

Strategy, Leadership and the Soul

RESILIENCE, RESPONSIVENESS AND REFLECTION
FOR A GLOBAL ECONOMY

Jennifer Sertl and Koby Huberman

Synthesis

Strategy, Leadership and the Soul presents a new paradigm for organizations. In building their case, the authors present a unique analysis of the dynamics of organizational evolution since 1850 to the present day, reflecting on how the context of the changing nature of society over time has informed the necessary adjustments in structure and leadership and in what way these have been vital to the sustainability of those organizations. The current quixotic context for both small and large organizations—the rapidly changing business landscapes, global interconnectedness, technological innovation and the diversity of the needs of customers and employees alike—requires organizations to ‘be in a state of permanent transformation if they are to survive’, to become *transorganizations*.

And in order for these *transorganizations* to prosper, a new style of leader is required—a *transleader*. From their experience as consultants, the authors conclude that *transleaders* must transform themselves first rather than look to the outside for a solution. The qualities needed for this leadership style are:

- the ability to communicate with passion and clarity,
- to develop a shared language that can transform the thinking of everyone working in or with the organization,
- to inspire self-confidence and knowledge to strengthen teams,
- to share power, and give greater control to the workforce
- to behave like mentors rather than bosses,
- to welcome diversity,
- to have an exceptional level of self-awareness,
- to be able to transcend culture, age, and title as a means to arrive at what is relevant

Aligning the values and beliefs of the transorganisation and the transleader is a key feature of this new paradigm. Transorganizational strategy must be similarly aligned, with an agility and flexibility to allow for an unlimited number of possibilities. Without this, organizations become dysfunctional and will be subject to a very real chance of failure.

The *soul* of an organization is the intrinsic corporate identity that underlies all that it does, that informs its business practices, its aims and goals, its internal and external relationships and its intangible sense of direction—shared in an aligned way between its employees, its managers, its shareholders and its business partners. It is the extremely present and powerful set of beliefs that make the organization what it is. This is not the same as superficial PR or the ‘image’ on advertisements, nor is it just brand identity or corporate culture, but the identity that defines and aligns the relationship it has within the various sectors of the organization and in its interface with the global community.

Strategy, Leadership and the Soul provides a new paradigm and a practical guide to the personal and the organizational adaptation needed to meet the challenges of the future.

Part Nine: Toward I-Organizations (2010-onward)

*Live your questions now, and perhaps even without knowing it,
you will live along some distant day into your answers.*

Rainer Maria Rilke

In our considered view, transorganizations—while clearly a new organizational paradigm—are yet another organizational generation, a temporary phenomenon, simply put. They will be succeeded, and quite soon—as fast as 2012, by yet another revolutionary organizational model.

We call that model the I-Organization.

The I-Organization, we believe, will function more like a living organism than an artificial construct. It will have a body and a soul, a brain and sensors, much like a human being.

And like the transorganization, the I-Organization will dramatically change the way corporations operate. The change will affect every aspect of the organization, but more than that, it will also affect every customer and every marketplace.

As the change occurs, many of today's organizations, especially those that still operate according to the traditional P-age rules, will find themselves facing a fairly grim choice: change—radically—or die.

Those companies that have already become transorganizations will have a much clearer and shorter path to the next stage of organizational evolution. In fact, we believe that no organization will be able to become an I-organization without first being a transorganization, and the same goes for CEOs and other leaders.

In a very real sense, it is the transleaders and transorganizations of today and tomorrow, as they become more efficient and more effective, who will create the I-Organization. They will do so by better and better reframing the organizational soul—as strategy builders, by making

a more consistent impact from a distance, by developing a natural tendency to drive work in spontaneous coalitions and with deeper and broader shared leadership behavior.

Gradually, transorganizations will complete the organizational phase that called them into existence and become true I-Organizations.

Why “I”? Because so many of the characteristics of the I-Organization happen to begin with that letter—another one of those happy coincidences. At any rate, I-words will be the prevailing lingo of the next step in organizational evolution, highlighting fundamental shifts in several dimensions—leadership, external core competence, internal core competence, action styles and value systems—with words and concepts such as intuitive, integral and inspirational Leadership.

These words and concepts, we think, are worth examining:

Leadership Dimension

- 1. Intuitive leadership.** In I-Organizations, there will be less and less time to formally learn and design. Navigation toward the future will have to rely on the collective intelligence and intuition of a leadership *network* that has thoroughly absorbed the concept of shared leadership. This will require a profound degree of agility.
- 2. Integral leadership.** By this, we mean an integral view of all dimensions of the organization and the environment, as well as the corporate belief systems, plus the ability to navigate transformation through an integral model. To put it simply, it means maintaining the broadest possible perspective, whatever the circumstances.
- 3. Inspirational leadership.** We believe that the CEO or leader of the I-Organization will be even less of a hands-on manager or concrete commander than the transleader. He or she will find that the greatest power and the greatest influence will come from the effortless inspiration that can provide the organization with better guidance and greater clarity.

External Core Competence

1. **Insightfulness.** This is the I-Organization's key core competence—the ability to extract valuable business insight from any of the organization's sensors. This could be based on read data, interpretation or analysis, or extracted from tangible transactions and unstructured interactions (especially between the organization's customers and digital interaction touch points). The ability to draw *immediate insight* from these sources is one of the factors that will turn I-Organizations into life-like entities, thinking and acting. We are convinced, in fact, that extracting insight from organizational sensors and determining the correct action—all in real time—will be one of the core differentiators for I-Organizations.
2. **"Interactionability".** I-Organizations will live or die on the quality and efficiency of their external interactions and their ability to extract the right insight from them. This means that I-Organizations will need to perfect every type of interaction with their relevant communities, whether verbal, face-to-face or digital, whether over the phone, in the streets, on the website, in virtual spaces or in social networks. This will be another core I-Organization capability.
3. **Influence.** We believe that I-Organizations will, over time, be able to create bi-directional stimulus-response schemes with their external communities. They will develop ways to influence their respective customer communities, and, in that way, differentiate themselves from their competition and win customer loyalty. Influence-based strategies will include not just one-on-one interactions, but the heavy use of social networks, "parallel virtual spaces" and the digital universe.

Internal Core Competence

1. **Inclusivity.** I-Organizations will take welcoming and acceptance of diversity and individuality to new levels. Instead of simply dealing with it and respecting it, they will find ways to encourage it and to build on it. Diversity will become so integral to the organization that it will cease to be exceptional in any way.

2. **Informality.** Starting in the transorganization age, and more intensively in the I-Organization, there will be no time for formality and no inclination either. Formality is based on a degree of artificiality and strong emphasis on rank. But the prevailing ethos of the I-Organization will be based on openness, on equality and on a strong de-emphasis on hierarchy.
3. **Interpretation.** Another one of the I-Organization's core competencies will be the ability to clearly see and interpret organizational intent, subtext and meaning, from the highest level to the lowest, inside a department or between departments, on an individual basis or in increasingly common self-organized groups.

In the coming age of the I-Organization, social factors and other trends will lead people to seek employment based more on working environment than on their specific domain expertise. I-Organizations will respond by providing working environments that people of all kinds will find conducive, inviting and comfortable.

Action Styles—The Instinct-Based I-Organization

Biological entities survive on the combination of instincts and learned behavior. I-Organizations, which will have many of the characteristics of living things, will base their actions and operations on a similar combination.

But of course, since Mother Nature is not directly involved in the creation of organizations, their instincts are not built into their genes, except metaphorically. They must develop a set of protective instincts and practice them until they become instant and automatic reactions to whatever comes out of the environment.

In this sense, I-Organizations will be like basketball players, who have “instinctualized” a set of skills, to the point that they require no thinking at all and happen automatically: dribbling, passing, shooting, going up for a rebound, cutting through a defense.

The basketball players who are not able to develop these skills into instincts never become stars. They are constantly thinking about their

actions. Meanwhile, the game is speeding past them. Their reactions—their reaction time—is always just a fraction of a second too slow. So they miss an opportunity.

I-Organizations will need to develop their instincts as well, and for exactly the same reasons. They will have to react instantly to either threat or opportunity, without any internal debates or rumination. In the even-faster world to come, if they don't react at light speed, they won't be first-string players. In the I-Age, even more than now, victory will belong to the swift.

Value Systems

Like transorganizations, and the organizations that came before them, I-Organizations will operate according to an internalized set of values. And in the I-Organization, most of these values will be familiar. But three, in particular, will be evolved versions of their current, somewhat undeveloped selves:

1. **Imperfection.** At first thought, it may be difficult to think of imperfection as a value, much less a useful one. And that mindset demonstrates how difficult a task it will be for the I-Organization to adopt this new view. But the simple truth is, the cost of attaining perfection and impeccability cannot be justified. Fixing those last few errors can add costs out of all proportion to the usefulness of something that is flawless. The truth is, and we all know it, most of the time, good enough is truly good enough. There's no need to wallpaper the inside of the closet, unless you're satisfying an obsession. It will hold just as many clothes, just as well and just as handily if it's merely painted a nice, neutral color. The same thing is true of practically every product or process ever invented.

Imperfection is so commonplace, in fact, and so expected, that very few people ever notice it, as long as the product or service is good enough to accomplish its purpose. That means that money spent in the vain attempt at attaining perfect is wasted. It goes unnoticed. I-Organizations will understand this

and incorporate it into their operational philosophy, resisting the urge to aspire to the unattainable and pursuing the goal of producing insignificant imperfections.

2. **Integral Individuality.** It is a daunting challenge for any organization to simultaneously embrace individuality and diversity and at the same time retain its own integrity and distinct identity. And this challenge is complicated by the urge to base organizational identity on a brand. When an organization bases its identity on its brand, it means that all of its values, people and operations must align with brand identity. A better way is to identify the organization's intrinsic identity and to base brands and products on the identity that already exists.

I-Organizations will build identity and differentiation based on their souls, not their products, choosing or adjusting their products to meet their values, not the other way around. That is the surest way to avoid a conflict between who the organization is and what it does.

3. **Integrity-gravity.** Into the heady mix of intuition and instinct, interacting with others in real-time, acting more like a biological entity than a human construct, the I-Organization will take on one more task, a task that, if ignored, can bring down the whole edifice. That is, to act at all times with integrity, according to a set of moral values that build loyalty, pride and commitment. This is challenging for I-Organizations in much the same way it is challenging for individual human beings, and when the challenge is met, it is rewarding in much the same way, making the hard work that much more fulfilling.

Afterword

We have an imperfect, positive duty to seek our own perfection and the happiness of others.

Immanuel Kant

Some of the people who read this book—especially younger people—will find it an affirmation of their instincts and beliefs. Some will find much of what we’ve discussed new, but sensible. And, we suspect, another group—especially those who have decades of leadership under their belts—may find it radical, and in direct conflict with what they’ve learned over the years, or what think they’ve learned.

To all of these groups, we’d like to say that we’ve seen the ideas espoused here put to work in a wide variety of SMBs, government agencies and NGOs. They work. They can improve efficiency, productivity and profits. They can also improve job satisfaction and working relationships. They can make a positive impact on everyone, from the organization’s leadership to its lowest level employees.

Strategy, Leadership and the Soul, at its core, asks you to think about your organization, your people and yourself in new and deeper ways.

It is a call to thoroughly perceiving both the outer world and the inner world, and to unite these understandings.

It is a call to consciousness.

It is a call to personal responsibility.

It is a call to harmonize your organization.

It is a call to elevate your people.

It is a call to know your soul and the soul of the organization, and to see that it is at the heart of everything you do.

It is a call to embrace diversity and encourage it.

It is a call to use your energy wisely.

It is also a call to make flexibility and adaptability a core competence.

It is a call to share power in order to multiply organizational strength.

Finally, it is a call to consider your possibilities unlimited.

Once upon a time, if you were the strongest beast, you could be pretty sure of winning. Later, you won by dominating through wealth. After that, in the age of international corporations and conglomerates, size meant victory. Today, whoever has the most information or customer knowledge will come out ahead.

But this paradigm is undergoing another change. Tomorrow, we are convinced, the organizations with the clearest understanding of reality and with the highest consciousness will be the winners because they will be able to see signs that are invisible to others.

This is your challenge.

Strategy, Leadership and the Soul will be published by
Triarchy Press Ltd
Station Offices
Axminster
EX13 5PF
UK
www.triarchypress.com
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Publication Date: 10th June 2010

ISBN: 9780956263193

List Price: \$25

I love this book! It bursts with fresh ideas and redefines what a true leader is today - and more importantly tomorrow. This book is pure gold for any business wanting enduring success.

Daniel C. Barnett, CEO, The Primavera Company Speaker,
Vistage International, Inc.

As you read this book you realize that this is a new paradigm for business leadership ... The three anchors in the book – Strategy, Leadership and the Soul – provide the coordinates to understand the new organizational dimensions. Beyond intellectually enjoying the original analyses in the book, I gained a new “GPS”, which helps me “recalculate a new route” in any dynamically changing situation.

Ofer Levy, Chairman of the Lotem Group

The world needs leaders that understand and thrive on diversity and constant change. Most of us fall into the trap of looking for solutions for our companies; few of us look for ways of transforming ourselves first, so we can continually transform our businesses ... This is a book for everybody who believes that business sustainability, in the uncertain times we live in, is possible.

Carl R Luttig, Managing Director of the ZEAL Group Pty Ltd.,
Melbourne, Australia

Strategy, Leadership and the Soul presents an insightful view of the future that will be embraced by transleaders and create bewilderment for those that cannot make the transition to a world where customer knowledge and desires set the pace for value creation.

Rick Plympton, CEO, Optimax Systems Inc.

Humbleness and leadership – two words seemingly from different sides of personality. Can they be at peace with one another, or better still, can they create a harmonious combination? ... This book shows you how to do this. Let it also drive you to self reflect on who YOU are and who YOU want to be as you prepare for your next challenge.

Gabi Seligsohn, CEO of Nova Measurement Instruments Ltd.

In today's world the 'business book of the week' usually espouses a new quick solution to problems or better ways to restructure your business in 90 minutes or less. This is a refreshing new book ... it makes us think differently. It makes us answer tough questions. Read it twice!

Peter Parts, Peter Parts Electronics

It is often difficult to understand the complexities and subtleties of the changing business environment while struggling to cope with our own internal operations and preconceived mental models. This book clarifies the factors causing dramatic transformation in the economy and society, and provides a guide for both the personal and the organizational adaptation needed to meet the challenges of the future.

Dale Ewing, CEO/President, InstallNet

ISBN 978-0-9562631-9-3



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