The Top Team’s Job in Building Game-Changing Organizations

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What are the hallmarks or distinguishing characteristics of a Game-Changing Organization?
Uber: The world’s largest taxi company, owns no vehicles.

Facebook: The world’s most popular media owner, creates no content.

Amazon & Alibaba: The most valuable retailers, have virtually no inventory.

Airbnb: The world’s largest accommodations provider, owns no real estate.

Netflix: The world’s largest video store has no store.

Adapted from Tom Goodwin “Something Interesting is Happening” 2015
But, these are also Game-Changing Organizations
What about your company?
The Leader’s Role in Building Game-Changing Organizations…

Where do we start?
The **Skillsets and Mindsets** of Game-Changing Leaders
Skillsets

Game-changing leaders do really well.

5 things
The Game-Changing Leader’s Job is to ...

- Create Clarity
- Unleash Energy
- Shape Tomorrow
- Win Today
- Build Trust
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What Happens When Every Issue is a “Top Priority” when Transformation is the Agenda?

- Disruptive Innovation
- Connectivity and Convergence
- Digitization
- Reverse Brain Drain
- Smart Technology in Every Product
- Demographic shifts
- Knowledge-Based Economy
- Future of Mobility
- Shift in global economic power
- Entrepreneurship Rising
- Reputation
- Carbon Neutral
- Mindfulness
- Accelerating urbanization
- Global Threats
- Health and Wellness
- Inadequate Educational Opportunities
- Security
- Sustainability
- Income Inequality
- Technological breakthroughs
- Climate change and resource scarcity
- Increased Demand for Transparency
- Unipolar to a multipolar world

*Megatrends as predicted by PwC, KPMG, McKinsey, Forbes, HayGroup, Frost & Sullivan

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Welcome to Your World!
The story? Your company’s path to becoming a game-changer
Game-changing companies are...  

Easier said than done!  

Why is it so difficult to build these capabilities simultaneously?
Why building game-changing organizations is so hard...

Companies face embedded tensions and paradoxes when driving transformation:

- Revitalization
- Globalization
- Innovation
- Optimization
- Digitization
- Normalization
- Simplification
- Regulation
- Rationalization
- Humanization
Purposeful Stories
The Game-Changing Leader’s Job is to ...

- Create Clarity
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- Shape Tomorrow
How the hell do I tell them I haven't a clue where we're going?
Getting Started: Creating a Climate of High Engagement

- **High Dialogue/Exchange**
  - **High**
    - **Big Hat… No Cattle**
    - **Mutually Invested**
  - **Low**
    - **Bad Marriage**
    - **Blame Game**

- **Low Expectations/Accountability**
  - **Low**
  - **High**
Unleashing Energy

• Inclusion leads to a sense of belonging
• Diverse voices are more naturally engaged
• Ask for help, but
• Create a climate of accountability
Collective Leadership
The Game-Changing Leader’s Job is to …

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“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.”
Here is where we need to talk about... the C word
The traditional definition of culture...

“The way we behave around here.”
Organizational Culture

Our shared beliefs

Our articulated values

Our normative behaviors

Rewards and consequences
But to assess the authenticity of your culture, we need to add a phrase:

“The way we behave around here, supported by rewards and consequences that are transparent and fairly distributed.”
Or, for the scientists in the room...

\[ OC = \frac{SB + AV}{NB} \rightarrow \approx R + C \]
An authentic organizational culture can be both glue and grease

• The glue that binds us together
• The grease that enables innovation, fresh thinking and resiliency

But, an unhealthy culture can also be both glue & grease

• The glue that keeps us stuck in the past
• The grease that causes us to slip and fall when we lose our way
Trust is built by aligning
Promises Made
with
Promises Kept
The Game-Changing Leader’s Job is to …

Create Clarity

Unleash Energy

Shape Tomorrow

Win Today

Build Trust
Stand Out

Be Different

Get Noticed

Generate Value

Organizational Capability:
Skills/processes that create differentiated competencies leading to competitive advantage.
Approximately 2/3 of companies say building organizational capabilities is a top priority...

<1/3 actually do it.

Why?
1. Upper level executives see and feel fewer problems with their current strategy than those at the customer interface.

2. Often, organizational culture makes it very hard for those who perceive the need for change to speak up.

3. Talk is cheap—saying it doesn’t make it so—we need to invest time and resources into building a new future.

4. Routine is comfortable. We have succeeded at creating it. Change is uncomfortable, so we find all kinds of creative approaches to resist it.
Win Today

• Disciplined execution
• Customer obsession; shareholder happiness; employee excitement
• Cross-border know-how
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Is it really possible to shape the future?

If so, where on Earth will we find the leaders to do so?
Building a World-Class Talent Factory
Developing Your Next-Generation of Game-Changing Enterprise Leaders

Is this an organizational capability challenge?

or

Is this a culture change challenge?

or

A bit of both?
Developing Enterprise Leaders

How to Become a Game-Changing Leader

IN RECENT YEARS, we have come to believe that it is not enough for leaders to be strategic, technical, and people-oriented. They must also be able to lead in a dynamic, fast-paced environment. This means being able to create and sustain a culture that is both innovative and productive. To succeed in today’s marketplace, leaders must be able to think and act quickly, adapt to change, and inspire their teams to achieve results.

LEADING CHANGE

The success of any organization depends on the ability of its leaders to lead change. This means being able to identify opportunities for improvement, develop strategies to implement them, and motivate employees to follow through.

THE LEADERSHIP EXCHANGE

Leading change is a complex process that requires a combination of skills and abilities. Leaders must be able to communicate effectively, build relationships, and manage conflict. They must also be able to create a vision for the organization and inspire employees to achieve it.

LEADERSHIP IN ACTION

Leadership is not just about giving orders or making decisions. It is about creating a culture that values teamwork, accountability, and continuous improvement. Leaders must be role models, setting an example for others to follow.

THE NEXT GENERATION OF ENTERPRISE LEADERS

As organizations continue to evolve, the need for effective enterprise leaders will only increase. These leaders will be expected to navigate complex environments, drive innovation, and inspire teams to achieve results. The ability to lead change will be critical to their success.

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So this we know…

So why do so many aspiring leaders struggle or derail?
The Great Paradox –
If you want to be a game-changing leader…

it is not good enough to be a successful builder!
Skillsets and Mindsets
Game-Changing Leaders in today’s complex companies must cultivate **Skillsets and Mindsets**
The Enterprise Leader’s role is to enable others to gain the perspective and context to think and behave on behalf of the enterprise’s customers and stakeholders, and reconcile the embedded tensions that emerge from needing to take care of business locally at the same time.
Is there a Secret Sauce in Integrating Skillsets and Mindsets?

Mastering **dualities**...

1. **Urgency** with patience
2. Collective leadership with individual accountability
3. Developmental coach with relentless performance
4. Perpetual student with inspirational teacher
5. Humble steward with bold change catalyst
Mastering dualities

Case example: Alan Mulally, President and CEO of Ford Motor Co (2006-2014)

In the course of the Ford turnaround, I had to embrace five seemingly contradictory mindsets:

Both Urgency and Patience

When I joined Ford, there was a good chance the company would go out of business if we couldn’t improve performance. That created a tremendous urgency, but I also had to be patient. Executives were afraid to speak up. I needed more than just a vision and a list of principles to change Ford.

Both Collective Leadership and Individual Accountability

Leaders from all parts of the company met together to report on the status of each group’s work toward achieving its part of the company’s business plan. We would work together to discuss the problems that executives identified and to help one another turn the reds to yellows to greens.

Both Developmental Coach and Relentless Performance Driver

I was trying to change a culture, so I started every meeting by talking about purpose, performance, and principles. During the rest of the weekly business-plan-review meeting, I talked the least, because I was listening and learning from other executives’ presentations and facilitating involvement and participation.

Both Student and Teacher

I love our employees. I believe in them — in what they can do individually and what we can do collectively. I affirm that I’m going to include them, listen to them, and respect them. We are all going to hold ourselves collectively accountable for following our processes and our expected behaviors. What more could I do to love people than to help create a healthy work environment that delivers high performance and profitable growth.

Both Servant and Change Catalyst

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Brokering takes more time to learn how to do effectively—we are talking about developing perspective, the capacity to consider a problem and place it in a broader context. It’s a matter of developing a mindset, really—a way of thinking about the world around you.

ROD MACKENZIE, EVP, Chief Development Officer, Pfizer

We have created a culture and a mindset where knowledge is brokered for positive action. Every team member has an accountability to listen, to translate and to act. Things bubble up and are driven down. This is how we’ve built the trust we needed to truly transform.

PAUL RAFFIN, President & CEO of The Frye Company, Li & Fung

I’m a bridge builder…that’s what I do. To be successful, I must work with my team to align our agenda locally in Israel with the broader Unilever enterprise agenda. I need to help my people see how the pieces of the puzzle fit together.

ANAT GABRIEL, CEO, Unilever Israel
If we are going to build organizations that are

• Purpose-driven;
• Performance-focused; and
• Principles-led,
we need to cultivate a new perspective on the skillsets and mindsets of our enterprise leaders.
Thank you!

If you have any further questions, please contact me at dready@mit.edu