SENATORS as LEADERS:
LEADING CHANGE in an AGE of UNCERTAINTY

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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

Source: Edelman Trust Barometer 2009
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

Source: Edelman Trust Barometer 2009
Understanding the Crisis

<table>
<thead>
<tr>
<th>Trust in leaders</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO leaders</td>
<td>52</td>
</tr>
<tr>
<td>Leaders at the U.N.</td>
<td>42</td>
</tr>
<tr>
<td>Spiritual/religious leaders</td>
<td>41</td>
</tr>
<tr>
<td>Leaders of Western Europe</td>
<td>36</td>
</tr>
<tr>
<td>Managers of global economy</td>
<td>36</td>
</tr>
<tr>
<td>Managers of national economy</td>
<td>35</td>
</tr>
<tr>
<td>Executives of MNCs</td>
<td>33</td>
</tr>
<tr>
<td>Leaders of the U.S.A.</td>
<td>27</td>
</tr>
</tbody>
</table>

Percentage Saying "A Lot" and "Some Trust"

Average Across All Countries Surveyed
Trust in Leaders: Percentage Saying "A Lot" and "Some Trust"

Source: Edelman Trust Barometer 2009
# Understanding the Crisis

<table>
<thead>
<tr>
<th>Industry</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>76%</td>
<td>77%</td>
</tr>
<tr>
<td>Biotech/life sciences</td>
<td>66%</td>
<td>65%</td>
</tr>
<tr>
<td>Health care industry</td>
<td>57%</td>
<td>61%</td>
</tr>
<tr>
<td>Automotive</td>
<td>57%</td>
<td>62%</td>
</tr>
<tr>
<td>CPG manufacturers</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>Energy</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>Retail</td>
<td>55%</td>
<td>59%</td>
</tr>
<tr>
<td>Food</td>
<td>55%</td>
<td>59%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>53%</td>
<td>56%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>50%</td>
<td>53%</td>
</tr>
<tr>
<td>Banks</td>
<td>45%</td>
<td>56%</td>
</tr>
<tr>
<td>Media companies</td>
<td>42%</td>
<td>46%</td>
</tr>
<tr>
<td>Insurance</td>
<td>40%</td>
<td>45%</td>
</tr>
</tbody>
</table>

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

Source: Edelman Trust Barometer 2009
Understanding the crisis

Trust is key in rebuilding investor confidence

Source: Edelman Trust Barometer 2009
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

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

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

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

Visioning

Sensemaking

Relating

Inventing

Change Signature
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

Organizational Change

Leading Effective Teams

Trust

Innovation

International Leadership
JAELI Model

- Organizational Change
  - Effectively meeting the challenges of today’s dynamic business environment
  - Building trust through successfully navigating through the downturn
JAELI 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