List of articles (e-reading and attached) for MGMT 3800 final.

1. What is Strategy and How Do You Know if you Have One?
Costas Markides, Business Strategy Review, Summer 2004, Volume 15, Issue 2

2. Are You Sure You Have a Strategy? Donald C. Hambrick, James W. Frederickson, Academy of Management Executive; November 2001 Volume 15, Issue 4

3. What Makes Strategic Decisions Different. Phil Rosenzweig, Harvard Business Review, November 2013

4. The Founder of Toms on Reimagining the Company's Mission. Blake Mycoskie, Harvard Business Review, January-February 2016

5. The Great Innovation Debate. The Economist, January 12th, 2013

6. Despite Massive Investments of Management Time and Money, Innovation Remains a Frustrating Persuit in Many Companies .(Author Unknown), Harvard Business Review, June 2015.

7. Strategy: The Uniqueness Challenge. Todd Zenger, Harvard Business Review, November 2013.

8. The Big Lie of Strategic Planning. Roger L. Martin, Harvard Business Review, January-February 2014.

9. Over Regulated America. The Economist, February 18, 2012.

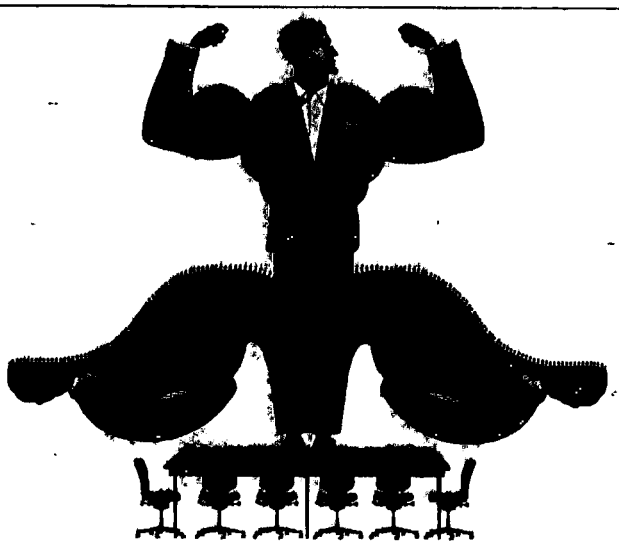
10. How Great Companies Think Differently. Rosabeth Moss Kanter, Harvard Business Review, November 2011.

11. [Read the attached articles]

Schumpeter | From cuckolds to captains

BOARDS AND STRATEGY TODAY

Corporate boards are playing a more prominent role in steering companies



IN 1953 the Himalayan Committee of the Royal Geographical Society met to choose a leader for the latest attempt to climb Mount Everest. Eric Shipton was the obvious man for the job: a gentleman-adventurer who knew the mountain better than anyone. The committee gave him the nod. But then the grandees had second thoughts. Shipton took amateurism to absurd lengths; he had even forgotten to bring a backpack on one expedition. And foreign rivals were threatening to reach the top first. In an inspired move they replaced Shipton with his psychological opposite—a methodical and self-effacing military man named John Hunt—replacing one idea of mountaineering (gentlemanly amateurism) with a very different one (meticulous organisation).

Hunt planned the expedition to the tiniest detail: every ration pack had to include exactly 29 tins of sardines. He also insisted on using a large army of climbers who worked methodically as a team. Tenzing Norgay and Edmund Hillary got their chance at immortality because two other climbers had retreated 300 feet below the summit leaving a cache of supplies (including sardines).

Corporate boardrooms have taken over 50 years to catch up with the Himalayan Committee. For most of their history, boards have been largely ceremonial institutions: friends of the boss who meet every few months to rubber-stamp his decisions and have a good lunch. Critics have compared directors to "parsley on fish", decorative but ineffectual; or honorary colonels, "ornamental in parade but fairly useless in battle". Ralph Nader called them "cuckolds" who are always the last to know when managers have erred. The corporate scandals of the early 2000s forced boards to take a more active role. The Sarbanes-Oxley act of 2002 and the New York Stock Exchange's new rules in 2003 obliged directors to take more responsibility for preventing fraud and self-dealing. This led to a big increase in the quality of boards. But it also wasted a lot of talent on form-filling and box-ticking.

In a new book, "Boards That Lead", Ram Charan, Dennis Carey and Michael Useem argue that boards are in the midst of a third revolution: they are becoming strategic partners. They base their arguments on detailed knowledge of the world's boardrooms. Mr Charan is so dedicated to studying the inner life of firms that he spent years without a home, flying from hotel to hotel. Mr Carey is vice-chairman of Korn Ferry, a headhunter, and Mr Useem is a professor at Wharton business school.

The parsley on the fish can make the difference between a delicious meal and a dog's dinner. In 2006 Hewlett-Packard and IBM had about the same market valuations. By 2013 HP, with revenues of $120 billion in 2012, had a market capitalisation of $52 billion and IBM, with revenues of $105 billion, was worth $192 billion. IBM had a stable board with a successful relationship with the CEO. The board at HP was scandal-riven: bitter disputes, illicit investigations, angry resignations, forced departures and the criminal indictment of the board's chair (it was later dropped).

How do you make sure that boards can add value rather than subtract it? And how do you make sure that "boards that lead" do not create warring centres of power? Mr Charan and his co-authors lay out two clear rules. The first is that boards should focus on providing companies with strategic advice. This sort of common sense is often in short supply in the ego-driven world of boards. Boardrooms contain too many people with different priorities: corporate veterans who give lectures on how they would have handled things; egomaniacs who like to show how much they know about everything; hobby-horse jockeys who mount the same steed regardless of the race; captives of compliance who are obsessed with box-ticking. The authors say that in their experience perhaps half of the *Fortune* 500 companies have one or two directors they would regard as "dysfunctional".

Boards are getting better at dealing with these problems. Nine-tenths of S&P 500 companies have "lead" directors who are responsible for organising the board's affairs. These directors are getting better at recruiting high-flyers and ditching ground-scrapers. The lead director at one big financial-services firm takes an annual poll of his fellow directors about whom they should keep and whom they should kick out. The Conference Board, a research firm, reports that 90% of big American firms now conduct annual evaluations of boards' overall performance.

Get on board

The second rule is that boards should focus on getting their relationship with the CEO right. It is not enough to act as monitors in the Sarbanes-Oxley mould. They need to act as personal mentors and high-level talent scouts. As well as giving the boss frank advice they should also prepare for his departure. The board of Ford laid the foundations of its recovery by persuading Alan Mulally to leave Boeing to join the carmaker. The directors of 3M worked closely with its then CEO, Sir George Buckley, to repair the firm's leadership pipeline and find a successor from within.

There are problems with this new model board. Can directors fulfil their legal duties to monitor performance if they are also responsible for helping to set strategy and appointing the CEO? Are organisations that meet a dozen times a year capable of offering strategic guidance in a fast-paced world? Will CEOs willingly give up more power to boards, or will they fight back? Getting the new model right will entail careful negotiations not only between boards and executives but also between firms and regulators.

The result of these negotiations matters a lot. Successful boards can do an enormous amount to boost corporate performance. Sensible companies are putting a lot of effort into attracting high-quality directors and getting their boards to work smoothly. And investors are paying ever more attention to companies' boardrooms as well as their corporate suites. ■

Economist.com/blogs/schumpeter

Mark Gerzon: Leading Through Conflict

Boston: Harvard Business School Press, 2006

Appendix

When Conflict Erupts—
Guidelines in Times of Crisis

When conflict suddenly flares up, we don't have time to read a book.

"I tried to use your tools with my boss," said one irate executive during a break in a board retreat. "But it's hopeless. I get so enraged that I can't think straight. What good are those tools if I am too angry to use them?"

"What do you do in the heat of the moment?" a frustrated school superintendent asked me in the middle of one of my workshops. "Sometimes inquiry and dialogue are just not possible—the conflict is too *hot*! What do I do then?"

The following suggestions are for this educator and this executive, and for all of us who lose our tempers. (It is also for those calmer souls who have to deal with people like us.) Even when conflict erupts unexpectedly, we can still respond effectively. For times when we need to act quickly, time is short, and the stakes are high, here are some ready-to-use principles that are easy to remember and apply.

1. Make time your ally.
2. Breathe—and protect yourself.
3. Determine your goal and focus on it.
4. Speak to who is present.
5. Avoid name-calling and blaming.
6. Beware of self-righteousness.

7. Keep your shadow in front of you.
8. Listen to everything, but respond selectively.
9. First inquire, then fire.
10. Consider calling in a third side.
11. Take stock before you take sides.
12. Listen more, speak less.
13. Learn your adversary's "language."
14. Let your adversary know you.
15. Observe the sacred rules.

With these guidelines in mind, let's now look at some background.

1. Make Time Your Ally

Yes, there is time pressure. But that's no excuse for adding fuel to the fire. It is usually not lack of time that pushes us to act too fast but rather anxiety and its antecedent, fear. We can respond by stepping back and asking ourselves, "Do I really need to respond *now*? Or am I moving so fast because I am anxious or afraid?"

We often have more time than we think. If there is no immediate physical threat to ourselves or others, consider the possibility of reflection before action. Instead of anxiously rushing in with our self-defense or counterattack, we can benefit from the power of reflection. If we calmly choose when to speak and act, it is far less likely that we will regret it later.

2. Breathe—and Protect Yourself

I have seen too many people "count to ten" only to explode ten seconds later with just as much fury (if not more) as if they had responded right away. This is because they were holding their breath, or breathing shallowly and rapidly, while they were counting. (They may also have been clenching their jaw and tightening their gut.) Under these circumstances, counting to ten does not help at all.

The point is not to *count* but to *breathe.* Fear or rage draws the blood into our muscles and starves our brain for oxygen. We don't want that to happen, because we need to think clearly. Paying attention to our breathing, and making sure that it is deep and slow, oxygenates the brain and keeps adrenaline and blood pressure low. After ten such breaths, we can trust ourselves more fully to speak our truth in a way that will serve our genuine purpose.

While we are taking our first few breaths, we have time to assess the situation. If we are in physical danger, we have to protect ourselves. But even if there is no imminent threat, we will still want to take these precious moments to center ourselves like a warrior. Even under threatening circumstances, we can ground ourselves, face our fears, and feel safer than if we did not do so. From this place of inner balance, we are then prepared to engage.

3. Determine Your Goal and Focus on It

Why are you in this conflict in the first place? Do you need to sustain this relationship, and if so, why? What does your adversary need from you, and vice versa? What would an effective outcome of the conflict be?

Although you may not have much time to reflect on these questions, at least do so briefly. Once you realize that a conflict has erupted, take one or two of your breaths to decide what your goal is. Doing so will help prevent you from getting lost in the heat of the moment.

4. Speak to Who Is Present

While we are breathing, we have a chance to notice who is actually standing in front of us. When conflict erupts suddenly, our actual adversary may be present—but they also may not be. If the person who needs to hear our frustration, anger, or other emotion is not there, triggering an avalanche of feelings upon whoever happens to be present at the time would be a serious mistake.

If our actual adversaries are present, let's be aware of who they are. Are they someone who will only listen if you raise your voice—or who will turn off immediately if the decibels soar? Are they the kind of person whose attention will focus if your face is six inches from theirs—or who will focus better if you keep your distance? Do they represent any physical threat to you—or do you not have to be concerned about your safety?

Venting aimlessly serves no purpose and can be destructive. There is no point in speaking at all unless we direct what we are saying to who is actually in front of us.

5. Avoid Name-calling and Blaming

Hypocrite. Liar. Traitor. Backstabber. Coward. Fool. Imbecile. Lazy. Irresponsible. Stupid. Worthless. Hysterical. Irrational. Crazy.

In intense or bitter conflicts, certainly some of these nouns or adjectives will spring to mind. Once we feel angry, frustrated, or betrayed by someone, we can expect these words to emerge in our consciousness. (If English is not our first language, then their equivalents in our mother tongue will surface instead.)

We are wise to be aware that these epithets are trying to fly off our tongues. But we are even wiser if we do not say them. True, they contain feelings that we may ultimately need to express. But if we actually want to be heard, there is a better way to express our feelings than any combination of those toxic words. If we give ourselves a moment or two, we will find another set of words in our heart—words that are truly our own and that will communicate much more clearly what we truly feel.

6. Beware of Self-righteousness

In the conflict, we may—or may not—be "right." But in either case, we do not have to act self-righteously.

As we have seen, arrogance is a characteristic of leaders who see only their own good qualities and only the bad qualities of their adversary. This is standard operating procedure in the world today. Unfortunately, good and evil are rarely so conveniently distributed.

If you and I want to be successful leaders, we need to do just the opposite: recognize the virtues of humility. As undersecretary of state for public affairs Karen Hughes said when she accepted this new position in the Bush administration, "It takes two hands to clap." She cited this old Afghan proverb to send a message to the growing ranks of Muslims that the United States intends to be less self-righteous, and more humble, in the ways it touches their lives.[1]

It is doubtful that you have encountered evil on the same scale as the great Russian novelist Aleksandr Solzhenitsyn, who languished for many years in Soviet prison camps. When he reflects on the challenge of distinguishing good and evil, his point of view is instructive: "If only it were so simple! If only there were evil people somewhere insidiously committing evil deeds, and it were necessary only to separate them from the rest of us and destroy them. But the line dividing good and evil cuts through the heart of every human being. And who is willing to destroy a piece of his own heart?"[2] Solzhenitsyn saw clearly that the most dangerous leader is not the one who will not face his shadow, but the one who claims he has none.

7. Keep Your Shadow in Front of You

One reason to avoid name-calling and blaming words is that, almost certainly, they are carrying some of your shadow. If you want your adversary to take responsibility for their part of the conflict, then you had better take responsibility for yours. The clichéd advice about using "I feel . . . " rather than "You are . . . " is part of the solution here. But the other, equally important part is to know the difference between our feelings that are actually being caused by the current conflict and feelings that have been hiding inside us for a long time.

The latter is our shadow. The more we can be conscious of it, the more likely our response to the conflict will be effective.

8. Listen to Everything, but Respond Selectively

You may avoid name-calling and blaming, but others may not. You may find yourself the target of any of these words—and much worse. People may ascribe motives to you that are insulting, and they may accuse you of malicious acts that you did not commit. You need to listen to what they are saying, but remember: you are free to address whatever you want.

If you know your goal and stay focused on it, you may decide that responding to an insult or an accusation is not in your interest. Often those who are angry with us have a genuine issue that needs to be raised, but they spice their feedback with hostile, mean comments. If your goal is to maintain and strengthen the relationship, you may want to focus on the

substance and not respond (for the moment anyway) to the "under the belt" blows.

9. First Inquire, Then Fire

The language of firearms is designed to make a point: if we are going to "shoot off" our mouths at someone, we had better be sure we can see the target clearly. It is in our interest, and everyone else's, for us to know exactly what is going on before we fire words at someone. We (or our adversary) may think we know "the facts" of the situation. But it is worth a question or two to determine if that is so.

- "Did you post that notice on the bulletin board?" is a good question to ask someone before you attack him or her for what it said.
- Asking "Do you know what happened to the money that was collected at the event?" should precede any accusation of theft.
- Inquire first "To whom were you referring when you said, 'Some people just aren't pulling their weight?,'" before assuming it is about you.

If you feel that it is necessary to "fire back" at someone in self-defense or to register a complaint or grievance, by all means do so. But make sure that what you say is accurate. Once you make wild statements based on faulty information, you will have squandered at least some of your credibility.

Gossip and secondhand information exacerbate many unnecessary conflicts. Instead of letting ourselves get trapped in an escalating dispute, we can go straight to the source. Meet with those involved; ask questions; be direct. Ensure that everyone is working with firsthand knowledge, not secondhand hearsay.

Leading through conflict is rarely achieved on a mountaintop. It is more often achieved in the valley, sitting "on the ground" with the actual people who are involved.

10. Consider Calling In a Third Side

If the conflict feels overwhelming or uncontrollable, or if outside help is necessary for any reason, we need to say so. Our adversary may be just as relieved as we are to have a third party involved.

The best way to raise the issue of inviting another person to act as a go-between is to frame it in terms of what we ourselves need. Justifying the involvement of a third party by arguing that our adversaries are "unreasonable," much less "out of control," will only make them resent us. Instead, say, "Because I really value our partnership, I feel it would be worthwhile to get someone to help us through this tough period, don't you?"

11. Take Stock Before You Take Sides

In most (though not all) conflicts, the different "sides" each have a piece of the solution. In these situations, the first step is to not take sides but to take stock. Perhaps ultimately we will join one of the existing sides. But before we do so, we can reflect on our own complexity. And recognize the richness of our own inner contradictions. We need to hold a paradox, not cut it in half. We are far more likely to heal conflict if we listen to our own doubts, attend to our own questions, and admit our own confusion.

If we find merit in opposing positions, we can acknowledge it. Our confusion may be just the catalyst we need to discover a creative compromise or a new option. Whether the issue is local or global, corporate or civic, our complexity may be one of the greatest gifts we can bring to a conflict.

12. Listen More, Speak Less

We all want to be heard. But what if we are speaking and no one is listening? No matter how well we speak, the art of listening is ultimately more important.

When conflict breaks out, tempers flare and voices rise. If we listen more patiently and compassionately, we are less likely to regret having said words in haste. We are also less likely to inflame an already volatile situation. By listening, we will be wiser about when to speak, and the words we say will be more highly valued.

Despite being the youngest of the Founding Fathers, Thomas Jefferson was respected because he could listen to his colleagues—even those with whom he disagreed. He spent much of this first year in the Continental Congress sitting quietly, listening to others, speaking only in private. Although he was firmly on the side of revolution, he refused to be arrogant or antagonistic toward those who were against it. He knew that, no matter what happened, he would have to work with his adversaries tomorrow.

13. Learn Your Adversary's "Language"

When we get frustrated with someone, we often blurt out angrily, "You're not listening!" That may be true. But it is also possible that we are not speaking their language.

By *language* I mean the idiom of their belief system. Some people speak the theological language of the Bible or the Koran. Others speak the corporate language of bottom lines, ROIs, and spreadsheets. Still others speak the language of legal rights and responsibilities. And some speak the language of the heart, which focuses on feelings, tone of voice and attitude.

Do not presume that everybody—even within your own linguistic group—speaks your language. One of the best investments we can make is to learn to speak the language of the people we want to reach. This means being multilingual with our hearts and minds, not just our tongues.

14. Let Your Adversary Know You

From a negotiations perspective, we tend to seek an advantage over our nemesis. This leads us to gathering as much information about the "other side" as we can while revealing as little about ourselves as possible. While this is sometimes a sound strategy for making a deal, it is rarely a sound strategy for leading through an intense conflict.

In the heat of the moment, we may not be able to research our "enemy" on the spot. But we can, if we have the courage, let our enemy know more about us. If we hide who we are, what we are afraid of, and what we want, our adversary may misjudge us. It is unwise to misrepresent ourselves. Just as we need to know our adversaries, they need to know us. And that means that *both* of us must reveal ourselves. Obviously, we are entitled to withhold information that is essential to our security or interests. But we make matters worse if we hide so much that our enemy miscalculates and escalates a conflict that, with better information, might have been resolved.

15. Observe the Sacred Rules

Transforming conflict requires being proactive. It is not about waiting for or pushing "them" to change. (After all, they are probably waiting for "us"

to change first.) So we might as well be the first to make a new move. We can ask ourselves, "How can I behave *right now* in such a way that I embody the desired outcome?" After all, isn't that the essence of leadership?

We all know the sacred rules for dealing with conflict, but we tend to forget them in times of crisis. These sacred rules work almost everywhere, are written in almost every language, and are honored by every faith.

> Do unto others as you would have others do unto you. (Christianity)
>
> What is hateful to you, do not do to your fellow man. (Judaism)
>
> A believer desires for his brother that which he desires for himself. (Islam)
>
> Do not do unto others what would cause you pain if done unto you. (Hinduism)
>
> Hurt not others in ways that you yourself would find hurtful. (Buddhism)
>
> Regard your neighbor's gain as your own gain, and your neighbor's loss as your own loss. (Taoism)

As handed down throughout the world, from generation to generation, these are the sacred rules for transforming conflict. In times of crisis, let us remember whichever of these rules is reflected in our tradition, and help our adversaries, whoever they may be, remember the one that is reflected in theirs.

But to follow the sacred rules, we need practical tools, which is why I have written this book. The eight tools described in the preceding pages are simple ways of helping us follow these ancient rules. But the most important "tool" of all is your intention. If we seek to "win" the conflict, we will ultimately lose. But if we seek to transform it, we will neither win nor lose, but will find opportunities in our differences that go far beyond our imagination. We will learn more about ourselves, become more connected to others, and, ultimately, deepen our relationship to the mysterious power that created not only us but our conflicts as well.