

Emerging Themes From a New Paradigm

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In this chapter we identify themes struck across the chapters in this volume. In doing so, we hope to provide general direction for scholars interested in pursuing the leadership and managerial implications of an increasingly dynamic business marketplace. The themes that emerge from a reading of this volume include: (a) the need to embrace paradox (i.e., even in fast-paced environments, some things need to remain stable); (b) dynamic organizations are better suited to some individuals than others (e.g., people who are more open to change are more likely to adapt to this environment successfully); (c) all managers need to be able to deal with ambiguity (i.e., ambiguity is pushed lower in the organization here as managers are more empowered to make decisions); (d) speed and experimentation are more important than flawless implementation (i.e., it is almost impossible to succeed by watching from the sidelines); and (e) knowledge is a flow more than a fixed asset (i.e., most organizations are overflowing with information—success comes in knowing which of it is timely and important).

When we brought a diverse group of organizations scholars together in March of 2001 and challenged them to “think outside their usual box” on how scholarship might change as organizations find themselves in increasingly unpredictable and dynamic business environments, we were, to be perfectly honest, wholly unsure of what would happen. One possibility was that we would all come together and talk past each other as each person thought differently about the leadership and managerial implications for his or her own research area. What actually happened, however, was something very different and exciting. We found a number of deep and fundamental themes among this diverse group of scholars. Even where scholars approached the question from completely different theoretical and historical perspectives (e.g., McGrath and Boisot coming from organizational strategy, compared with Smith and Dick-

son coming from an interest in individual personality), we found common ideas about the implications of the changing macroenvironment of business on the microbehavioral processes of leading and managing people. What follows are the major themes that emerged during the conference. We hope that drawing them together will provide overall direction to other scholars interested in the problem of how to manage in a dynamic organization. Thus, we hope this chapter provides direction even for those areas of management where we did not provide a chapter on a specific topic (e.g., justice, social influence, etc.).

THE NEED TO EMBRACE PARADOX

The strongest and most consistent theme across the chapters in this book is the need to accommodate what appear, in many ways, to be contradictory ideas. Much of this comes in the form of direct recognition of the need to embrace paradox. For example, one of the basic assumptions of the notion of managing in a dynamic organization is the need for flexibility and constant reconfiguration of the human resources of the organization (e.g., Dyer & Shafer; O'Connor & Adair; Smith & Dickson). And yet, there is also the acknowledged need for stability and commitment to the organization in the form of shared values (Dyer & Shafer), team cohesion (Thomas-Hunt & Phillips), and worker commitment (Dyer & Shafer; Smith & Dickson). This theme suggests that managers are not likely to succeed by simply throwing everything up in the air and preaching the need for continuous change. Employees need some kind of guiding beacon in order to remain committed to the organization.

This message is consistent with recent work suggesting two apparently contradicting ideas. The first idea is that values, culture, and subcultures in any organization need to be relatively stable and in alignment with each other to motivate employees (e.g., O'Reilly & Pfeffer, 2000). Michaels, Handfield, and Axelrod (2001), for example, focused on the need for careful recruitment, development, mentoring, and coaching of employees. This stands in contrast to others who argued that prescribed methods of leadership are not possible in fast-changing environments (e.g., Fullan, 2001). Taken at face value, these two ideas appear to contradict each other. However, the chapters in this volume point to a single reality in dynamic organizations that reconciles these two views—the need for stability at the level of firm strategy and values in tandem with the need for extreme flexibility in methods of day-to-day operation.

One of the more provocative paradoxes suggested by the authors in this volume is the need for swift trust (O'Connor & Adair) and to work simultaneously with several teams of people that any one individual barely knows

(Moreland & Argote; Smith & Dickson; Thomas-Hunt & Phillips; Wageman). The temptation of such constantly "new" teams is to weight team member contributions by irrelevant cues, especially visible demographic stereotypes such as race and gender (Littlepage, Robison, & Reddington, 1997; Littlepage & Silbiger, 1992; also see Thomas-Hunt & Phillips; Wageman). On the other hand, the more people know each other and their task, the less likely the team is to make this error (Gruenfeld, Mannix, Williams, & Neale, 1996; Kim, 1997). Many of the authors in this volume suggest that one effective way to help resolve this dilemma is by encouraging a general relationship-building culture. O'Connor and Adair and Anand and Jones, for example, suggest that successful dynamic organizations should encourage a sociable and collegial climate to encourage people to talk with each other and work together, thereby encouraging quick trust.

A second and closely related dilemma presents itself through the increasingly common work strategy of circumventing the need for face-to-face working environments. Virtual teamwork (over e-mail and other electronic media) is often touted as the future of teamwork because virtual teams are less likely to misweight team member talents based on nonskill-related characteristics (Thomas-Hunt & Phillips; Wageman; McGrath & Hollingshead, 1994; McGuire, Kiesler, & Siegel, 1987). However, this can also go too far, as virtual teams may have the tendency to treat everyone completely equally, even when they should not. Teams err when they treat people equally without regard to underlying knowledge, expertise, or skill (Boisnier & Chatman; Moreland & Argote; Thomas-Hunt & Phillips; Wageman). Thus, virtual teams are both an essential strategy for success in the dynamic organization, but also potentially a major source of danger for them. This is why Wageman specifically suggests in her chapter that virtual teams need some face-to-face time in order to build the affective side of their relationships and engage in intense interactions around task deadlines.

In addition to the direct references to paradox, there are a number of places where different authors discuss the benefits and drawbacks to particular kinds of management, implying the possibility of paradox. One such example is over the issue of uncertainty or ambiguity. McGrath and Boisot take a basically negative view of uncertainty. They suggest that because there is a great deal of uncertainty about the future in a dynamic business environment, organizations should invest in a number of small capacity change schemes so that the destabilizing effects of uncertainty can be minimized. Hodgson and White, on the other hand, take a much more positive view. They argue that managers should embrace uncertainty and then engage in the difficult learning that results in an effort to gain competitive advantage. Both authors agree that ambiguity is increased in dynamic organizations, but make separate and compelling argu-

ments about why this is good or bad. Thus, there is a paradox to be resolved here. Uncertainty presents both a threat to the status quo as McGrath and Boisot suggest, but is also an opportunity for advancement and advantage as Hodgson and White argue.

Another example of this is found in the issue of subcultures. Boisnier and Chatman see strong culture as a necessary stabilizing force in the dynamic organization, but do not believe it needs to be organization-wide. In other words, subcultures can develop without weakening the overall culture of the organization. Others in this volume (e.g., Moreland & Argote, Wageman) see the establishment of strong subcultures as potentially disruptive and divisive. These differences reflect a basic division among those who study organizational culture between those who believe that strong subcultures can play the role of "faithful dissenter" and encourage necessary change from within, versus those who see the danger in this kind of task-related conflict turning into something more personal and disruptive (see Nemeth & Staw, 1989, for a discussion of this issue). Again, this is a paradox to be resolved. Subcultures have both negative and positive potential for dynamic organizations.

DYNAMIC ORGANIZATIONS ARE BETTER SUITED TO SOME INDIVIDUALS THAN OTHERS

The notion that some people will thrive in the dynamic organization whereas others will struggle is a common theme. The reasons backing this conclusion vary to some degree by author, but the conclusion is often repeated. Smith and Dickson, for example, take a trait approach to dynamic organizations. They argue that dynamic organizations are stressful places to work because of the unpredictability in the environment. Therefore, this should benefit people who are both low on neuroticism and high on openness to experience. In other words, people who are tolerant of stress and who thrive on change are best suited to dynamic organizations. Similar stress resistance arguments are made by Moreland and Argote.

Hodgson and White also make a related argument about people's ability to handle uncertainty. They have found that some people are much more able to deal with uncertainty than others. As a result, Hodgson and White are optimistic about the capacity of some people to develop what they call more "child-like" capabilities of having lots of energy, focusing on fun at work, and generating simple answers to simple questions. Moreland and Argote, on the other hand, are pessimistic about whether most people are prepared to handle very much ambiguity. Similarly, taking this idea up two levels of analysis, both

of these chapters also asked about the role of national culture. Are some cultures more attuned to uncertainty and stress than others? This is an important question for knowing how generalizable the dynamic organization is beyond the United States and other Anglo-American national cultures that tend to embrace the idea of constant change. Indeed, Smith and Dickson build on the work of House et al. (2003) to propose that societies that prefer less ambiguity (e.g., Germany and China) will provide less suitable locations for successful dynamic organizations.

Despite their differences in relative optimism or pessimism about the long-term sustainability of dynamic organizations, however, the authors in this book who talk about individual differences all draw two strongly related conclusions. The first is the notion that some people are better suited to dynamic organizations than others. Some people will struggle with the stress and constant demand for change placed on workers by dynamic organizations. The second and related conclusion is that selection, motivation, and retention of people who are well suited to the environment is crucial to maintaining competitive advantage in a constantly changing environment.

ALL MANAGERS NEED TO BE ABLE TO DEAL WITH AMBIGUITY

Top management team scholars have historically argued that making decisions without full information and dealing with ambiguity is a distinctive feature of the upper echelons of management (e.g., Eisenhardt, 1989; Hambrick, 1994). The authors in this volume argue, however, that this is changing in dynamic organizations. Hodgson and White's chapter, for example, suggests two interrelated ideas on ambiguity. First, they suggest that because decision making needs to be fast and decisions are being pushed further down organizations, this implies that ambiguity is being experienced at lower and lower levels in organizations as they become more dynamic. They even go one step further to suggest that this can be good for organizations as this prepares managers for senior roles earlier in their careers.

A parallel argument is also made by a number of the other authors in this volume who suggest that dynamic businesses require changing team membership (Moreland & Argote; Dyer & Shafer; Smith & Dickson; Thomas-Hunt & Phillips); task demands (Smith & Dickson; Thomas-Hunt & Phillips); and job descriptions (Dyer & Shafer; Smith & Dickson). This means that people who work in dynamic organizations play more roles than ever before—being peer, leader, and follower all at the same time (i.e., Smith & Dickson; O'Connor & Adair). They are also likely to be expected to work on multiple projects

simultaneously (Dyer & Shafer; Hodgson & White). In short, the basic assumption that the business environment is becoming more fast-paced, unpredictable, and dynamic implies rather directly that the staffing in a dynamic organization needs to be reconfigurable, fluid, and flexible.

SPEED AND EXPERIMENTATION ARE MORE IMPORTANT THAN FLAWLESS IMPLEMENTATION

A basic tenet of the research in high velocity environments is the notion that decision speed is paramount (e.g., Eisenhardt, 1989, 1990). The authors in this volume have fleshed out the specific leadership and management implications of this idea. The most consistent way in which this idea was expressed was reconfigurability—the notion that much of the work gets done with short-term teams that are formed and reformed as environmental circumstances demand (Dyer & Shafer; Moreland & Argote; Thomas-Hunt & Phillips; Smith & Dickson; and Wageman all make this point). From this, quite a number of implications flow. Some of these implications have already been mentioned (e.g., multiple roles, multiple teams, etc.). But there are some additional implications we have not discussed. First is the need to be able to read people quickly and accurately (Boisnier & Chatman; O'Connor & Adair; Smith & Dickson) and to read faint signals from others (Hodgson & White). If work teams and configurations change often, then “new group” situations will happen often. Hence, faster trust and reading of others will result in teams performing better, quicker. If this does not happen, then there is a strong risk of miscommunication and interpersonal conflict (Moreland & Argote).

A second closely related behavioral implication of reconfigurable teams is the need to bring in expertise from outside the organization as information needs change. Teams are not just reconfiguring with existing internal people; outside experts need to be brought in on, at least, a temporary basis. This has many important implications for socialization and training into the organizational culture, the degree to which outsiders' judgments will be trusted, and (if they are temporary) what happens to the knowledge they accumulate (Moreland & Argote; Smith & Dickson; Thomas-Hunt & Phillips). In short, dynamic organizations need strong socialization or orientation programs and clear plans for knowledge management. If these are absent, the new people who do enter the organization can be wasted talent if they are not comfortable fully sharing their information quickly (i.e., a failure to socialize), are not trusted by others (i.e., a failure of the culture), or take everything with them when their temporary assignment is complete (i.e., a failure in information management).

The third behavioral implication of reconfigurable teams is the focus on the future and the need to be ready for virtually anything. The exact language used to describe this readiness for anything is different across the chapters, ranging from being preemptive to new situations (O'Connor & Adair), to being proactive in general (Dyer & Shafer), to developing real options (McGrath & Boisot). But the importance of being ahead of actual and would-be competitors (Dyer & Shafer) and continuous learning (Smith & Dyer) is consistent across this entire volume. In short, a future focus helps members to anticipate changes and respond as effectively as possible (O'Connor & Adair; McGrath & Boisot). This includes behaviors such as collaborating spontaneously (O'Connor & Adair), personal experimenting and risk taking (Hodgson & White; McGrath & Boisot), and a variety of generative behaviors (Dyer & Shafer; O'Connor & Adair).

Finally, the fourth implication of reconfigurable teams is the challenge managers have in creating organizational culture and structures that promote, rather than inhibit, requisite variety. Boisnier and Chatman, for example, specifically argue that allowing strong subcultures to develop is the answer to the requisite variety that organizations need. By allowing subcultures to grow, this provides the seeds of variety that may be needed one day by the entire organization as the environment shifts. Anand and Jones also address this issue in their network perspective on organizational design. They argue that organizational design needs to focus on (a) relationships (i.e., create a culture and structure that encourages relationships), (b) redundancy (i.e., similar to Boisnier and Chatman, they argue that different ways of working should be allowed), and (c) representation (i.e., creating a consistent story explaining how the dynamic environment relates to organizational structure). Indeed, this issue of variety is also at the very heart of McGrath and Boisot's arguments about how to create combinations of people and teams for maximum variety and best chance of survival in a constantly changing business environment.

KNOWLEDGE IS A FLOW MORE THAN A FIXED ASSET

The importance of organizational learning has been well noted in a variety of outlets (i.e., Senge, 1990), and our authors confirm this here in noting the importance of things like continuous learning (Smith & Dickson), learning through experience (Hodgson & White; McGrath & Boisot), and learning through shared experience (Hodgson & White; Moreland & Argote). Our authors did not question this assumption. However, they did delve into what kind of learning and information flow might be unique to the dynamic orga-

nization. What many of them independently suggested is that learning in the traditional sense does not fully explain what happens in the dynamic organization. If we think of learning as acquiring, holding, and applying information, the part that fails in the dynamic organization is the holding part. Proprietary information, whether proprietary to the organization or senior compared with lower levels of management, is an increasingly difficult barrier to maintain. Information is increasingly like a flow of liquid rather than a solid that can be put on a shelf or in a file. The implications of this are multiplex. We have already mentioned some of the most important implications of this observation such as the need for continuous learning. However, there are other important behavioral implications of the idea that information is a flow rather than a commodity. Recognition and rewards, for example, need to be rethought to recognize rapid learning and quick application (Dyer & Shafer). The use of transactive memory systems (knowing who is a specialist in what subject) is probably a critical strategy in any information system where information flows quickly (see Moreland & Argote). People also need skills in framing problems and repackaging issues in creative ways in order to generate a constant stream of ideas for gaining competitive advantage (O'Connor & Adair). In other words, one brilliant strategic idea is not likely to persist as a long-term advantage.

CONCLUSION

The conference from which all of these chapters come was viewed as a learning experience, and also as a "stretch assignment." Authors were asked to do a fair amount of speculation. As such, this book is filled with many testable (but largely not empirically tested) ideas, research propositions, agendas, hypotheses, and even full models that might be explored. We believe that scholars urgently need to understand the implications of this new business environment for supporting dynamic and agile organizations. The area is ripe for exploration. Our hope is that this volume has stretched your mind and filled you with ideas for proceeding with new and stimulating research on how to lead and manage people in the dynamic organization.

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