How do we teach leadership in the IICA to insolvency professionals?

Sameer Sharma, PhD, D.Litt
Leadership is not about pickled intellect. It is driven by imagination, a willingness to reflect, ability to inspire, to listen and to having the courage of conviction to embrace risk.

Shankar Aiyer in ‘Accidental India’

Arête, drawn from ancient Greece, simply means to realize one’s full potential by using experience and knowledge to push oneself forward towards the highest level of effectiveness. In the IICA courses, Arête will mean to decide proficiently in order to bridge two gaps - performance (performing upto expectations much of the time or knowing where you are and where you should be) and opportunity (performing upto expectations most of the time or knowing where you are and you could be)\(^1\).

As insolvency professionals you will manage a company for some period of time. In this role you will be a trustee of the company. The idea of trusteeship was first made popular by Mahatma Gandhi and enlarges your responsibilities to the society in addition to the company. The great challenge will be to act as a trustee by adapting the rules and regulations.

The challenge of managing a company is even greater for companies under insolvency process because insolvent companies face wicked problems, as opposed to tame problems dealt by businesses in normal times\(^1\). Wicked problems are not amenable to resolution using formulaic solutions. To deal with wicked problems, practitioners have to depend on their direct experience and that is the reason the first set of IPs were required to have atleast 10 years of experience. We plan to fill the gap of lack of direct experience with mediated experience (e.g. case studies) and exposing you to accomplished leaders who will come and talk about their direct experiences. These leaders possess the elusive quality of making good judgments, again and again. However, this quality is $tacit^{ii}$ (Schon 1994; Dorothy and Swap 2004; Moroni 2010) – the know-how is acquired by a process of learning by doing and resides in the minds and hands of these leaders - and $situated$ (Dreyfus and Dreyfus 1986; Moroni 2010) – know-how is specific in time and place. Face-to-

\(^1\) See Hill and Lineback 2011
face interactions with leaders will enable you to learn and use the tacit know-how as well as the limits of using their situated experiences.

Typically, most management courses are oriented to transfer explicit technical knowledge or managerial knowledge and little attention is given to explicate tacit and situated aspects of experience-based decision-making. This course will address this shortcoming by articulating experiential insights through accounts of practice that are rich in contextual detail. Dissection of rich contextual details (e.g., case studies, narratives, vignettes) brings-out the explicit and tacit aspects of decisions and is expected to enable students to understand, cultivate and transfer others’ experience to their repertoire in a way that is useful to make good judgments. Thick descriptions of practice will also inform IPs about the process, or history, which is a powerful tool to shape the future.

Decisions connected to insolvent firms are made under conditions of labeled VUCA - volatility, uncertainty, complexity and ambiguity. Insolvency professionals will be empowered to develop a mental “usable repertoire of unique cases” or “experience of real-life and varying situations” and during the decision-making process scan their existing repertoire of experiences, looking for common elements between the old and the new settings and use these to understand, decide and act. Importantly, the IPs will be able to use mediated experiences to make excellent by bringing together “artistic, intuitive processes to situations of uncertainty, instability, uniqueness and value conflict”.

One effective way to deal with VUCA is to rely on “black box thinking”, a word coined by Matthew Syed. A black box in an aircraft is records thousands of pieces of date every second, including pilot’s conversation making it easier to determine the exact cause of crash. Mistakes are taken seriously. This means that success depends on confronting mistakes or enabling companies to learn from errors. Black box thinking is a mental tool and the challenge is to convert this mental tool to a practically useful instrument.

The practical tool is based on black box thinking, “success is not just dependent on before-the-event

---

2 See Seaman and Smith (2012)
3 See Schon and Rein 1994
4 See Dreyfus and Dreyfus, in Flyvbjerg (2001)
5 See Schon (1983)
reasoning, it is also about after-the-trigger adaptation.” In other words small failures are used to improve and in this way the idea of failure is redefined.

However, relying on experiences alone is unlikely to help practitioners in the insolvency ecosystem to know where they are and where they should be. Specifically, bridging the opportunity gap in insolvent companies requires practitioners to size up complex situations and make rapid decisions that are not just good, but brilliant. For this, students will learn to connect the right knowledge with the right practice. This we do by positioning the right theory between the students and their experiences. We juxtapose deep contextualized accounts of experiences and the right theory. In this way the right theory either forms the experience or transforms the existing experience - in explicit and implicit, subtle and not-so-subtle ways. The decision-making apparatus so created is used to innovate, move ahead when stuck and understand the implications of decisions in the wider political economy.

Innovation is induced by –

• “associational thinking” - the process of connecting fields, ideas and problems, upto now thought to be unrelated. The session inserts the right theory between administrators and their experience, direct or mediated; thereby, enabling them “to intuitively recognize patterns and use the insights to make inductive predictions both vertically within categories and horizontally across categories.”

• generating new hypotheses, also called possibilities. First, possibilities will be generated by using the opposite of what is familiar in the experience-set and innovation will occur by blending the two opposites - what it is and what it is not - without fully negating any of them. Second, students will synthesize beyond binary either/or categories of experiences and enable them to break out of what they know, what they assume and what they have experienced.

Second, the right theory will tells us what works, what does not, and under what conditions and learning to apply the right theory to the right practice will enable IPs to understand why they are stuck and

---

6 See Dyer, Gregerson and Christensen (2009)
7 See Gonsher and Mills-Scofield (2013)
8 See Lafley and others (2012)
9 See Gonsher and Mills-Scofield (2013)
how to move ahead. Third, the right theory coupled with thick descriptions of others’ experiences will enable perspective development because theory will help to organize students “perceptions of their life-worlds and consequently informing practices and action”\(^\text{10}\) and perspective-taking because experiences of another person will be used to observe the world that students could not experience first-hand\(^\text{11}\).

This method of using thick accounts of accounts of practice and connecting the right practice with the right theory is called praxis. This praxis taught through a four-step methodology. The first two steps consist of learning know-what and know-how, from their own and others’ experience, to bridge the performance gap. In the first, Know-What level, new information and procedures are learned. The next higher level, the Know-How level, deals with learning about architecture of processes and distinguishing categories of knowledge. The third step is know-why where practitioners learn know-why by applying the right theories and concepts to direct and mediated experiences. This is the third and still higher level where the knowledge of the theory of the domain is learnt. Here, students understand the reason why things happen. The leverage provided by theory and concepts has the potential to lead to changes and huge improvement in effectiveness. Finally, dissatisfied with maintaining the present and fortified with know-how, -what and -why, practitioners actively look-out for opportunities to design the future and set stretched targets. In this stage, practitioners possess the desire for change and let-go of existing theories, concepts, principles and practices or. This is Know-Want, the fourth and the highest level of learning and with the wherewithal, acquired, practitioners are able to bridge the opportunity gaps and bring about change through practice of entrepreneurship\(^\text{12}\).

The unique Indian culture generates decision settings that are best described as “deregulated”\(^\text{13}\). The rational system of decision-making is of little use in deregulated systems. A different rationality is required, called arational located somewhere in-between the rational and the irrational. Praxis with its blend of know-what, know-how, know-why and know-drive teaches you to make effective decisions in deregulated

---

\(^{10}\) See Alexander (2010)  
\(^{11}\) See Pinker (2012)  
\(^{12}\) See also Arun Maria (2014)  
\(^{13}\) See Roy (2014)
environments by empowering you to make models in your head. These models allow you to make full use of
direct and mediated experiences. In the words of Charlie Munger, Warren Buffet’s close confidant,

*If the facts don’t hang together on a lattice of theory, you don’t have them in usable form. You’ve got to
have models in your head. And you’ve got to array your experience, both direct and vicarious, on this
latticework of models.*

You will be taught several modules aligned to this distinct *praxis*. For this the modules are distributed in
the *praxis* framework as given below:

**Know-what**

- Effective management system design
- Framing of strategy® - Select a company that is under resolution process. Show how the company
  was following an approach of managing tame problems prior to coming under IBC.
- Running the company as a going concern®
- Familiarization with Rules and Regulations and acting as trustee®
- Knowing your challenges and sequencing
- Different strategies for different challenges and harnessing authority to succeed®
- Harnessing authority to succeed and traps en-route to success®
- **Full Module** – Consensus building and negotiation®
- **Full module** - Thought leadership®
- **Full module** - Emotional intelligence®
- **Full module** – Problem solver – data analysis (sequel to statistics in Trimester I)

**Know-how**

- Managing employees®
- Acting as a bridge between the corporation and regulator and assisting the committee of creditors and
  adjusting authority
• Framing of strategy

• Internal and external relationships

• Relationship with stakeholder groups

• Cordial relationship with investors and suppliers

• Managing customers and users

• Running the company as a going concern

• Familiarization with Rules and Regulations and Acting as trustee

• Week with legends

• Finding ideas and acting to solve challenges

• Different strategies for different challenges and harnessing authority to succeed

• Your leadership purpose and leadership in complex multi-party negotiations

• Empowering others to lead and sequencing

• Working through problems and towards change and iterating around new ideas and change - strategic decisiveness, link to emotional IQ

• Harnessing authority to succeed and traps en-route to success

• Strategies for broad engagement and deconstructing – leadership

• Managing change and authentic leadership

• Decision-making and creating value through negotiation

• Full Module – Consensus building and negotiation

• Full module - Thought leadership

• Full module - Emotional intelligence

• Full module – Self management

• Full module – Time management

• Full module – Problem solver – data analysis (sequel to statistics)
Know-why

- Competitiveness
- Week with legends ®
- Your leadership purpose and leadership in complex multi-party negotiations ®
- Finding ideas and acting to solve challenges ®
- Working through problems and towards change and iterating around new ideas and change®
- Harnessing authority to succeed and traps en-route to success ®
- Strategies for broad engagement and deconstructing – leadership ®
- Managing change and authentic leadership®
- Decision-making and creating value through negotiation ®
- Full Module – Consensus building and negotiation ®
- Full module - Thought leadership ®
- Full module - Emotional intelligence ®
- Full module – Self management ®
- Full module – Problem solver – data analysis (sequel to statistics)

Know-want

- Senior leadership qualities xv•xvi
- Change agent xvii
- Week with legends ®
- Different strategies for different challenges and harnessing authority to succeed ®
- Your leadership purpose and leadership in complex multi-party negotiations xviii ®
- Empowering others to lead and sequencing ®
- Finding ideas and acting to solve challenges ®
- Working through problems and towards change and iterating around new ideas and change ®
• Harnessing authority to succeed and traps en-route to success ®
• Strategies for broad engagement and deconstructing – leadership ®
• Managing change and authentic leadership ®
• Decision-making xix and creating value through negotiation ®
• Full Module – Consensus building and negotiation ®
• Full module - Thought leadership ®
• Full module - Emotional intelligence ®
• Full module – Self management ®

Takeaways
After the three trimesters the following are the key takeaways -

• Through mediated learning widen and deepen your repertoire of experiences.
• In the insolvency eco-system the simple, direct connection between the what and how prescribed by the normative rational model is severed. If, decision-making is largely non-linear systems, what is the role of traditional models in decision-making?
• How to convert owner/stakeholder obstinacy into engagement in order to deliver on results?
• How to achieve dual positive outcomes?
• Can goals be achieved in the face of value conflicts?
• Can some general laws and universal principles guide decision-making?
• How to add value to work-time?
• Under what circumstances holding back decisions is likely to lead to goal achievement?
• How to construct the public interest when faced with the competing and conflicting demands of individuals, groups of people and interest groups?
• How to subvert gaming and cronyism?
• Using New Institutional Economics, how to make proficient decisions, again and again, and follow your ethical compass?

• Is effective action possible in short job tenures as IPs?

• How to add value during meetings and make them more productive?

• In the long term, how to become excellent decision-makers, that is, size up a situation and make a rapid decision, by applying the right knowledge to the right experience, which is not only good, but brilliant?

*(Author is DG &CEO, IICA and views are personal)*
Wicked problems

Companies under insolvency proceedings consist of problems that cannot be resolved by drawing a straight line between the cause and effects, especially long-term, because the problems are complex, information is incomplete, milieu is complicated, analytical tools are inadequate and the public management practitioner has so little control on important variables (Kay 2011). Such problems are called “wicked” (Rittel and Webber 1973). As compared to tame problems, wicked problems are more complex in terms of problem statement, solution development and solution assessment. First, wicked problems are difficult to define because they cannot be exhaustively articulated in order to understand and solve them because the planned resolution (note: not solution) is embedded in the process of problem specification. Every wicked problem is “essentially unique . . . despite long lists of similarities between a current problem and a previous one, there always might be an additional distinguishing property that is of overriding importance” (Rittel and Webber 1973: 164). Wicked problems exist at several levels and resolution at one level may have little effect at another level or even aggravate the problem at the other level. For example, electronic governance is encouraged in order to reduce cost, increase efficiency, etc. However, once the information technology workers become entrenched, required structural governance reforms may become more difficult (165).

Second, solution development is complex and the rational model is of little help because listing out of all possible alternatives to achieve the goal is not feasible with wicked problems. Furthermore, scientific hypothesis testing is not possible; in fact, the choice of explanation depends on the decision-makers “world-view” (166) who can always use mediating variables or extraneous explanations, including a counter-factual to explain the failure of the program. Finally, wicked problems do not have stopping rules (162) and public managers have to use their elusive political judgment to evaluate if the problem is resolved completely and often do not know when the job is completed and the problem is deemed to be resolved once they run out of time, money, or patience.

Third, solution assessment is a challenge because resolution of wicked problems creates winners and losers among individuals, groups and interest groups; accordingly, is judged in terms of good or bad, not true or false. Additionally, decisions cannot await the results of trial-and-error, if possible at all, and have to be made with incomplete and insufficient information and whose irreversible effects are felt over long periods and nearly always leave behind some residue.

Using experiences to decide

Donald Schon (1983) suggests that practitioners draw similarities from their experience set - using outputs of a previous experience as an input for a new operation - and this is called “knowing in action”. Similarly, “experience-based holistic recognition of similarity” produces deep situational understanding as follows - “The mind of the proficient performer seems to group together situations sharing not only the same goal or perspective but also the same decision, action or tactic. At this point not only is a situation, when seen as similar to a prior one, understood, but the associated decision, action or tactic simultaneously comes to mind” (Dreyfus and Dreyfus 1986). There is emerging evidence that in the private sector, too, “repeatable business models” have helped firms (e.g. Apple, Ikea, Nike) to consistently deliver on goals and adapt to rapidly changing environments (Zook and Allen 2012).

Operating in unstable and uncertain environments, practitioners are often surprised by new elements in decision-making situations. Here, practitioners try to develop a new description of it and test the new description by on-the-spot experiments, called “reflecting in action”. Moreover, practitioners also do an after-the-event contemplate, which Donald Schon (1983) calls “reflection on practice”. During this process they submit their assumptions to a reality check, review their strategies, and reflect on the unexpected. Moreover, performance improvement is greater when learning-by-doing is combined with thinking, or the “intentional attempt to synthesize, abstract and articulate the key lessons taught by experience” (Stefano et al. 2014). The process of self-reflection is called feedback analysis by Peter Drucker (2005) who also provides a way to reflect on practice, “Whenever you make a decision or take a key decision, write down what you expect will happen. Nine of 12 months later, compare the results with what you expected.” Drucker called this self-reflection process feedback analysis. The key to effective feedback analysis is to (1) codify rationale and motivations, and (2) reflect and assess on outcomes.

Practitioners’ “repertoire of experiences” is also akin to “big data”. Big data can be understood (Mayer-Schonberger and Cukier 2013) as large scale (diverse, multiple direct and mediated experiences), useful to extract new insights (reflection in action and on practice) and create new forms of value (apply the right theory to right experience). Moreover, as with big data, decision-making converts the potential energy contained in experience - sets to kinetic energy; the repertoire’s worth is the sum of choices arising from the experience: the “option value” of direct and mediated experiences; and unleashing the potential energy by reusing, merging experiences and “twofers”: leveraging direct with mediated experiences.

Vision, Mission, Strategy and Insight IQ

Vision is the big idea, a picture of the future, the reason why everyone comes to work each day. The vision describes the long-term intentions, the true purpose. Visions are like maps that guide us though the complex reality and like maps leave out several features of reality in order to help us to focus on a few paths to our goal. Different visions are based on different notions of how the world works. Mission is the what. It’s the objective, describing what business you’re in and who your
describes the plan for getting the ‘what’ done, the specific plan to get the mission done. The actions should be clear, focused and measurable (Arneson 2010). Typically, strategy design requires considerable time and leads to sustainable competitive advantage in the long term. However, in unpredictable settings and amorphous organizations what is required is constant strategy design that leverages on several transient competitive advantages, simultaneously, and the normal is to seize on the transient advantages (McGrath and MacMillan 2013). The implication for practitioners, as IPs have short tenures in insolvent companies, is to engage in constant strategy design depending on the emerging opportunities and later the dots seem to get connected into a sustainable strategy.

Commonly, practitioners presume that strategy design and execution reside in silos; However, increasingly practice research is showing that strategy formulation and implementation cannot be completely separated (Guillen and Garcia-Canal 2012; Wells 2012). In insolvent companies having invested in in people, physical or relationship assets develops a “structural inertia” that resists change; therefore, practitioners have to develop strategic intelligence, defined as “the capacity to adapt to changing circumstances, as opposed to blindly continuing on a path when all the signals in your competitive environment suggest you need to change course”. Practitioners with a high strategic intelligence have “a pretty clear strategy, but they are not satisfied with it. They are always trying to improve it and look for alternative ways of playing the game. So it’s an issue of not being satisfied and also being creative. On the structural side, they have very adaptive organizations, and on the people side, strategic intelligence is distributed throughout the organization. So they typically have structures that support such adaptive behavior, they seek out people who are open to change, and then they encourage them to change continuously” (Wells 2012).

Finally, practitioners’ ability to find and analyze relevant information is called Insight IQ. Understanding mature data mining processes in large companies and possessing analytical skills helps them to move from “Big Data to the Big Judgment” is expected to enable practitioners to bridge the performance and opportunity gaps. However, designing data driven strategy comes up against three problems, given below, that prevent organizations from getting a better return on “Big Data” (Shah, Horne and Capella 2012)

- Analytical skills are concentrated in few employees,
- IT has to spend more time on I, than T. Most IT functions were developed for conventional functions, such as finance, HR, supply-chain management. However, resolving wicked problems requires diverse data and using information that they cannot articulate; therefore, IT professionals (here administrators) require behavioral understandings and anthropological skills, and
- Reliable information exists, but is hard to locate – like libraries with not book covers and catalogues – especially in governments. Studies have found that less than 44 percent employees know the location of information for their day-to-day work.

The 4+2 rule to bridge the performance and opportunity gaps

Recent, research on what makes organizations work has led to the 4+2 rule. Companies that outperform their peers excelled in four primary management practices: strategy, execution, culture and structure. Moreover, any two of four secondary practices supplements the basic four: talent, innovation, leadership and mergers and partnerships (Nohria, Joyce and Roberson 2003).

Emotional intelligence

The best training, incisive, analytical mind and an endless supply of smart ideas will not make practitioners bridge the performance and opportunity gaps. Technical skills and intelligence quotient (IQ) matter as “threshold capabilities”, that is, they are only entry-level requirements for executives (students here). There are several instances of highly intelligent, skilled IPs when assigned leadership positions, fail at the job. On the other hand, some IPs with solid, not extraordinary, intellectual abilities and technical skills who were promoted into similar positions met expectations most of the time. The good news is that, unlike IQ, emotional intelligence can grow and training can help administrators to progress from competent practitioners to experts.

Goleman (2004) studied nearly 200 large, global companies and found that all effective leaders have a high degree of emotional intelligence. Capabilities were grouped into purely technical skills (e.g. business planning), cognitive skills (e.g. analytical reasoning) and competencies demonstrating emotional intelligence (e.g. ability to work with others and effectiveness in leading change). Expectedly, intellect was a driver of outstanding performance; cognitive skills (e.g. big picture thinking, long-term vision) were important; however, emotional intelligence was twice as important for excellent performance all levels. Therefore, emotional intelligence is the sine qua non of excellence in performance by executives in leadership positions. The components of emotional intelligence are some soft skills, such as self-awareness, self-regulation, motivation, empathy and social skills. Below, are given the definitions and hallmarks of the components of emotional intelligence (Goleman 2004).

<table>
<thead>
<tr>
<th>Item</th>
<th>Definition</th>
<th>Hallmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

iv The 4+2 rule to bridge the performance and opportunity gaps

v Emotional intelligence
Self-awareness  
Ability to understand ones’ emotions, strengths, weaknesses, needs and drives; recognize how feelings affect them, others and their job performance; and knows where one is headed for and why  
Self-confidence, realistic self-assessment and self-deprecating sense of humor  

Self-regulation  
Ability to control or redirect disruptive impulses and moods and the propensity to suspend judgment — to think before acting  
Trustworthiness and integrity, comfort with ambiguity and openness to change  

Motivation  
Passion to work for reasons that go beyond money and status, propensity to pursue goals with energy and persistence  
Strong drive to achieve, organizational commitment and optimism even in the face of failure  

Empathy  
Ability to understand the emotional makeup of other people and skill in treating people in accordance to their emotional reactions  
Expertise in building and retaining talent, cross-talent sensitivity and service to stakeholders  

Social skill  
Proficiency in managing relationships and building networks and ability to find common ground and build rapport  
Effectiveness in leading change, persuasiveness and expertise in building and leading teams  

**vi When to use management by walking around (MBWA) and action approach?**  
Some ways that connect manager commitment and implementation success, relying on frontline employees participation are, 6-sigma (Coronada and Antony 2002), lean (Worley and Doolen 2006), TQM (Antony et al. 2002) and MBWA (Tucker and Singer 2012). In MBWA senior officers become involved in improvement implementation by conversing with the frontlines to identify and resolve problems. However, MBWA does not work, always. The explanation given by Miles (1965) is useful for practitioners to decide when to deploy MBWA. If the purpose of MBWA is symbolic, say, to improve employee morale; then, performance is unlikely to be enhanced. If the interactions, on the other hand, lead to generation of ideas that are implemented; then, MBWA produces results. Here, attention to frontline employees’ concerns and acting upon them seems to be a significant moderator variable in MBWA (Tucker and Singer 2012).  

How to decide when to use the action or the analytical approach? Again, Tucker and Singer (2012) suggest that the determination should be based on the nature of the landscape of problem priority. Local search is beneficial if the problem priority is relatively flat because few high priority problems, exist, having the potential to lead to path-breaking improvements. Instead, major improvements are likely to come about by solving the “lower tail” of problems that exist in a flat landscape (Brnjolfsson et al., 2011).  

**viii How to make meetings more productive and create greater value**  
Participants often complain of long-drawn meetings that are a waste of time. Below, are given the ways to make meetings more useful.  
- Greater value can be created by understanding that meetings are “social systems embedded in the emotional and cultural reality of the organization”. Some dynamics of deregulated bureaucratic systems are, (1) to know the different perspectives of participants (where they are coming from): some ascribe high priority, some prepare and come and some feel strongly about the topic, (2) to tune into different emotions: some come with personal, often unconscious, agendas, some view the meeting as a status symbol, some view the meetings as social gatherings and some use meetings to score political points and (3) to recognize that people relate differently to leading or being led (Ashkenas 2013b).
Greater compliance from people is possible if your moods alternate between anger and another emotion, as compared to expressing anger consistently. Moreover, effectiveness in increased if meetings start on a positive note, anger is directed at the issue (not a person), is expressed parsimoniously and if dissatisfaction is expressed with a positive spin.

- On the other hand, meeting productivity can be enhanced by focusing on results, not hours and one way administrators can “remove themselves from the treadmill of long, wasted hours at work” is by “constantly evaluating (their) use of time — even if (the) organization’s culture doesn’t force (them) to. That means knowing what’s important to (them), their organization, and (their) boss — and, vitally, what’s not important. So think critically and rigorously about your priorities” (Pozen 2012). Additionally, meetings have to be founded on organizational conversation, not communication. Organization communication is typically top-down and suits the needs of the hierarchy driven organizations. On the other hand, organizational conversational involves four Is: (1) intimacy: participants remain close literally and figuratively, (2) interactivity: talk is a two-way street, (3) inclusion: is an equal opportunity proposition, and (4) intentionality: the people in the conversation have a sense where they want to go (Groysberg and Slind 2012). Finally, IPs hardly use their “convening authority” to get things done, say, by bringing people together people from across the organization to share information, build alignment or solve problems (Ashkenas 2013c).

- Often, conventional notions connected to managing meetings require a relook. For example, disaggregated teams work better at certain things, especially during forecasting or predicting where building consensus is of little use and a better option is to aggregate individual forecasts or predictions because, (1) a few charismatic members present in meetings may sway the opinion of others and (2) herding may occur in which members suppress their own dissent and fall in line with others for fear of standing out too much (Silver 2012). Such “groupthink” encourages conformity and mediocrity and one way to avoid groupthink is by assembling diverse teams and encouraging passionate champions who advocate game changing concepts and rules (Govindrajan and Terwilleger 2012).

- Do not always agree during meetings, but add unique value by engaging in open, healthy conflicts, which lead to innovation, better synthesis of diverse perspectives, reduced risk and well thought solutions. Some ways to add value are: try not to score brownie points when confronted with something new or surprising but add to others’ understandings of reality and during disagreements make others imagine the impact of decisions, try to understand what’s behind the suggestion and ask for help to get the job done (Davey 2013).

**Nudge**

Nudge is based on the principle that people can be steered to make better decisions by presenting choices to them in different ways. Nudges then become give big shoves. ByThe broad principles of the practice of nudge are — policy design that accounts for real-world behaviour, testing pilots before roll-out and use of simple language by government (Sunstein and Thaler 2008).

**Clusters**

Clusters are an alternative to the traditional idea of teams. They are formed outside the firm, but are hired and paid by the company as a permanent unit. Each cluster appears as a business unit in the business organization chart to achieve business goals and are high performing assets of the firm, equivalent to elite military units, medical units and film crews. Clusters are different from consultants because they are hired permanently for the long-term. Also, clusters are different from self-directed teams because they do not define their own goals, but are guided by the outcomes set by the organization (Aron 2013).

Contemporary research has found that the three Ms are the primary sources of motivation: mastery, membership and meaning. Surprisingly, another M, money, was a distant fourth. Money worked more like a scorecard, but it did not get people charged at work or help people to look back every day with a feeling of fulfillment (Kanter 2013).

If, people care about the outcomes they are able to stretch goals and meet impossible challenges, as the following example shows:

“I’ll never forget the story of how a new general manager of the Daimler Benz operations in South Africa raised productivity and quality at the end of the apartheid era by giving the workers something to do that they valued: make a car for Nelson Mandela, just released from prison. A plant plagued by lost days, sluggish workers, and high rates of defects produced the car in record time with close to zero defects. The pride in giving Mandela the Mercedes, plus the feeling of achievement, helped the workers maintain a new level of performance. People stuck in boring, rote jobs will spring into action for causes they care about. Heart-wrenching emotion also helps cultivate a human connection. It is hard to feel alone, or to whine about small things, when faced with really big matters of deprivation, poverty, and life or death. Social bonds and a feeling of membership augment the meaning that comes from values-based work. It's now common to say that purpose is at the heart of leadership, and people should find their purpose and passion. I'd like to go a step further and urge that everyone regardless of their work situation, have a sense of responsibility for at least one aspect of changing the world. It's as though we all have two jobs: our immediate tasks and the chance to make a difference” (Kanter 2013).
Draw on Mauboussin’s (2012) framework and teach the following. The first step will be to identify the governing objective, followed by understanding and constructing the logics of action underlying the experience, that is, the cause-effect relationship between activities and objectives. Having developed the precise know-how and know-what, IPs will be able to monitor activities that drive objective achievement and determine where they are and where they should be and modify and adapt responses in order to achieve goals much of the time.

xiii Types of decision making models and strategic decisiveness

The most common normative guide is found in the rational decision-making model, which starts with goal identification, followed by listing of all possible alternatives with their consequences, and finally selecting the alternative, most likely to lead to goal achievement. However, in real life the rational model often breaks down. This led to decision-making models that relied on weaker versions of technical rationality. Practitioners, in Beckman’s (1973) hands-off approach operate within the latitude given by the political executive. Davidoff’s (1973) advocacy model suggests that practitioners lean into the political system because administrators are not disinterested leaders, but actively advocate values. In the incremental framework developed by Lindblom (1959), public administrators decide in small steps based on their past experience of the political processes and local context.

Besides politics, the strategic model focuses on program goal setting and achievement, through analysis of external opportunities and internal strengths and weaknesses of the organization.

Strategic decisiveness is one of the most critical success attributes for leaders (Tasler 2013). Decisive leaders make early decisions and move quickly to enlist both sides in executing their decisions. In fact, decisiveness is the default setting. Some team members may not be pleased with the choice, but are satisfied to have some movement towards the goal. On the other hand, leaders with low emotional IQ fear keep on debating on decisions for fear of upsetting anyone and finally end-up with choosing a compromised decision that both sides merely tolerate. The end result is mediocrity and inability to bridge the gaps.

xiii Garbage Can model

If the business setting consists of a collection of choices and solutions looking for problems and issues to be applied to, then conventional rmmodels with a known goal, generation of alternatives, examination of consequences in terms of objectives and finally a decision are of little use. In fact, the choice opportunity in several cases will be like a Garbage Can, as conceived by Cohen and others (1972), in which different kinds of problems and solutions are dumped by stakeholders. Accordingly, decision-making involves a complex interplay among problem generation, deployment of managers, production of solutions and the opportunities for choice. Generally, the model is especially useful where a loose collection of ideas and choices are made without consistent, shared goals; decision processes are not understood by its members and cooperation is largely by trial and error and decision-makers for any choice change capriciously. Accordingly, the process is non-linear where problems and choices are uncoupled and “problems are worked upon in the context of some choice, but choices are made only when the shifting combinations of problems, solutions and decision makers happen to make some action possible”. The limitation is that the garbage can model does not resolve problems effectively and is useful in environments where goals are ambiguous, problems are poorly understood and practitioners have too many things on their minds.

xiv The Progress Principle and persistent monitoring

Studies have shown that five most important factors that could influence motivations and emotions at work are: recognition, incentives, interpersonal support, clear goals and support for making progress in the work. Personal stories from 238 white-collar employees showed that work progress was most prominently associated with creative productivity (creativity and innovation are different stages in the same process: creativity is the initial production and development of novel, useful ideas and innovation is their successful implementation). Moreover, the negative effect of a setback was two to three times stronger, as compared to the positive effect of progress. Additionally, minor victories were as important as significant breakthroughs, implying that managers have to really “sweat the small stuff”. Therefore, supporting everyday progress by making timely decisions and providing clear goals are great for employee engagement and enables them to achieve long-term proficient performance, which is the progress principle (Amabile and Kramer 2011). Moreover, this is in consonance with the idea that helping employees to make their decisions increases their commitment to implementation, in addition to, of course, improving quality of decisions made (Ashkenas 2013a).

Supporting progress in work depends on the nature of employees and one-size-fits all principle is unlikely to work. There is growing consensus that there are two types of employees, promotion and prevention-oriented, requiring different types of motivation and incentives in order to bring out the best in them (Halvorson and Higgins 2013). For example, performance of promotion focused employees is enhanced if they are assured they are on target, as opposed to prevention oriented employees who try harder if they are told they are falling behind. The reason is that promotion focused employees see goals as a pathway to advancement and concentrate on the rewards that are likely to accrue when goals are achieved. They are willing to take chances, like to work quickly, dream big and think creatively. In contrast, prevention-focused people are look at their goals as responsibilities and they concentrate on staying safe. Being vigilant they play not to lose and dislike disturbing the status-quo.

Another empirical study shows that nagging works in some conditions and for some activities. The findings are: repetitions
who repeat themselves face fewer number of blow-ups and work less during crisis (Neeley, Leonardi and Gerber 2011). Therefore, sending the same message over and over again through multiple media helps.

Earlier the idea of personal emotion, EQ, was introduced. Managing collective emotions is also an important determinant in making progress in work. Collective emotions lead to accumulation of “emotional capital” in which leaders generate buy-in of middle level practitioners by giving them a voice and ownership in design and implementation of strategy. Importantly, middle level managers do not withhold support for progress towards goal achievement (Huy 2014).

Excellence

Individuals who maximize the ratio of “accomplishment over authority” are true practitioners of leadership (Hamel and LaBarre 2013). Inspirational leaders possess the following attributes: they are seers and able to develop a vision of “what could be”, are contrarians who liberate our minds from the status quo and open our minds to possibilities, are system architects, are mentors who create more leaders and are connectors who search for “combinational chemistry” between ideas and individuals.

Contemporary research suggests that entrepreneurs forecast, plan and model only when required. Not only do they think different, but they also translate the thought into action, often without analysis. Rather than predict the future they create it. They allow opportunities to emerge, as opposed to starting with a predetermined goal. A 2008 survey of founders of companies listed in the Inc 500 showed that only 12 percent did formal marketing research before they launched while only 12 percent wrote formal business plans. For the first simple steps they use their own skills and education (Schlesinger, Kiefer and Brown 2012). One way to get on top of the action vs. analysis dichotomy is to understand where to use what. In the “analysis oriented” approach problems are identified, prioritized and a few high priority ones selected to solve. On the other hand, in the “action oriented” approach improvement suggestions from the frontline were acted upon without spending too much time on prioritization.

Research supports the fact that simple rules undergird high-level strategy Intel and Cisco relied on simple rules (e.g. deploying capital where a bottleneck impeded growth) to shape complex strategies. “This approach helped companies to bridge the gap between strategy and execution - to make on-the-spot decisions and adapt to rapidly changing circumstances, while keeping the big picture in mind”. Even beyond the technology sector, Brazil has used simple rules, such as cut costs, expand services to existing customers to grow revenues, invest selectively to improve infrastructure and to build an aggressive corporate culture (Sull and Eisenhardt 2012). The primary lesson is that the job of the strategist is not finished once the strategy and its steps are identified and settled. Strategy is not separate from implementation - how the organization will get from here to there – and the great execution challenge is how to leverage on the learning accumulated on the way; therefore, strategy is a continuous, not a one-time effort (Montgomery 2008).

What is gaming and cronyism and how to deal with it?

“Gaming society’s rules of the game refers to subverting the intent of socially mandated or legislated rules for private gain without resorting to blatantly illegal acts.” (Salter 2010: 3). Gaming has both rule-making and rule-following components. Rule-Making (influence) involves lobbying with the government to include loopholes in new laws and rules and then exploiting the loopholes, even to the extent of subverting their original intent. This may be through ensuring ambiguity or making overly narrow regulations, offering several opportunities for the private sector to use creative strategies to circumvent rules in an environment of weak rule of law. Rule-Following (compliance), on the other hand, involves technical compliance with existing rules while exploiting their ambiguities for self-interest subverting the rules’ intent, again (Salter 2010). Ambiguous rules or rules that apply to only a narrow set of conditions are formulated due to intensive lobbying among companies or when they cannot create premeditated bids.

Cronyism: partnership between practitioners and the private partner. Such cronyism is due to the confluence of campaign contributions, personal connections and greed founded on uncompromising self-interest. Additionally, cronyism is built on cultural capital that mesmerizes the political establishment and public officials that the actions of corporations promotes public interest and is in the broader interest of the nation Finally, unlike lawyers and doctors, business managers are not subject to oversight by professional bodies with the power to enforce standards and exclude the non-complying; therefore, oversight on conflict of interest behaviors is less and business executives are more amenable to give precedence to “secondary interests (say, personal compensation, personal ambition, short-termism)”, as opposed to primary interests (say, the long-term profitability of the corporation; Salter 2010).

New Institutional Economics (Lambsdorf, Taube and Schramm 2005) suggests a starting point to tackle institutional corruption. Some guiding principles for practitioners are: encourage betrayal among corrupt parties, destabilize corrupt agreements, disallow contracts arising from gaming and cronyism to be legally enforced, hinder operation of corrupt middlemen and find clearer ways of regulating conflicts to interest.
From more than 20,000 hiring interviews Claudio Fernandez-Aroz has found that determination, curiosity, engagement and insights matter (DICE).

- Determination is the result of an early upbringing and does not change much, except through a life-transforming experience. But, the other three develop through habit.
- Curiosity is where we could be, not where we should be.
- Insight – ability to connect the dots, and separate signal from noise.
- Engagement –
  - Engage with wicked problems in the real political world,
  - Understand what citizens’ value and make affected stakeholders to appreciate the gains from the change – related to feelings (emotions). Unanimous support is impossible - understand the trade-offs – gains for some and perceived losses.

**When to hold back decisions?**

There is evidence that holding back decisions is not always bad in uncertain environments containing value conflicts and where fresh perspectives are required. Research (Gunia et al., 2012; Partnoy 2012) supports the value of holding back decisions in situations containing value conflicts by making decisions more ethical. When confronted with a choice between right and wrong (value conflicts), people are five times more likely to do the right thing if they have time to think about it than if they are forced to make a snap decision. The authors suggest “cooling off periods” or several layers of approvals.

In uncertain environments containing value conflict the objective is not to do things first, but to do them right, which often involves delaying decisions (Partnoy 2012). Holding back decisions is not that bad as long as administrators do not fall back on stagnation, rigidity and unthinking application of age-old rules, but know how to manage delay (Partnoy 2012), also called “structured procrastination” (Perry 2013). Work disappears from the to-do list because somebody else gets an opportunity to do the work. However, occasionally circumstances may precipitate unexpected and unintended decisions and here intuition based on experience plus knowledge, especially understanding the way the large political economy will respond to procrastination, is useful to decide when to stop holding back decisions. Moreover, structured procrastination helps the decision-maker to locate more relevant, useful information; thereby, enriching decisions. Finally, waiting has the potential to reduce stress and lead to calmness and serenity. What this shows is that best decision-making is a mix of fast and slow, especially in informal environments.

In complex problem-solving, people who were distracted did better, as compared to people who had to make a choice immediately or had time to consciously solve the problem. Stepping away from the problem and returning to it empowers administrators to find-out where they are and where they could be, possibly by giving a fresh perspective. Even momentary distractions seem to work: here the distraction was only for two minutes, demonstrating how quickly the non-conscious enters to improve decision-making (Rock 2012).

As Noble Prize winner in Economics Daniel Kahneman (2011) argues, slow decision-making is natural in circumstances of high risk, uncertain outcomes, especially for decision-makers with limited repertoire of experiences.

**Signal:Noise; Sweating the small stuff**

Great noise (e.g., doubtful facts, hearsay and gossip) is generated during decision-making and IPs expend great time “sweating the small stuff” (Carlson 1997). By learning to separate meaningful signals from noise (Silver 2012) IPs will be able to focus on useful information and get a head start during decision-making, leading to goal achievement more efficiently. Another way of generating high levels of productivity is to start conversely, say with tentative conclusions (Pozen 2012), and thick descriptions will enable IPs to quickly judge the level of similarity that is useful in the new decision setting to make conditional conclusions. Redoing and revising such conclusions along the way will lead to goal achievement much of the time.