



The Problem with Answers **Dean Robb, Ph.D.**

In a dynamically changing, hyper-competitive global marketplace, the only truly sustainable strategy is a "meta-strategy," i.e., the capability to continually generate innovative new strategies, business models, value propositions, products, and services. In today's economy, the only viable strategy is building internal capability for continual strategic and organizational reinvention and renewal.

Unfortunately, executives and management consultants can often approach this problem from the same angle: they provide externally-developed, expert, 'pre-fab' answers, generally restricted to the technical/ structural/ economic aspects of organizational functioning. Basically, they approach the problem of continual renewal from an economic engineering perspective, and often provide a one-size-fits-all answer: "Just install this structural/ economic widget, and you'll be good to go. Call me if you need a tune-up!"

These approaches actually *perpetuate* the problem they purport to solve! How? First, take note of the problem: as noted by Clayton Christensen in his book *The Innovator's Solution*, "no company has been able to build an engine of disruptive growth and keep it running and running." In other words, *nobody* has yet successfully implemented the meta-strategy of continually renewable corporate entrepreneurship. Clearly, that's a very serious problem. And a core reason for that problem is our tenacious insistence on trying to solve it using prefabricated, expert-developed, economic engineering solutions. Paradoxically, economic/technical solutions are absolutely critical to renewable corporate entrepreneurship; that's not the issue. So what is?

First, no single technical solution applies to all companies under all conditions. Second, what seems to be missing is recognition that any particular technical or structural solution is only temporary. Because of environmental turbulence, it is impossible to know what the context and rules will look like beyond the near-term. Therefore, any particular technical/structural answer may not apply, even a short way down the road.

Avoid Technical Fixes for Social Problems

But ultimately, the deepest problem with the prefab technical answer approach is that *it attempts to solve what is, at root, a social problem using technical means*. While it generates technical and structural solutions as key *outputs*, the process of renewal and reinvention itself is not primarily technical. It is a *social* process! And

without a basic change in the *social practices* of our companies, the meta-strategy of continual strategic and organizational reinvention will remain an elusive dream.

The *real* answer is actually not an "answer" at all, but a reliable internal answer-generation process. The ability to keep the "engine of disruptive growth running" will come only through a transformation of leadership, management, and relational processes and practices, allowing the next right strategic move - and the next right structural or technical solution - to continuously emerge from within the organization itself.

The goal is to build a social system that can "do its own work" - i.e., access untapped organizational resources and use them to respond creatively to changing situations. Such a system can create answer after answer, even as the rules, the context, the questions, and the required mode of technical response all keep changing.

Let's discuss the process of renewal and reinvention by exploring eight important design characteristics of a functional solution. For each of these characteristics, perfection is not the goal; what's important is that the enterprise is working toward some or all of them. Instead of setting a fixed goal, we're attempting to orient the direction of growth.

Broaden Inclusion to Tap Insights

The first and most obvious characteristic is inclusion. One problem with answers is that we can never honestly know where insight into "the next right move" will come from. Our prejudices tell us that the best source is the executive suite or middle management, but in practice it could come instead from that pesky customer service rep who keeps complaining about "the way things are done around here," or another person from whom you'd least expect it.

Leaders must radically increase the "wisdom and guidance bandwidth," learning how to continuously access and act on the *collective* intelligence, wisdom, guidance and creativity resident across the entire organization. Leaders must expand beyond their traditional role and comfort zone as technical experts and rulers, by taking on new, transformational roles as facilitators, catalysts and learners.

Take the case of the CEO of a leading US-based children's hospital, who began hearing complaints from patients' parents and administrative personnel that trying to schedule appointments with the hospital's multiple clinics was a nightmare. Parents complained that it often took hours on the telephone, being switched from clinic to clinic, to schedule multiple procedures and tests for their seriously ill children. Parents who had to drive over 100 miles to reach the hospital also complained that once they arrived, they had to stay in a hotel one or two nights so that they could shepherd their children from clinic to clinic, often waiting six to ten hours between appointments. Both parents and administrative personnel "wished" for efficient, one-stop scheduling capability.

This CEO listened carefully and took all the comments seriously. Seeing a growing pattern of negative experiences, he decided to be proactive and launched an initiative focused on patient-centered scheduling. He replaced decentralized scheduling with a centralized patient scheduling and triage function. While this may sound simple, it was an extremely difficult, transformational change that required overcoming serious political, economic, IT and training barriers to implement.

Full implementation of this change required almost two full years, but yielded multiple positive results: increased customer satisfaction, lowered internal costs, and more effective and efficient use of clinic and treatment resources. And it all happened because one CEO decided to listen to people who are often viewed as being at the outer margins of a hospital's most important operations.

Issue Inclusion: Banish the Undiscussables

A second key characteristic is a different form of inclusion: *issue* inclusion. Everything must be on the table and open to probing inquiry. This means moving toward a zone that is relatively free of undiscussables, because how can we change something that can't be looked at or talked about? In an environment of rapid change, we must be open to inquiry into business models, strategies, products, services, processes, culture and capabilities: in short, everything.

We must create an atmosphere in which it is not only acceptable, but a high priority, to ask truly difficult questions that probe the deepest foundational assumptions that shape our perceptions, interpretations and actions. This doesn't mean that everything is on the table *all the time*. That would be highly disruptive to ongoing operations. What it means is that a separate time and place – perhaps periodic retreats – are set aside expressly for the purpose of asking hard questions about anything that's relevant to the organization's future direction.

Coupled with deep inquiry, we need deep listening. We must create a space in which prejudice, knee-jerk reactions, ego, status and power are put aside. There must be space in which truly new (hence disruptive and dangerous) answers can emerge and glow, a place of deep respect and consideration. Again, this is because we can never truly know where – and from whom – the next "right" insight or answer will come.

Inquire Deeply and Often

A fourth key characteristic is frequency. One dictionary definition of "institution" is "a set of structured, patterned relationships that is well-established and accepted as fundamental." In other words, an institution is a rigid social system that's profoundly resistant to change. That's a monumental impediment when innovation and change are top priorities, yet that's exactly what most corporations end up turning into: institutions. One primary reason that companies turn into rigid institutions is avoidance of the inquiry process. It's either not done at all, or done very infrequently, with the inquiry being shallow, guarded, and politically correct.

In an enterprise that wants to sustain growth in the 21st century, the process of probing inquiry should be a relatively frequent, permanent part of the new landscape. The paradox is that we must institutionalize a process that prevents enterprises from turning into institutions! Such inquiry should be practiced at least two or three times a year, and more often in highly turbulent industries.

Encourage Individuality and Diversity

A fifth design factor is internal diversity and differentiation. A critical foundation for sustainable innovation within a social system is inclusion of internal differences, of all kinds. Earlier we talked about *physical* inclusion – having a process that in some form includes all or many organization members. However, the mere fact of physical inclusion does not guarantee emergence of any kind of creativity or “newness.”

One example of this is company “town hall” meetings, where everyone attends (physical inclusion), but everyone also knows that the unstated rule is to only ask questions or make comments that stay safely within the boundaries of the corporate “party line.” Another is corporate Boards of Directors that too-frequently function as a rubber stamp for the CEO.

An essential foundation for innovation in a social system is the inclusion of internal *social and psychological differences*: diversity and individuality. To quote President John F. Kennedy, “Conformity is the enemy of growth.”

Encourage Humility and Intrinsic Self-Worth

The sixth and seventh design characteristics on our list of eight apply to everyone, but particularly to leaders and managers. Number six is humility. Building an authentic, functional internal answer-generation capability requires leaders and managers to develop the personal humility that allows room for people below them in the hierarchy to know more than the leaders do. The “design DNA” of today’s organizations tends to create a cadre of leaders who believe that they are supposed to be all-knowing and all-powerful. This belief system very seriously blocks innovation and growth.

Seven: Coupled with personal humility must be a deepening sense of intrinsic, self-determined personal *identity and self-esteem*. In today’s world, the prevailing system dictates that the higher up the corporate ladder one sits, the more deeply one’s sense of identity and self-worth becomes enmeshed in external, social trappings like status, role, power, and size of organization.

However, in a fluid world, all these organizational factors should be relatively fluid too. Significant organizational change, for example, leads inescapably to significant individual, positional change; everything is contingent and transient. But the problem here is organizational “gridlock.”

When people derive their identity and worth chiefly from social externals like role and perks, they live in a constant state of fear and threat, because the potential for change, and with it the loss of these prestigious externals, is always looming.

Organizational change thus poses a deep threat to perceived identity and self-worth. So, to protect one's sense of identity and well-being, it becomes paramount to protect and defend the status quo, not to mention one's position in it. Protective covert and overt attempts to exert unilateral power and control over others become pervasive, resulting in widespread organizational gridlock, which kills off innovation and change.

To create organizational fluidity and space for deep inquiry that can effect profound organizational change, we must build a system that supports the development of *intrinsic, self-determined* personal identity and self-esteem. This is true for everyone in the enterprise, but especially for its leaders because the problem of an externally-centered identity tends to get worse the higher up the corporate ladder people rise. This creates a serious problem: the leaders of our enterprises, charged with being visionary and spearheading transformational change, can often be the most resistant to change because they have the most to lose (both objectively and subjectively).

One way to counteract this phenomenon is the eighth and last key design characteristic of an internal answer-generation capability: lowered power and status differentials. Flatter and fairer organizations ameliorate the problem of organizational gridlock, because lower power and status differentials reduce the need to defend, protect, and control. As a result, increased openness to change, new ideas, and new ways of doing things can all take root and thrive.

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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