

CARIBBEAN INTERNATIONAL LEADERSHIP SUMMIT

**“THE DNA OF A 21st CENTURY LEADER:
SWIMMING UPSTREAM - CREATING AN
ORGANIZATIONAL CULTURE REVOLUTION”**

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CREATING AN ORGANIZATIONAL CULTURE REVOLUTION

- MANAGING AND LEADING CHANGE
- NATURE AND DIMENSIONS OF CHANGE
- SELECTING THE “RIGHT” PEOPLE
- ROLE OF THE LEADER & LEADERSHIP

THE PRINCIPLES ARE TIMELESS

- “If words of command are not clear and distinct, if orders are not thoroughly understood, then the general is to blame.

...But if his orders are clear and the soldiers nevertheless disobey, then it is the fault of their officers...

- ...The king (cannot be) only fond of words, he (must) translate them into deeds...”

Sun Tzu, Chinese General, circa 500 B.C. (*The Art of War*)

MANAGING & LEADING CHANGE

“How Many Balls Can You Keep In The Air?”

- Lead
 - Model good governance and best practices
 - Create the vision for the enterprise
 - Create and execute tailored strategies

How Many Balls...?”

- Develop the next generation of management & leaders
- Profitably grow the business
- Spur innovation and creativity

How Many Balls...?”

- Integrate new technologies
- Develop and successfully introduce new products and services
- Manage diverse relationships: consumers, regulators, governments, community groups...

“How Many Balls...?”

- Constantly “rethink” the organization: aspirations and desires versus capabilities

- Know your competition

“If you know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.” - Sun Tzu; ‘The Art of War’)

“How Many Balls...?”

- Maintain competitive cost structure
- Participate in/give back to served communities
- Expand geographically

“How Many Balls...?”

- Manage economic downturns as well as periods of prosperity
- Determine rate, pace and sequence of organizational change

NATURE & DIMENSIONS OF CHANGE

<<<<<<<<< OCCURS ALONG A SPECTRUM >>>>>>>>

RADICAL/REVOLUTIONARY >>> INCREMENTAL/EVOLUTIONARY

KEY ELEMENTS

>SEQUENCING

>PACING

>INTENSITY

Managing The Spectrum...

- Growth/change process does not have to be radical or incremental on all three dimensions
- Growth/change process can be radical on one dimension and incremental on another
- Organizational challenge: choose appropriate process to fit the culture and needs

DIMENSIONS OF PACE OF CHANGE

Environmental & Organizational Setting

- Urgency for change
- Change in ownership/new leadership/new vision/new strategy

DIMENSIONS OF PACE OF CHANGE

Strategic Resources

- Tangible Assets: Relatively easy to dispose of, alter, mold, import, create
- Intangible Assets: Risk destroying value via radical change (relationship-intensive/brand equity-driven businesses)

DIMENSIONS OF PACE OF CHANGE

Leader's Background

- Insider: “Keeper of Flame,” but may be limited by own narrow experience and organization’s norms
- Insider-Outsider: From within organization, but not from a core business

DIMENSIONS OF PACE OF CHANGE

- Outsider: “Parachuted in” and MUST
 - > Learn organizational landscape
 - > Establish credibility and reputation
 - > Build relationships up, down and across organization

...QUICKLY

OBSERVATIONS

- In relationship-intensive, brand equity-driven businesses:
 - Incremental/evolutionary change process can yield radical performance improvement
 - Subtle “velvet glove and iron hand” incremental approach can influence performance in powerful and long lasting ways

IMPLICATIONS FOR LEADERS

**THE LEADER'S AND THE LEADERSHIP
TEAM'S PERCEPTIVENESS ABOUT
PEOPLE, AND AN ALMOST ARTISTIC
ABILITY TO MANAGE THEM**

=

**KEY TO SUCCESSFUL GROWTH
AND CHANGE**

THE LEADER AND ROLE OF LEADERSHIP

- Responsible for what the enterprise does or fails to do
- Lives with problems and challenges until solved – cannot “pass off”
- Models the ethics and culture of the organization
- Leverages past experiences, personal style, skills, temperament, and unique view of “how the world works”

THE PRINCIPLES ARE TIMELESS

- “...The *commander* stands for the virtues of wisdom, sincerity, benevolence, courage...”
- The *moral law* causes the people to be in complete accord with their ruler, so that they will follow him regardless...undismayed by any danger...”

Sun Tzu (*The Art of War*)

Many Different “Roles”

DECISION MAKER

VISIONARY

COACH

MORAL LEADER

NURTURER

EMPATHIZER

CHEERLEADER

DISCIPLINARIAN ...

The Leader...

KNOWS WHEN AND HOW TO EMPLOY

THE ROLES =

THE “ART” OF LEADERSHIP

GETS THINGS DONE...MAKES THINGS HAPPEN!

Not An Easy Balancing Act...

- Manage in a rapidly changing regulatory and global operating environment
- Creatively differentiate products and services from competitors
- **Maintain a culture of inclusion:** gender, ethnic and geographic diversity while fostering innovative/creative spirit
- Determine right balance between more traditional “face-to-face” leadership and “faceless” leadership via the internet

Balance Competing Tensions

- Control Costs, Boost Efficiency AND Build Through Commitment, Curiosity, Creativity, Innovation ...
 - Division-Parent Company-Subsidiary Relationships
 - Intra-divisional & External Relationships
- ... Underscored By Constantly Evolving Business-Government Relationships (In & Out of the Region)

Execution...Execution...Execution!!!

- Consequences of decisions in one area for decisions in others
- Consequences of early choices for later choices
- Constant need to communicate...
with candor

Execution...Execution...Execution!!!

- Excellence in managing day-to-day operations
- Strategy is dynamic: formulate... reformulate; mid-course corrections
- Stay nimble, flexible and entrepreneurial – teamwork is key

**...ALL THE WHILE, MAKING STRATEGIC
DECISIONS SIMULTANEOUSLY
ON MANY FRONTS**

AND ...

**MAKING TACTICAL
DECISIONS TO ADDRESS RECURRING
OPERATIONAL PROBLEMS, CHALLENGES
AND OPPORTUNITIES**

SELECTING THE “RIGHT” PEOPLE – THE “INTANGIBLE ASSETS”

“The ability to make good decisions regarding people represents one of the last reliable sources of competitive advantage since very few organizations are very good at it.”

(the late) Peter Drucker

Some Guiding Principles...

Talent is not the only driver of shareholder value, but it is a key one – and one of the only ones that management can actually control

AN ORGANIZATION CANNOT
MANAGE ITS WAY TO EXCELLENCE
WITH LOW PERFORMERS ON THE
TEAM

MOST COMMON SELF-CRITICISM:

*“...I should have moved faster to
address underperformers or those
who do not fit the culture.”*

WINNING APPROACH: COUNSEL THEM OUT OF THE
ORGANIZATION WITH DIGNITY.

PROACTIVELY SEEKING OUT AND
EMPLOYING THE MOST TALENTED
PEOPLE

=

MULTIPLIER EFFECT ON THE CREATION
OF OTHER COMPETITIVE ADVANTAGES

MOST SUCCESSFUL
ORGANIZATIONS LARGE AND SMALL,
PUBLIC AND PRIVATE –

ALWAYS ON THE LOOKOUT FOR
“A” TALENT

...WHETHER OR NOT A FORMAL JOB
OPENING EXISTS

STRATEGIES MAY BE
INTELLECTUALLY SIMPLE... BUT

SUCCESSFUL STRATEGY
IMPLEMENTATION DEPENDS ON

WHO

IS DOING THE IMPLEMENTING

BALANCING PRAGMATISM AND IDEALISM – THE ROLE OF VALUES

“...People who make the numbers and share our values go onward and upward...

People who miss their numbers and share our values get a second chance...

People with no numbers and no values – it’s an easy call...

The problem is those who make the numbers and don’t share the values...these are the ones we agonize over...”

Jack Welch (“*Built to Last*”)

**AT THE END OF THE DAY, PEOPLE GET
THINGS DONE...NUMBERS DON'T.**

**YOU CANNOT AFFORD *NOT* TO
HIRE THE BEST**

WHAT DOES IT TAKE...?

Key attributes of a leader

- Intelligence
- Personal integrity
- Superb people skills
- Well-developed business acumen
- Infectious passion for the business

- > LEADERS MODEL THE BEHAVIOR AND THE CULTURE THEY WANT IN THEIR ORGANIZATIONS
- > PERMEATES ALL LEVELS
- > REQUIRES CANDOR

Challenges of Leading an Organization: LEAD

➤ LEARN

CONTINUALLY SEEK WAYS TO BE
COMPETITIVE AND INNOVATIVE

➤ EARN

PROFITABLY GROW THE BUSINESS

➤ ADVOCATE

SUPPORT YOUR PEOPLE

Job enrichment, mentorship, sponsorship

Pay & rewards

Training & development

Exposure, involvement and access

➤ DEVELOP

IDENTIFY AND GROOM NEXT GENERATION

Challenges of Leading an Organization: Leader

➤ **L**

➤ **E**

➤ **A**

➤ **D**

➤ **ETHICAL**

DO THE RIGHT THING

➤ **RESPONSIBLE**

ACCOUNTABLE TO
CONSTITUENTS AND
STAKEHOLDERS —WHAT
THE ORGANIZATION DOES...
AND FAILS TO DO

Challenges of Leading an Organization: Leadership

L
E
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R

STRATEGIC THINKING

CREATE & NUTURE LONG-TERM VISION
FOR THE ENTERPRISE

HUMAN

EXHIBIT DISTINCTIVE QUALITIES OF
RATIONALITY & FALLIBILITY

INSPIRATIONAL

GENERATE INFECTIOUS PASSION & ENERGY

PERSPECTIVE

SEE THE WHOLE:
BALANCE ➡ FAIRNESS ➡ EQUITY

THEME FOR A LIFETIME

“MANAGERS DO THINGS RIGHT,

BUT...

LEADERS DO THE RIGHT THING.”

“Leaders – The Strategies for Taking Charge” by Warren Bennis and Burt Nanus, 1985

...BUT HOW & WHEN DO YOU KNOW

“...Who is imbued with the Moral Law (**Values**)...which General (**Leader**) has the most ability...on which side are the officers and men (**Management**) more highly trained...on which side is discipline (**Ethical Behavior**) most rigorously enforced...in which army (**Organization**) is there the most absolute certainty that merit will be properly rewarded...?”

Sun Tzu (*The Art of War*)

BREAK-OUT GROUP EXERCISE

- GROUP 1 - How to organize the 90 days before returning to Burbank
- GROUP 2 - Where to start? Burbank? Paris? Countries?
- GROUP 3 - How to develop the strategy? Top down? Bottom up? Grand plan or Overarching Consensus
- GROUP 4 - How to deal with resistance to change?
- GROUP 5 - What should be the pace of change?

KEY ELEMENTS OF NEW STRATEGIC DIRECTION

1. Grow the Business Profitably
 - Rationalize licensee base
 - Change royalty rate structure
 - Syndicate risk (JVs & Strategic Alliances)
 - Vertically Integrate (Selectively)
2. Leverage Disney's Creative & Marketing Assets
("Global Localization")

KEY ELEMENTS...

3. Take Control of Disney's Product Development, Marketing & Image
4. Upgrade Product Quality
5. Build Key Relationships: Retailers, Promotional Partners, Product Manufacturers (Local, Europe, World-wide)

KEY ELEMENTS...

6. Expand Geographically: USSR, Eastern Europe, Middle East, South Africa
7. Identify and Build Next Generation of Management

