thought leaderships that promise reliable blueprints and path to lasting success. The snag with this approach even though well intended, remain the fact that these recommendations on how others have survived turbulence in the past are most time build on less reliable premises and conclusions. Even where they were derived from supposedly detailed analysis of some huge data base, the credibility of such data could be anything but trustworthy. Being so flawed, these elixirs as they seem could give rise to erroneous benchmarks.

Equally damning, are implied notion that business challenges and remediation would follow predictably from implementing a few steps.

The reality however is the fact that business success result from decisions made under conditions of uncertainty and shaped in part by factors outside the control of each operator. Even the competitive dynamics in the real world would rather support strategy choices built on the realities and peculiarities of each organisation on-the-go than resort to some fabled halos. Business leaders would stand a better chance of riding the turbulence of the new normal through more engaging look at their realities while being mindful of the chains of delusions that offer helping hands at times like this. The hyperboles of existing thought leaderships certainly could be useful but more in aiding critical and deep thinking than ready-made inferences for generalisations. As a first step, it is important to spare some efforts in understanding these misperceptions and delusions commonly found in business world and rather use the insights to challenge the flawed thinking giving room for more accurate methods for navigating the chaos.

02. Minding the Halos

On the heels of organisational delusions is the tendency to make specific inferences on the basis of general impressions. This tendency first developed by Thondike since the 1920s is referred to as "halo effect" remains relevant till today with very dislocating impacts across most of human endeavour including religion, sports and indeed the corporate landscape. While Halo effects could lead to the use of just one or a few outstanding attributes to generalise and accord same for the object in areas that such may not exist, its reverse called Horn effect would also use failure in one attribute to generalise and infer potential for failure in other areas.

Many business leaders have fallen for these halos in such sensitive decisions as, investment focus, succession planning, staff development, entry and exit choices, product mixes, production strategies and such delicate ventures like mergers and acquisitions. The reality is that the flashes and allure of a few positive attributes get transferred and used for business decisions in more diverse and areas believing same good results. The attractions of these halos are more irresistible in challenging times as they most time would promise quick wins. The returns in most cases would rather exacerbate the exposure and vulnerabilities thereby deepening the chaos.

"The returns in most cases would rather exacerbate the exposure & vulnerabilities thereby deepening the chaos".

2.1 Manifesting Halo effects in turbulent times

This tendency for specific inference come handy to business leaders who already rattled by the now regular signs of storm, often mistake correlation no matter how spurious to perfect indicator of causation. Too often, it is comfortable for leaders in organisations posting impressive records as increasing sales, rising market share and reasonable profit margin to conclude that doing well in such parameters to conclude that such were indicators of sound strategies, motivated employees and satisfied customers. Should any of these parameters such profit experience reasonable slacks, same leaders would quickly infer a decline in motivation, strategy not being right, customer dissatisfaction or a disabling culture. The irony is that no significant changes may have occurred around those defining parameters on the basis of which the inferences were being made.

The summation of the danger of these warped inferences by leaders especially when their organisations are going through turbulence is that performances either way creates an impression – a halo- that shapes how the organisation perceives its state and chances be they in, strategy, leaders, employee, culture, and market share. Being away of and keeping an eye on the allure of halos surely would provide the resiliency factor and curiosity to cross check and challenge the so called quick answers and inferences. Many leaders that have successfully coped with the storms have been shown to subject the flips that could lead to halo effects to wider iteration to establish their reliability.

“Too often, it is comfortable for leaders in organisations posting impressive records as increasing sales, rising market share and reasonable profit margin to conclude that doing well in such parameters to conclude that such were indicators of sound strategies”.