



The Dance of Mastery and Adaptation: Continuous Growth thru Cycles of Renewal Dean Robb, Ph.D.

There is a clash between the assumptions and expectations of Wall Street and many of our business leaders, and the actual reality of the process of growth. Wall Street, as well as many of today's business leaders, grew up during a time when the dominant paradigm that shaped thought and action was mechanistic. The underlying belief system behind both science and business was that the world is primarily mechanical, static, rationally-knowable, predictable, and (most importantly) *controllable*. This paradigm gave rise to a mythology that still drives much of the scientific and business worlds – the myth of Linear Progress.

The Myth of Linear Progress is a deeply held (but largely subconscious) belief that through just the right combination of competencies and actions, continuously upward-trending linear growth can be achieved, or more precisely, *engineered*. If you harbor doubts about this, ask yourself: why does *any* deviation from perfect income and growth projections generally result in an immediate downward hit in stock price on Wall Street? Isn't it because (on some level) we believe – even *demand* – that upward, linear growth projections should be met, with no excuses, each and every quarter? We believe that such demands are reasonable because we believe – on some level – that they are achievable.

So what's wrong with that? Our whole economy is based on it, after all! Here's what's wrong with it: It's not real, and it's not achievable. It's a remnant of a paradigm that's been thrown on the scrap heap. It's an artifact of the scientific revolution of the 17th and 18th centuries and the "scientific management" revolution of the early 20th century, which fostered the belief that the world is a giant machine, and that progress amounts to a gigantic mechanical design and engineering project.

For a time this belief system worked, and worked well: but only during a period when American business possessed largely unquestioned global hegemony. This unrivaled power gave us a measure of stability and predictability – the fundamental prerequisite for the mechanical paradigm to work. But American business no longer commands a position of unquestioned dominance. What's left is a business environment increasingly characterized by ceaseless, turbulent change – in customer needs, markets, technology, social change, and every other kind of change you can think of. And the unnerving volatility of the stock market, as well as the growing number of revolving doors installed at the entrance to the C-suite, reflect it.

The old mechanical paradigm has been supplanted by a growing awareness of the immense complexity of the world. The new paradigm acknowledges that the world is dynamic, unpredictable, creative, and evolutionary in nature; it is *not* fully knowable, and *not* fully controllable. The new paradigm is all about the dynamics of living, evolving, complex systems. Coupled with this is a growing understanding that living systems – like the biological, social, and business worlds – do *not* evolve and grow along straight lines, but through a continuous – and considerably bumpier – dance between periods of mastery and periods of adaptation.

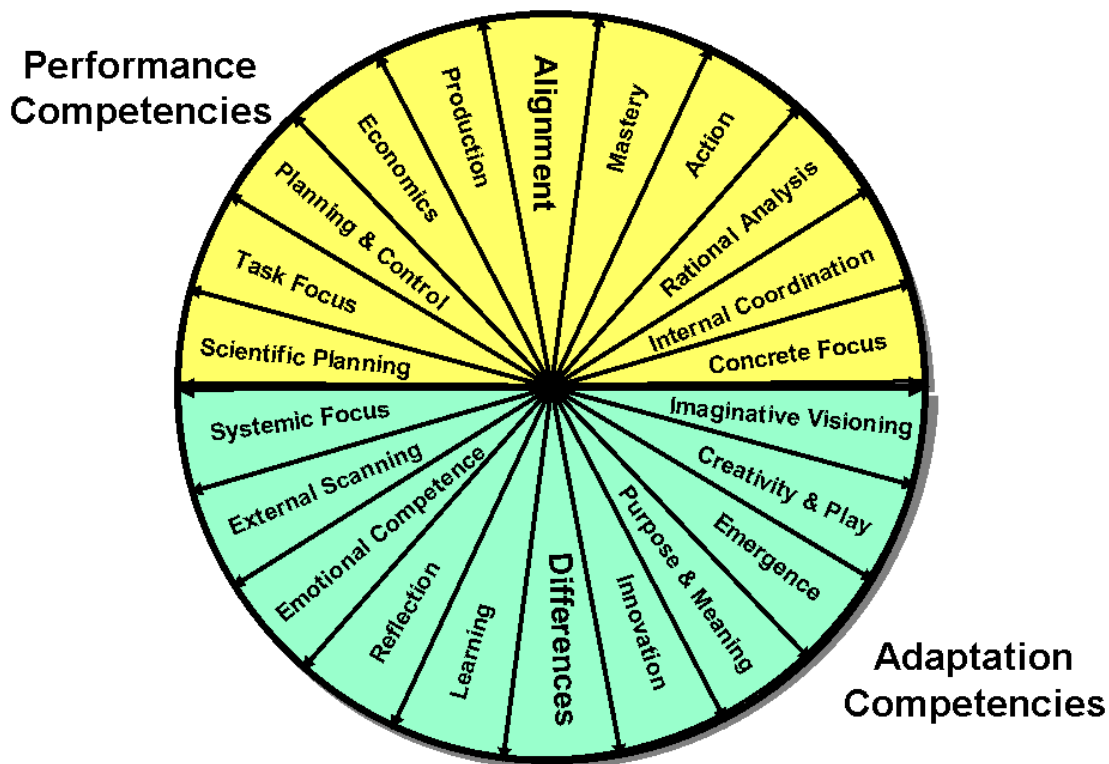
Let's look into this "dance between mastery and adaptation" a little closer.

In business terms, mastery is a period when both strategy and execution are tightly aligned with customer expectations. Mastery is characterized by excellence in execution and also, as one might expect, with excellent financial performance and growth.

Adaptation is a period defined by *lack* of alignment between the company and its environment. Adaptation is a period when the current success formula begins to break down, and a new success formula needs to be created. Depending on the degree of misalignment, this might mean anything from product improvements to disruptive product innovations; perhaps even a complete reinvention of the company, from the business model on up.

Managing the ongoing dance between mastery and adaptation requires recognition that each phase demands very different competencies, coupled with the wisdom to recognize when each phase is occurring. The graphic below illustrates some of them.

The Spectrum of Competencies



The competencies for mastery and adaptation can be grouped into complementary pairs. Some examples: Whereas mastery of repetitive tasks is supported by the capacity to focus on concrete details, changing the task structure is facilitated by the capacity to back up, so to speak, and to look at the basic structure and patterns of interpersonal competition, while moving effectively through deep change is fostered by a strong dose of social cohesion, interpersonal support, emotional competence, and community. Business mastery is tied to a strong focus on financials, while significant change is facilitated by the capacity to reconnect with the original purpose and meaning of the company.

The competencies for mastery support disciplined execution of a fixed strategy. Also, they are all associated with being "on top and in control": goal achievement, task mastery, autonomy, power, action, persuasion, defense, rationality, intellect, logic, analysis, science, structure, planning and control. It scarcely requires mentioning that collectively, we love all of these. In fact, it may not be far off to say that we are addicted to them. And why shouldn't we? All of these feel good. It feels good to be strong, powerful and in control. It strokes the ego and fills the wallet.

The competencies for adaptation support creative renewal. Adaptation involves an entirely different, complementary, yet equally important spectrum of competencies: intuition, imagination, vision, creativity, play, humility, reflection, the capacity to learn, introspection, emotional competence, building relationships, authenticity, listening, connection with purpose and meaning, the capacity to let go and to let things develop and emerge, and spirituality. All of these support deep, creative change – the capacity to undergo metamorphosis: i.e. to let and old identity and success strategy die, and to generate new ones.

We face a deep problem in connection with this dance. Our culture gives lip service to adaptation, but tends to reward only mastery. We call it "winning." In fact, we sometimes don't even classify adaptation competencies as competencies, because we associate the very word "competence" with mastery and winning – with being "on top and in control." And people who have all those adaptation competencies – we often view them as somehow "un-masculine." And in the business world, we often view people and organizations that are undergoing periods of adaptation with suspicion and classify them as being "weak" or even "losers."

The challenge we must face is that significant adaptation cannot happen without going through a small "death" – a period of unclear direction; of seeming chaos and formlessness. In general, our culture tends to regard this process as a sign of weakness because for a period of time, we may not exactly know where we are going or what the next right move is, and our current skills and capabilities may be irrelevant to what is needed to move forward. The problem is that the creative process IS the process of adaptation; and engaging deeply with the creative process requires moving into, and *living* in, a space of experimentation, which can look and feel like chaos or formlessness.

So how do we manage both mastery and adaptation? First, by accepting adaptation as a natural part of life and embracing it. Embracing adaptation means actively building systemic capability for creativity and play, intuition, imaginative visioning, reflection and probing inquiry, maintaining connection with deep purpose, learning, and constructively harnessing internal differences as fuel for innovation and growth. Doing this means we must *pay* people -- and *promote* them -- for building these competencies.

During periods of mastery, execute strategy with intense, disciplined focus; however, stop defending periods of mastery so fiercely. And then, paradoxically, during periods of mastery, while financial performance is excellent, *deliberately* engage in adaptation by actively experimenting to create new forms of value to replace those driving the current period of mastery. Don't wait to be forced into periods of adaptation; instead, proactively create the future. Use current economic success to prepay the burial of old business models, products and services, and to give birth to new ones.

One of the best current examples we have of this kind of strategy can be found in the mobile (cell) phone market, where new kinds of phones and capabilities are tumbling onto the market so fast we can barely keep up with them. Another area with a similar dynamic is the broader field of "personal electronics" in general – personal/portable audio players (MP3 and other formats), portable DVD players, portable electronic game players, handhelds, digital cameras,

etc. Sometimes it seems like the shelf life of any of these products is about 3 or 4 months! These examples, while perhaps a bit on the extreme side, perfectly illustrate the idea of *not* holding on to a product to the bitter end, but rather using the revenue from early adopters to fund development of that same product's replacement!

To adopt this way of doing business, we need to embed the identity of our organizations in something larger and deeper than the particular products and services they currently provide, because they are ephemeral. We need to center the identity of our companies in the type of *value* or *contribution* that those products and services are intended to make to society, because contribution is the stable thread that will run through all products and services generated over time.

An interesting case to analyze in connection with this idea is Blockbuster, Inc. The mission statement on their web site reads: "to help people transform ordinary nights into BLOCKBUSTER nights by being their complete source for movies and games." But deeper in the 'bowels' of their web site, in their International Operations area, is this statement: "Blockbuster is recognized as a world leader in rentable home entertainment."

Oddly, the second statement, connected with their international operations, is actually a more effective statement of corporate identity in terms of the criteria just discussed, because it succinctly describes the *specific value* that Blockbuster provides: rentable home entertainment. The mission statement is "hung up" on the specific media through which value is delivered; because of this, it could inadvertently constrain the range of innovation options that Blockbuster might consider in creating future value propositions. The concept of "rentable home entertainment," however, is totally unconstrained by the constantly changing panoply of media and/or delivery channels (and content, for that matter); thus, it could serve as a deeper, more powerful center of identity and wellspring for continuous innovation.

Leading a company in this way involves looking at business models, value propositions, products and services as members of an ongoing family. New members of the family continue to be born, grow up, mature, decline and die; however, the family itself goes on.

About Dean Robb, Ph.D.

Dr. Dean Robb is Founder and Executive Director of the Center for Corporate Renewal (www.ctrforcorporaterenewal.com). Since 1994, he has helped numerous domestic and foreign business leaders build high-performing, innovative, entrepreneurial enterprises. His expertise combines 26 years of practical, real-world experience in corporate America with in-depth research in human and organizational systems.

The Center for Corporate Renewal helps senior executives build the capability to:

- Strategic Focus: Make sense of a changing environment and gain focus on the next right strategic move
- Disciplined Execution: Align and mobilize the entire organization behind this new strategic focus
- Creative Renewal: Renew the entrepreneurial spirit by repeating these two actions over and over again.

For information on how Dr. Dean Robb can work with your organization to instill a spirit and ethic of renewable corporate entrepreneurship, email him at drobb@ctrforcorporaterenewal.com or call him at 908-757-4721,

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