



SENATORS AS LEADERS: LEADING CHANGE IN AN AGE OF UNCERTAINTY

TERRI A. SCANDURA

DEAN OF THE GRADUATE SCHOOL

**ACADEMIC DIRECTOR
JOHNSON A. EDOSOMWAN LEADERSHIP INSTITUTE
SCHOOL OF BUSINESS ADMINISTRATION**

**UNIVERSITY
OF MIAMI**

**THE JOHNSON A. EDOSOMWAN
LEADERSHIP INSTITUTE**





Uncertainty Defined

- Being unsettled or in doubt or dependent on chance
- The state of being unsure of something

<http://wordnetweb.princeton.edu>



Uncertainty and Crisis

Recent data compiled by Decision Strategies International's survey of executives found that:

- Two-thirds had been surprised by at least three high impact events in the last five years
- 97% said their organization lacked an adequate early warning system
- 81% felt that their present organizational capacity for strategic vision is less than their future need



“A Serious Crisis”

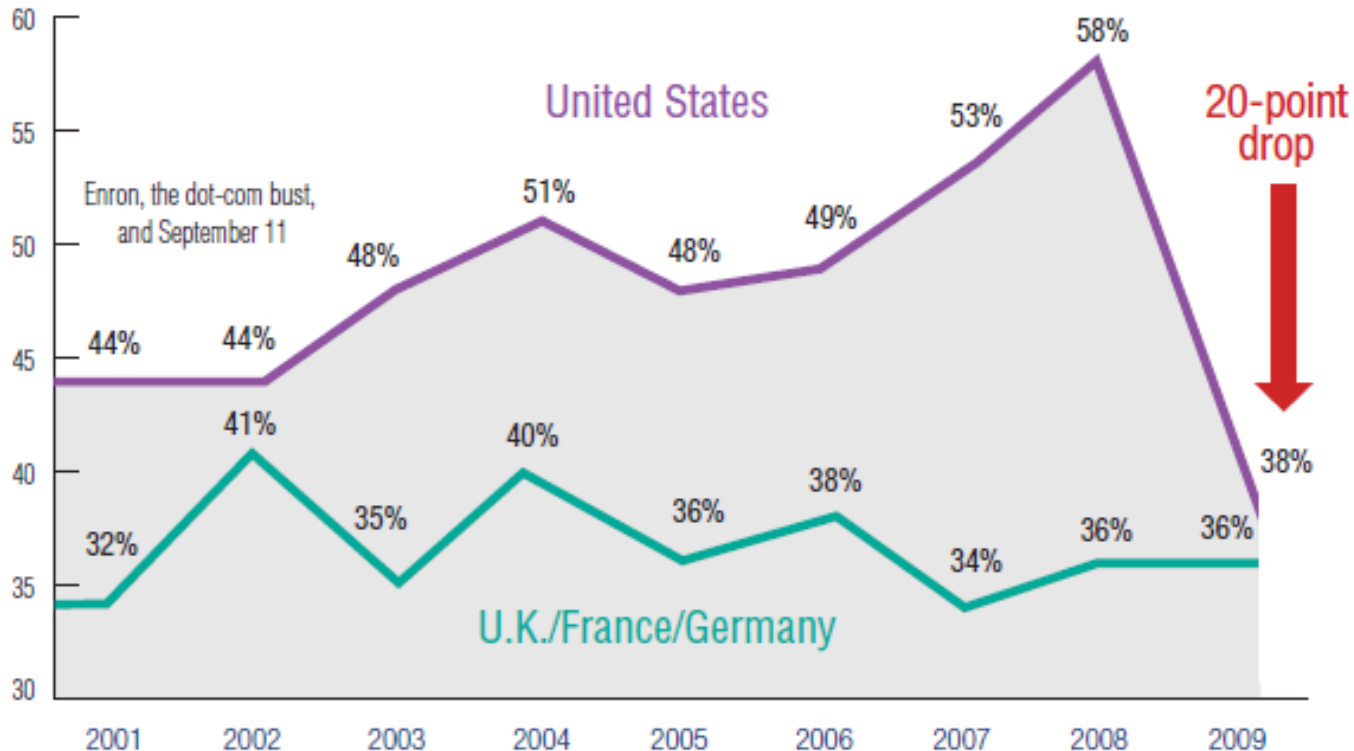
“You never want a serious crisis to go to waste — and what I mean by that is an opportunity to do things that you didn’t think you could do before.”

White House Chief of Staff, Rahm Emanuel



Understanding the Crisis

In U.S., trust in business at lowest level, including post-Enron





Trust in Business is country-specific (2008 -> 2009)

- Trust is down: U.S., Italy, Mexico, Spain, India, Ireland
- Trust steady: Canada, Germany, France, U.K., Poland, Japan, S. Korea, Russia
- Trust up: Netherlands, Brazil, Sweden, China



Understanding the Crisis

Trust in leaders



Average Across All Countries Surveyed

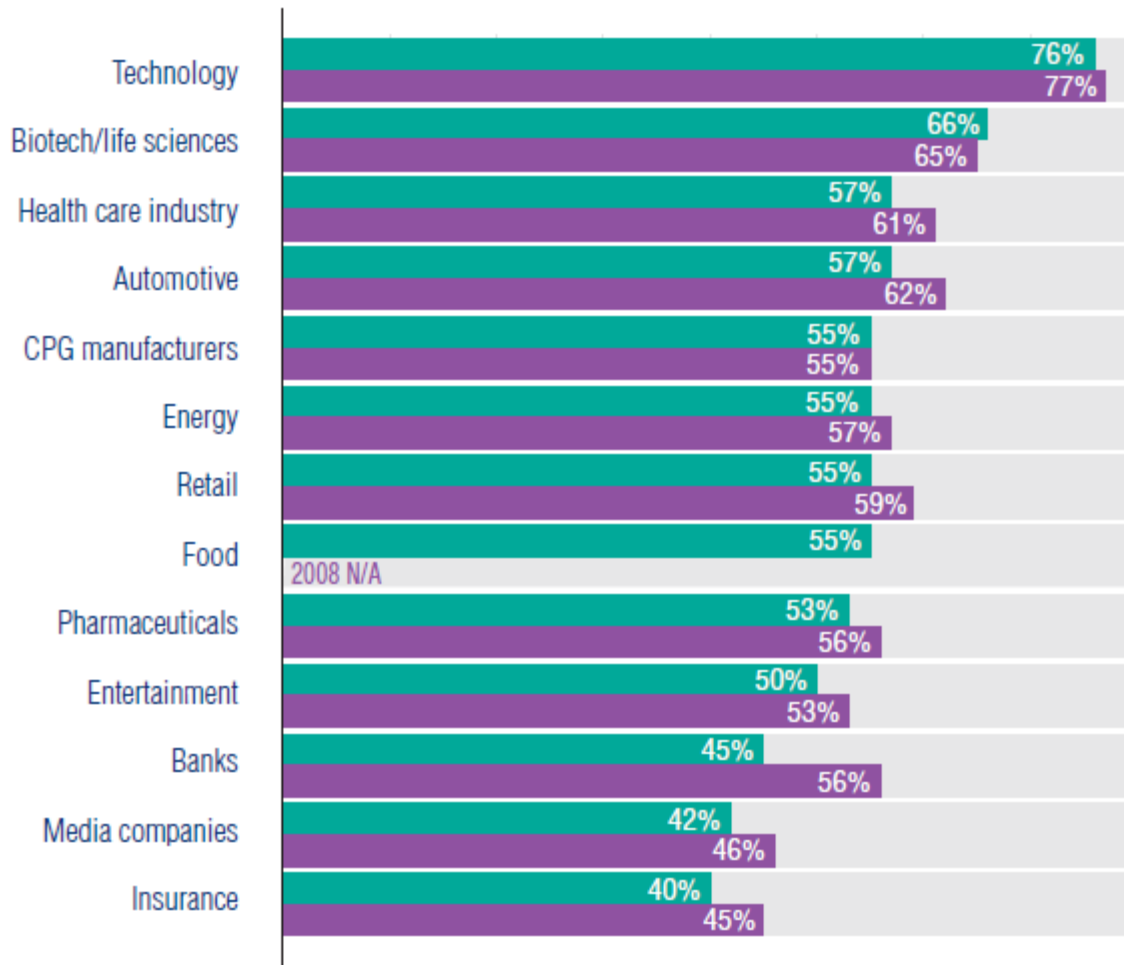
Trust in Leaders: Percentage Saying "A Lot" and "Some Trust"

Source: Edelman Trust Barometer 2009





Understanding the Crisis



- Technology most trusted

Informed publics ages 35 to 64 in 18 countries
Responses 6-9 only on 1-9 scale; 9 = highest

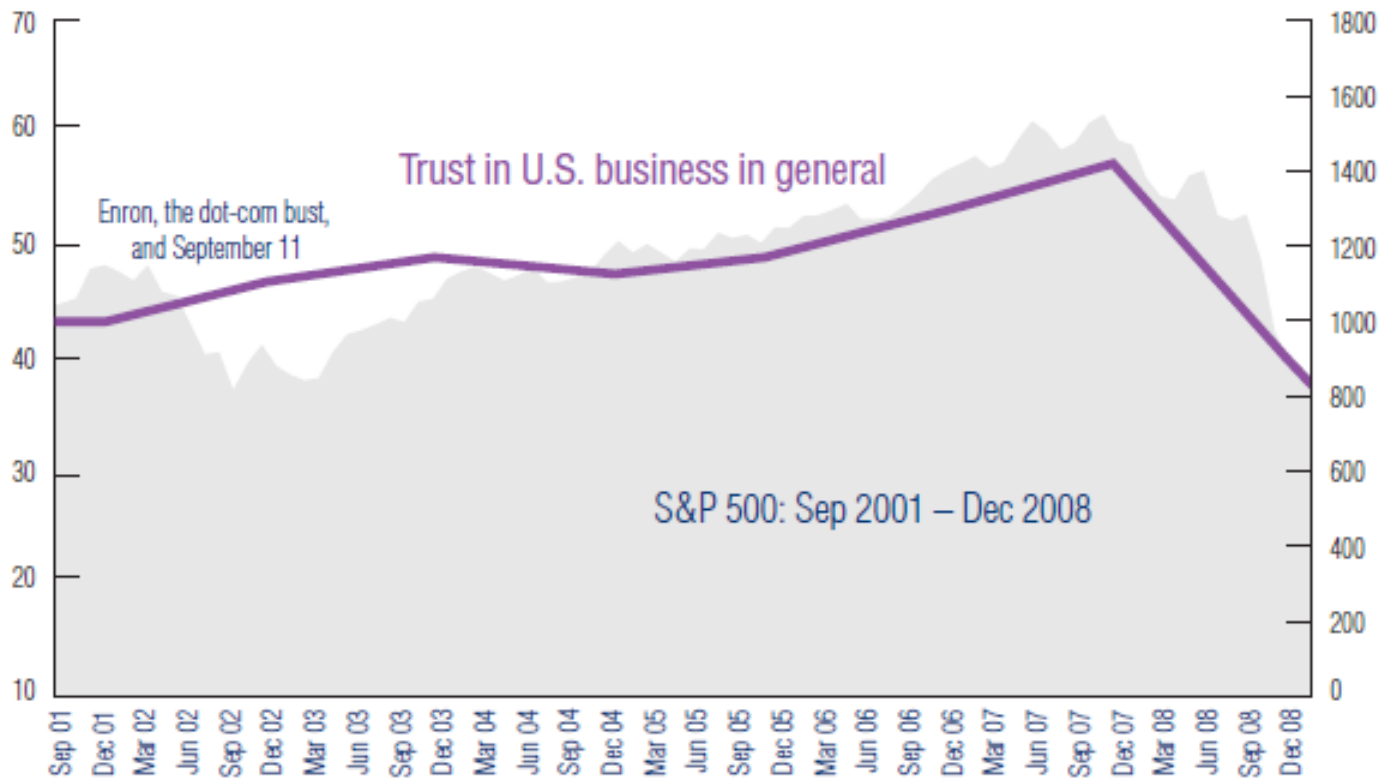
■ 2008 ■ 2009

Source: Edelman Trust Barometer 2009



Understanding the crisis

Trust is key in rebuilding investor confidence



Informed publics ages 35 to 64 in the U.S.; Responses 6-9 only on 1-9 scale; 9 = highest



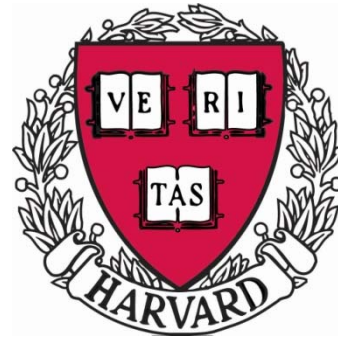
Understanding the Crisis

- It is a crisis of trust in...
 - business leaders in the U.S.
 - executives of MNCs
 - managers of the national economy
 - managers of the global economy
 - investor confidence

Frameworks for Leading through the Crisis



Harvard Model



Classic approach linking Strategy to Execution through 8-step change process

John Kotter (1996), *Leading Change*, Harvard Business School Press.

Strategic Direction
Understanding How to Lead Change

Establishing a Greater Sense of Urgency



Creating a Guiding Coalition



Developing a Vision and Strategy



Communicating the Change



Empowering Others to Act



Creating Short-Term Wins



Consolidating Gains and Producing More Changes



Institutionalizing Changes in the Culture

Wharton Model



- Key: Leaders are teachers
 - Personality, courage, ambition, drive
- Intellectual honesty – credibility
- Engage people

Ram Charan, (2009), Leadership in the era of economic uncertainty. NY: McGraw-Hill.



Wharton Model

- Who will pull through and who will not?
 - Defining realism
 - Orienting people on the new reality
 - Coping with the toughness of the external environment but positioning to change the game afterwards



MIT Model



**Massachusetts
Institute of
Technology**

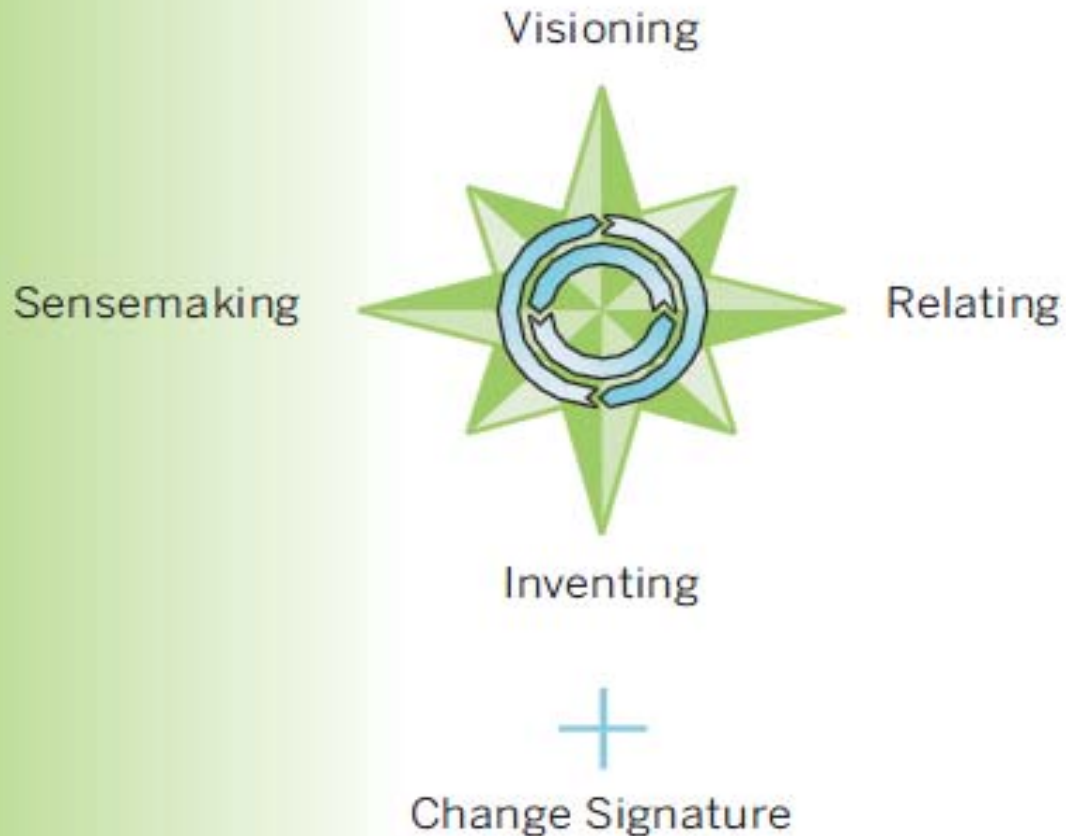
■ Leadership...

- is distributed
- is personal and developmental
- is a process to create change
- develops over time

Deborah Ancona et al. (2005), Leadership in an age of uncertainty.
Research Brief, MIT Leadership Center.

MIT Model

Leadership Framework





A new approach

- The key issue of TRUST needs to be integrated with existing models of leadership for change.
- Executive Education and Research
 - Johnson A. Edosomwan Leadership Institute

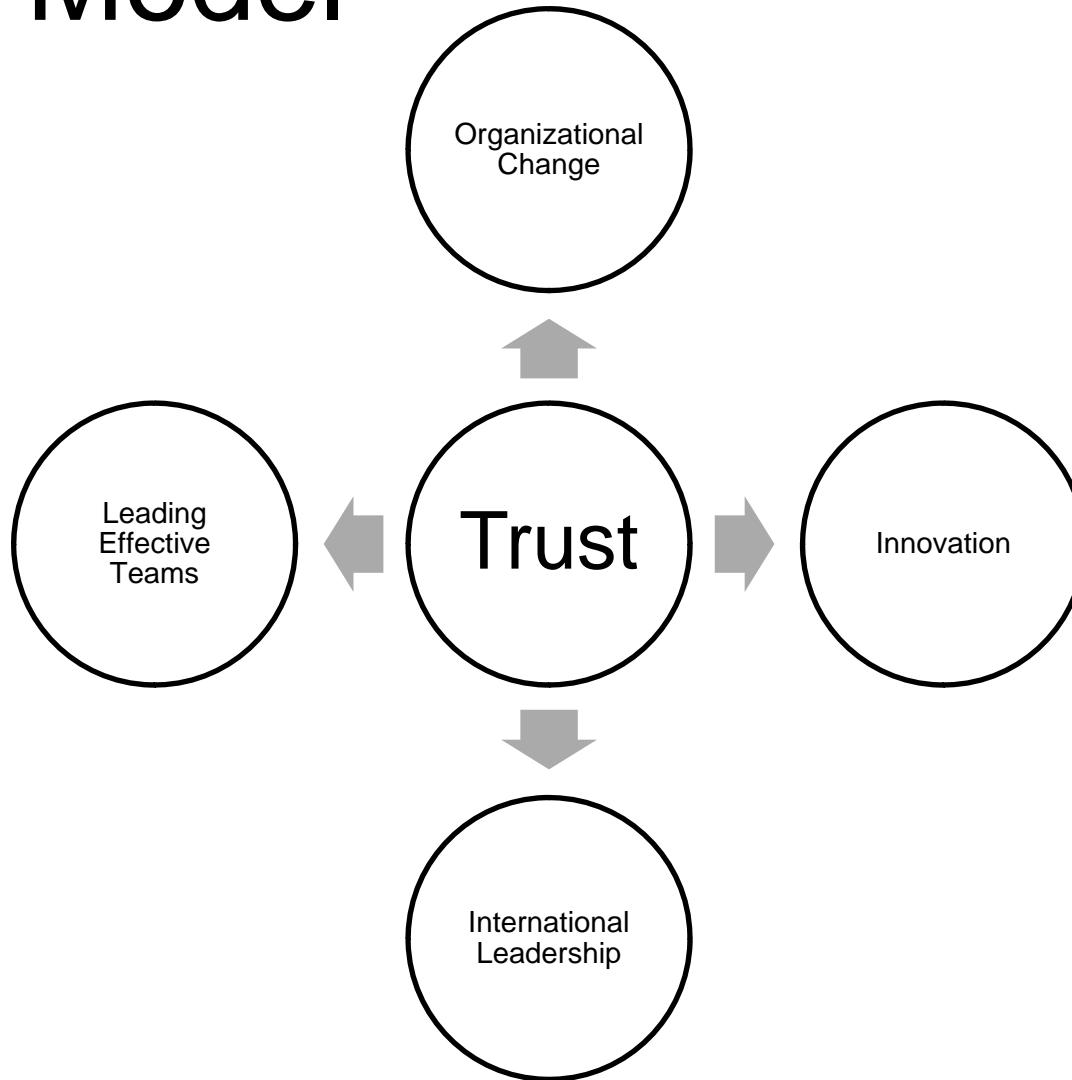


JAELI Model



- Trust-building at the core of the leadership approach
- Leading through the crisis will not be successful unless fundamental issues of trust in key areas of execution are not addressed

JAELI Model





JAEI Model

■ Organizational Change

- Effectively meeting the challenges of today's dynamic business environment
- Building trust through successfully navigating through the downturn



JAEI Model

- Leading Effective Teams
 - Increasing collaboration across organizational boundaries
 - Building trust through relationship development and coaching



JAELI Model

■ International Leadership

- Leading individuals, teams and organizations in the global marketplace
- Building trust through cross-cultural alliances, global mindsets



JAELI Model

■ Innovation

- Meeting the leadership demands of value creation through new products and process
 - Entrepreneurship – new jobs
 - Technology – new markets, products and services
- Building trust through value creation



Leading through Crisis

- *How you change is as important as what you change*
 - Engage people - listen
 - Resist being rushed into choices
 - Make decisions based on data