

The Strategic Leadership Imperative for Executive Development

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Executive Summary

In a time of reorganization, revolution, and change, strategic leadership is essential to the competitiveness and development of an organization. The imperative for executive development, then, is to cultivate strategic leadership.

At the core of this challenge is a changing paradigm for both executive development and organizational competitiveness. The notion of strategic leadership as a focal point for redefining executive development and organizational competitiveness can help create the dynamic tension essential to organizational learning—the ability to stay the course while “rocking the boat” to enhance organizational readiness and competitiveness in an unpredictable environment.

This paper discusses the concept of strategic leadership as a driver for executive development efforts. It presents a model for the strategic leadership process based on the stages of an organization’s development, and then presents recommendations for using the model to help design more effective executive development strategies.

In a time of reorganization, revolution, and change, strategic leadership is essential to the competitiveness and development of an organization. Developing strategic leadership capability, therefore, should be the essence of executive development efforts.

Strategic leadership is the hard-to-delineate ability of leaders to stay the course in an organization while continually “rocking the boat” so as to enhance readiness and competitiveness in an unpredictable environment. Executive development involves that set of processes used by the organization to build leadership talent. These processes include selection, assessment, and appraisal efforts; education and training programs; planned on-the-job assignments and career moves; and formal coaching/mentoring relationships.

This paper discusses how the concept of strategic leadership can be used to focus executive development processes and build organizational competitiveness.

A Model of the Strategic Leadership Process

One very useful and very meaningful way to examine strategic leadership is to discuss typical patterns of leadership throughout the evolution of an organization over time. A number of authors have made significant contributions to the understanding of this crucial aspect of executive and organizational development (Greiner, 1972; Adizes, 1988; and Miller, 1989). The model portrayed in Exhibit 1 is a synthesis of the work of these authors, coupled with new insights on the role of strategic leadership in building organizational competitiveness.

The model is a simple presentation of the stages of an organization's development over time, from its inception through its *potential* demise. The dimension of time is charted on the vertical axis. In this instance, time is signified by five developmental stages from emergence—when an organization comes into existence, through the stages of growth, maturity, decline, and decay—when an organization ultimately ceases to exist. *It is very important to note at this point that this progression of stages is not inevitable—that effective strategic leadership can enable an organization to avoid the consequences of the final two stages.*

The horizontal axis is a measure of orientation to change based on the concept of Adaption/Innovation Theory (Kirton, 1976). This theory holds that creative style and orientation to change can be gauged on a continuum ranging from a very strong focus on adaptive creativity or a preference to work with what exists in an effort to do *better* what is currently being done, to a very strong focus on innovative creativity or a preference to give little relevance or credibility to what currently exists, leading to a tendency to do things *differently*.

Ansoff (1988) noted that to survive and prosper in an industry, an organization must be able to adjust its strategic behavior to the changing demands of the marketplace. Adaption/Innovation Theory asserts that both adaptive creativity and innovative creativity are effective styles of dealing with such changes. But while innovators are focused on creating new and different organizational elements, adapters are focused on creating effective ways to implement and perfect those elements (Kirton, 1976; 1987). As such, the most effective organization is one that can blend the strengths of each approach in a culture that avoids the tendency to favor one preference to the exclusion of the other.

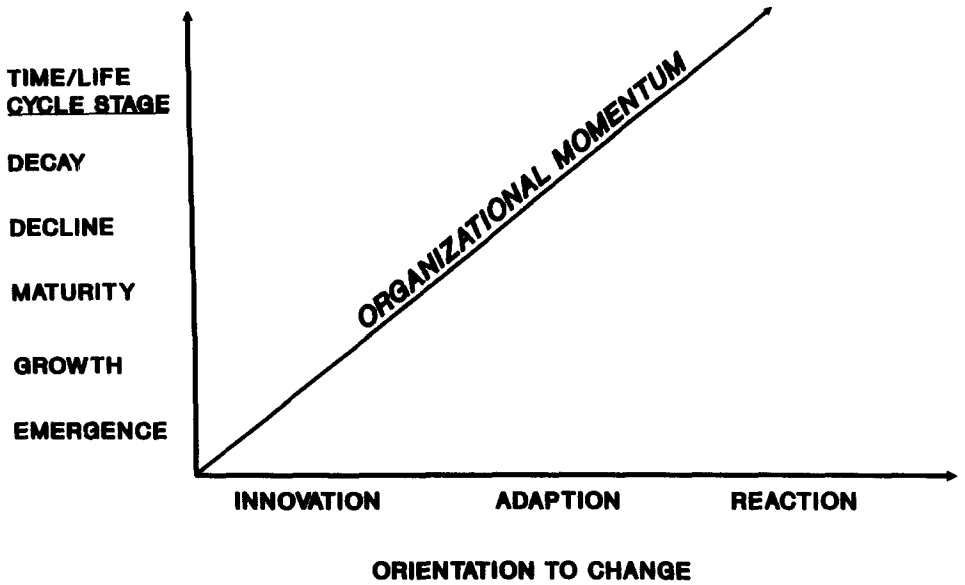
As organizations develop over time, however, their cultures tend to evolve from being more innovative and open to change, to being more adaptive and focused on improving what currently exists within the organization's competitive domain (Adizes, 1988; Miller, 1989). To a degree, this *momentum* is essential and necessary to deal with growth and success. Over time, however, an organization can become so inwardly focused that it eventually ceases to be creative at all. It no longer does things differently. It no longer improves what exists. It simply reacts to the pressures of the outside environment.

When an organization reaches this reactive stage, it is left with only three options. First, it can continue in its reactive mode and eventually cease to exist. Second, it can be acquired (or conquered) and somehow refocused through external influence. Or third, it can attempt a massive restructuring of the status quo (a "revolution") in an effort to revitalize its culture—a very difficult and painful process.

Again, it is important to note that this evolutionary process can be managed. An organization need not evolve to a stage of decline or decay (Adizes, 1988; Pascale, 1990; and Davis and Davidson, 1991). Rather, the processes of executive development can be used to manage the cycles of change in an organization, enabling it to better balance the need for innovation and adaption in an effort to build organizational capability and competitiveness (Ansoff, 1988; Pascale, 1990; and Ulrich and Lake, 1990).

Below I discuss briefly such efforts as those currently underway at General Electric, British Petroleum, and Conrail, efforts all designed to

Exhibit 1 Strategic Leadership Model



refocus the cultures of those respective companies before they reach a state of crisis. The lessons learned from these and other organizations can be made more apparent by first examining the individual stages of the Strategic Leadership Model in more detail.

The Stages of Strategic Leadership

The implications of the Strategic Leadership Model for executive and organizational development can be clarified through a discussion of the expanded model depicted in Exhibit 2. In this version, the style of strategic leadership typical at each stage is indicated (Miller, 1989). A description of each of those styles is detailed below.

Prophet

In the emergence stage, the style of strategic leadership necessary for organizational growth and development is typified by the notion of a *prophet*. A prophet is a visionary, a zealot driven by an ideal, which is typically a new and different way to deal with the world and/or some of its opportunities. Prophets lead organizations that are intense but unstable, often surviving on a day-to-day basis. Commitment to the visionary ideal is the prime reason for membership in the organization and the primary driver of motivation.

Throughout history, there have been many people who fit the mold of prophet. And throughout history, many of those prophets have been ostracized, exiled, and sometimes even killed. But those that survived often were responsible for revolution and change, usually for the betterment of society. That is because prophets challenge the system, break with the

status quo, and discount conventional wisdom. As such, real change and development is unlikely to occur without prophets.

The history of business is laced with prophets—people like Henry Ford, Thomas Edison, and Stephen Jobs. These individuals envisioned new worlds, created new products, and established new industries. They and their fellow prophets have been the lifeblood of technological and social change and development.

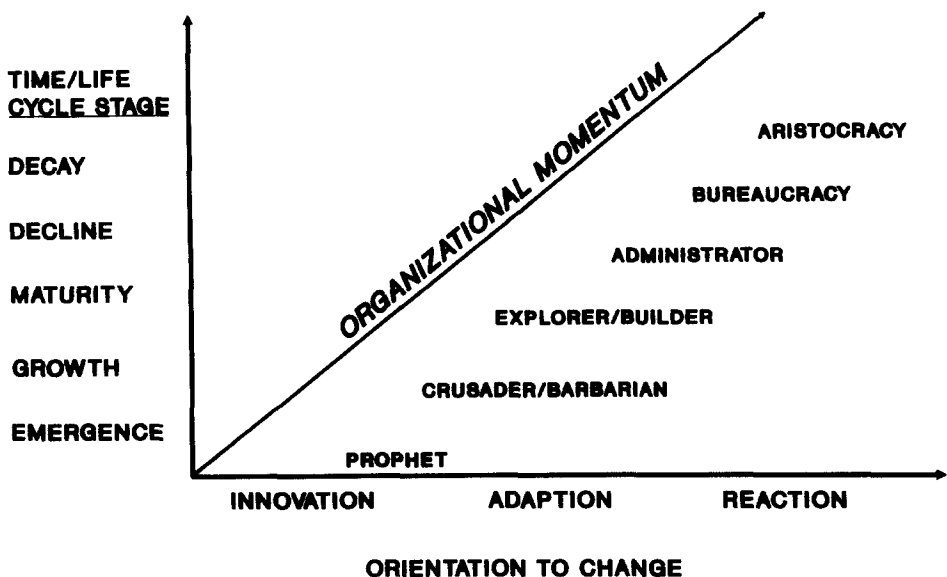
Clara Barton founded the American Red Cross in 1881. Barton was the prophet responsible for establishing the ideal of the Red Cross in the United States. Through her energy and relentless commitment to that ideal, she helped create one of the world's foremost humanitarian organizations. In doing so, she established a growing concern, one that demanded an expanded form of strategic leadership exemplified in the next stage of the model.

Crusader/Barbarian

If the prophet survives and is persistent, as was Clara Barton, the ideal he or she champions and the loose organization that supports the ideal may take root. At that point, the strategic leadership focus required by the growing organization must shift from the prophet's zealous pursuit of an ideal, to the relentless development of an organization capable of making that ideal a reality. To some, strategic leaders at this stage are crusaders, spreading the word and enhancing the survival of the ideal. For others, those leaders are barbarians who are ruthlessly transforming the ideal into a structured, regimented process.

Exhibit 2

Strategic Leadership Model: Leadership, Culture, and Organizational Development



Control is the essence of strategic leadership at the *crusader/barbarian* stage, as leaders seek to put structure into the disorganized zeal of the emerging organization. It is at this stage that many would-be entrepreneurs fail as the chaotic intensity of innovative creativity and structured control of adaptive creativity collide in the formation of a viable organization.

Many prophets falter at this stage as well, falling victim to the need to run their organization more like a business and less like an informal network. Stephen Jobs met such a fate, as did Clara Barton. Barton is held in the highest esteem in the history of the American Red Cross, but, she was so successful in building support for the ideal that the organization outgrew her ability to lead it. With the ideal firmly in place, the growing organization needed structure and controls. Clara Barton was proficient at neither. So, in 1904, Mabel Boardman forced founder Clara Barton out of office.

Was Boardman a crusader or a barbarian? For supporters of Barton, it may have been the latter. But for supporters of the ideal of the American Red Cross, Boardman was a crusader, taking the organization to new heights of growth and achievement by adding a necessary element of structure and control to chaotic growth.

Explorer/Builder

If crusader/barbarian leaders are successful in bringing structure to the emerging organization and positioning it in the marketplace, the strategic leadership style must again shift. At this stage, organizations enter a period of “textbook management,” having taken an ideal at the emergence stage and turned it into a viable organization during the crusader/barbarian stage.

The term “textbook management” is used to describe the *explorer/builder* stage because it tends to be a period of opportunity and growth. The organization is past the start-up, entrepreneurial stage. It has met the need to secure investment capital and it has established a position in the marketplace. It is now at the point of development most frequently assumed by business management textbooks. Analytical management techniques are much more applicable at this stage, as demand for products and services often exceeds capacity, and external competition has yet to become a factor.

Thus, growth is the watchword of the explorer/builder stage, and strategic leaders seek to capitalize on growth by investing in business development, “perfecting” the organizational structure, hiring new people, expanding into new markets, and developing new management systems to meet the demands of growth and success. Gradually, however, if those systems begin to dominate the strategic thinking of the organization, the organization moves on to the next stage of the model.

Administration

Growth and success bring about several crucial consequences for the organization. First, they invite competition. As outsiders see the possibilities for success in the organization’s domain, they attempt to enter the arena. Then, as competition heats up, the inevitable inefficiencies created by growth but hidden by seemingly boundless opportunity become apparent.

The need for greater efficiency and control signal a movement toward further adaptation—major efforts to improve and enhance the efficiency and effectiveness of existing products, services, structures, and systems.

This call for greater control and adaptation leads to a strategic leadership focus on *administration*. Generally, there is a tendency toward centralization of decision making at this stage, along with increased levels of formalization in planning, budgeting, and controls. Control systems and processes seem to dominate the managerial agenda, as the organization seeks to gain efficiencies to offset slower market growth and lower margins. It is at this stage, too, that leadership tends to become more impersonal as administrative systems become the driver of organizational decision making.

Administration is a two-edged sword. When asked if “administrator” is a positive or negative term, most managers hesitate to answer. That is because there is a fine line separating the positive contribution to competitiveness from effective controls/administration and the negative consequences of overorganization caused by overemphasized administration (Davis and Davidson, 1991). This type of overorganization propels the organization into the next stage of the model.

Bureaucracy

If the efficiency focus that dominates the administrative era becomes the strategic leadership focus of the organization, the organization crosses into the danger zone called *bureaucracy*. The ideals of the emergence stage have been left behind and all but forgotten. The market orientation of the explorer/builder stage has been lost to efficiency measures and controls. Strategic leaders have become bureaucrats, no longer innovatively creative, no longer adaptively creative, but reactive to the pressures of the outside environment.

A bureaucracy is easy prey to new crusaders and explorers (competitors) in the marketplace. Some leaders at this stage see these new competitors as prophets/barbarians to be “shot” for challenging the status quo, changing the rules of the game, and swaying marketplace commitment away from traditional ideals. This reactive posture propels organizations dominated by a bureaucratic perspective into the next stage of the model.

For other leaders, however, the appearance of new competitors on the horizon is a sign that a new social order is called for within the organization, and “revival” and turnaround efforts are put into place in an effort to restore competitiveness and “bust” the emerging bureaucracy.

Revivals are often painful and difficult undertakings for organizations that have reached the bureaucracy stage. Typically, it has been quite some time since attention has been given to the ideals upon which the organization was originally founded. So, the organization is often adrift and frequently devoid of its core competencies (Prahalad and Hamel, 1990). Furthermore, many current leaders have risen from the ranks of “successful” administrators, and therefore lack the vision of prophets and the market knowledge of explorer/builders. For that reason, revivals often require crusader/barbarian leaders who are able to mount a revolution to restore focus on the ideal, and reposition the organization in the marketplace.

L. Stanley Crane, former CEO of Conrail, is an example of such a revolutionary. Crane took over the top spot at Conrail in 1981. At that time, Conrail was a quasi-government owned railroad with over 70,000 employees. During the period between 1976-1980, Conrail had posted losses in excess of \$1.5 billion.

Formerly the president of Southern Railway, Crane was an experienced manager and a capable leader. He presided over a massive reorganization effort that included substantial divestment of unproductive assets and headcount reductions of nearly 60%. Crane worked with managers, union leaders, and employees to build understanding and support for these changes—changes that resulted in an operating profit of \$431 million in 1986, marking six straight years of profitability for Conrail.

Crane ultimately helped transform Conrail from a hemorrhaging appendage of the government to a highly profitable transportation services company. When Elizabeth Dole, then U.S. Secretary of Transportation, recommended that the government sell the now profitable Conrail to Norfolk Southern in 1986, Crane was able to lobby Congress and the financial community to secure a public offering of Conrail and ensure its independence and viability (Spychalski, 1991).

Aristocracy

Sometimes, revolutionary turnaround efforts, like those at Conrail, don't occur. If a bureaucracy is strong enough, and if it has become too entrenched in the organization, senior leadership can become an *aristocracy*, removed from the realities of the organization and sheltered from the storms of change. In many ways, aristocrats are engaged in a similar struggle for survival as were the organization's founding prophets. But where prophets press for the survival of an ideal, aristocrats press for the survival of the entity—often now a hollow institution devoid of any ideals or sense of purpose. Strategic leaders at this stage tend to suffer a sad but inevitable fate. Typically, they are purged from the organization, often at the cost of the organization's very existence.

The Strategic Leadership Model in Action

Adizes (1988) noted that the life cycle of an organization can be gauged by observing the degree to which control systems and administrative procedures dominate an organization's decision-making process. He further suggested that over-reliance on administrative systems was a major factor in the ultimate demise of many organizations. As such, the Strategic Leadership Model depicts one of the most significant challenges facing organizations. That challenge is how to deal with the aftermath of growth and success in a turbulent environment (Albrecht, 1987; Ansoff, 1988; and Belasco, 1990). To meet that challenge, an organization must have the appropriate leadership capabilities in place to initiate and implement competitive change (Kotter, 1990; Senge, 1990; and Jaques and Clement, 1991).

This notion is clearly depicted in the rise and fall of the Soviet Union. Although Lenin was clearly a prophet to the Soviet Union, it was Stalin who crusaded for the ideal and created the "empire." Stalin was followed

by a progression of leaders who became more and more removed from the people, until the society itself was on the verge of collapse. Enter a new prophet, Mikhail Gorbachev, who presented the people with new ideals and visions of a new social order. Yet, Gorbachev was unable to lead the crusade for his new ideals and was “exiled” in favor of Boris Yeltsin, who has been a prophet/crusader in his own right.

The Soviet example illustrates the degree of difficulty faced by an organization attempting to revitalize from the stages of decline and decay. The challenge is immense. It should be the strategic imperative of executive development, then, to prevent the natural momentum of organizational evolution from leading the organization into bureaucracy and decay.

This imperative is evident in the current organizational development efforts underway at General Electric. GE was far from a declining company when CEO Jack Welch took over in 1981, but Welch believed that the seeds of bureaucracy and aristocracy were taking root throughout the organization. His focus on making GE a “boundaryless” company (Stewart, 1991), his commitment to making each of GE’s businesses number one or number two in world markets (Tichy and Charan, 1989), and his support for employee involvement efforts such as “workout” (Stewart, 1991) reflect his strategic leadership role as a prophet/crusader for a new social order at GE—one focused on an ideal and rooted in the marketplace.

But the real lesson on the GE example is not the contribution made by Welch as a strategic leader. Rather, it is the company’s overall management of its leadership talent pool. When former CEO Reginald Jones and the GE Board of Directors selected Jack Welch, they knowingly unleashed a prophet/crusader whose management perspective was a far cry from the analytical, administrative focus that dominated GE at that point in time. Welch brought a renewed sense of purpose to the company, one that helped GE regain its balance between the forces for innovative creativity and the forces for adaptive control.

Under Welch, executive development processes have continued to play a key role in the company. GE’s ongoing management development and employee involvement efforts have helped to instill the new ideals of boundarylessness and competitiveness across all levels of the organization (Tichy, 1989). These processes have enabled the company to identify executive talent and observe capabilities and perspectives through action/learning projects and task force assignments (Noel and Charan, 1988). In short, GE has used executive development to build a strategic leadership talent pool and to use that pool to create dynamic tension in the organization—tension that stymies the organization’s natural float toward bureaucracy (Senge, 1990).

British Petroleum’s current reorganization efforts provide another example of the Strategic Leadership Model in action. When current CEO Robert Horton took office in 1990, he saw a need to rekindle the ideals of the organization to prevent stagnation and bureaucracy from stifling competitiveness.

Horton initiated the development of BP’s “Project 1990,” an effort to survey the company’s employees, review current operations, and generate recommendations for enhancing the effectiveness of the firm (Butler, 1990). Horton was influential in the selection of the project head, a middle-level “high-flier” with a proven track record, thanks, in part, to BP’s highly

regarded high potential management development program. Horton gave this individual the freedom to select six other mid-level "high fliers" from throughout the organization to serve on the team. Horton maintained weekly contact with the project head, but empowered the team to do their own analysis and make independent recommendations. As a result, the Project 1990 team painted a candid portrait of BP as an overcontrolled organization in need of radical transformation.

The Project 1990 final report led to a massive reorganization designed to make the company more responsive to the marketplace. This reorganization included: the development of BP's "egg" organization—an oval organigram that depicts the breaking down of organizational walls and chimneys in the new organization; and the establishment of BP's OPEN culture, a set of behavioral ideals based on Open thinking, Personal impact, Empowerment, and Networking (Butler, 1990; Lorenz, 1990a,b).

For BP, OPEN is an ideal designed to focus all members of the organization on the company's future and on the demands of the marketplace. Ultimately, CEO Horton and the rest of BP's management hope that OPEN will enable the company to reach its objective of being the world's most successful oil company in the 1990s and beyond.

Although it is a new effort and yet to be evaluated with regard to its long-term impact on the firm, the OPEN concept seems to be transforming attitudes and engendering strategic thinking throughout the company, as well as earning for BP a great deal of attention and respect in the business community. But it has involved a tremendous investment of time and energy. At this writing, the OPEN behaviors have been or are being presented to the top 26,000 managers at BP, with plans underway for communicating the behaviors throughout the entire organization (Evans, forthcoming). In addition, supporting processes, including appraisal systems, compensation programs, and development programs are being redesigned to reinforce the OPEN behaviors (see the interview with Robert Horton in this issue). In short, BP is strategically utilizing executive development processes and human resource (HR) systems to transform and reinvigorate its culture and competitiveness.

A final example of the model in action is depicted by the progress of Conrail. Conrail was established in 1976 by the U.S. government in an effort to maintain essential rail service in the northeast manufacturing corridor of the United States. At its inception, Conrail was a conglomeration of seven bankrupt railroads, each with a long history and a distinctive culture.

As such, Conrail uniquely began its organizational life as a bureaucracy. Its first CEO, Ed Jordon, worked to establish the controls, systems, and infrastructure necessary to make Conrail a viable railroad. In short, he succeeded in making Conrail a well-administered entity. Jordan was followed by L. Stanley Crane, mentioned earlier in this article, who crusaded for the survival of Conrail as an independent company by relentlessly pursuing a drive for efficiency and effectiveness in the company's operations. Crane's tenure was capped by the public sale of Conrail in 1987, in what was the largest public offering in U.S. history to that date.

Crane was succeeded in 1989 by Richard Sanborn who brought a new market-focused, employee-oriented ideal to Conrail. Following Sanborn's untimely death, James Hagen took over the top job later that year. Hagen

has added his own version of market-focused, employee-oriented ideals to the company, enabling Conrail to maintain an exceptionally high level of performance in a highly competitive industry.

Conrail is clearly a story of the right strategic leader being selected at the right time in the organization's development (Spychalski, 1991). But it is more than that. Like GE and BP, Conrail has made a massive effort to use executive development to drive its remarkable turnaround and transformation. Conrail senior and upper middle managers operate in a well-oiled network that engages 45-50 influential managers in the active analysis and implementation of key organizational decisions (Charan, 1991). Conrail middle managers are brought into the loop in an intensive executive development program that involves Conrail senior managers, including Hagen, as well as a number of key "networked" managers as instructors (MacQueen and Vicere, 1987; Vicere, 1990). Finally, Conrail has brought this strategic leadership thrust to the supervisory level through additional development efforts.

Since 1983, Conrail has used executive development to communicate and to build commitment to a strategic leadership focus that has helped fuel one of the business world's most stunning turnarounds. In so doing, Conrail has created a strategic talent pool from which it can draw effective, proven leaders capable of meeting the challenge of change and competition as the company and its market evolves and develops.

Lessons Learned

The lessons learned from the above examples can be drawn from the version of the Strategic Leadership Model depicted in Exhibit 3. In that model, strategic leadership is portrayed as a cycling process in which an organization is engaged in the continuous effort to identify, develop, and harmonize a cadre of strategic leaders capable of performing the roles of prophet, crusader/barbarian, explorer/builder, and administrator. By building this type of strategic leadership talent pool, an organization is better positioned to exploit the opportunities of a changing competitive environment (Ansoff, 1988).

This is not to suggest that an organization needs to actually change leaders at different stages. But it does suggest that an organization needs leaders who are able to recognize the developmental stage of the organization, the competitive demands of the marketplace, and the style of strategic leadership needed to maintain competitiveness in that environment. Some leaders will be capable of making such shifts in style and perspective; some leaders will be unable to adjust. In either case, executive development processes should be in place to ensure that the organization maintains a pool of leadership talent that embraces each perspective and maintains a match between the strategic leadership perspective of incumbent managers and the demands of the competitive environment. This requires the development of a consistent strategy for the recruitment, selection, and development of executive talent.

In order to do that, executive development strategies must focus on the essence of strategic leadership as implied by this model. The first component of that essence can be found in the prophet stage, in the zealous pursuit of an ideal. In studying defunct organizations, there is a tendency

to find one striking commonality. As those organizations developed over time, they seemed to lose sight of their ideal, their reason for existence, their competitive essence, and their strategic intent (Hamel and Prahalad, 1989). In short, they lost their ability to learn and to do things differently in order to achieve a higher level of success (Senge, 1990).

We learn from the demise of the Soviet Union that when the founding ideal no longer holds dear among the people, the organization lives on borrowed time. We learn from GE that an ideal (boundarylessness) can be used to drive the development, transformation, and effectiveness of an entire organization. We learn from BP that the ability to define and drive the motivating ideal can, and perhaps should, come from the middle of the organization. That notion is supported by GE's "workout" and management development efforts. We learn from Conrail that instilling the ideal is a time-consuming process that requires relentless commitment but can bring with it enormous results.

Thus, the first anchor point necessary to the establishment of a strategic leadership talent pool is the building of a commitment to an ideal—a reason for being that serves as a driver for motivation and a guide for decision making (Hamel and Prahalad, 1989). But there is more. Commitment to an ideal, or a vision, or a strategic intent is not sufficient. The organization must have the ability to implement that ideal, in other words to bring the ideal as close to reality as possible despite the enormity of the challenge. That's where further study of the Strategic Leadership Model can shed additional light on strategic planning for executive development.

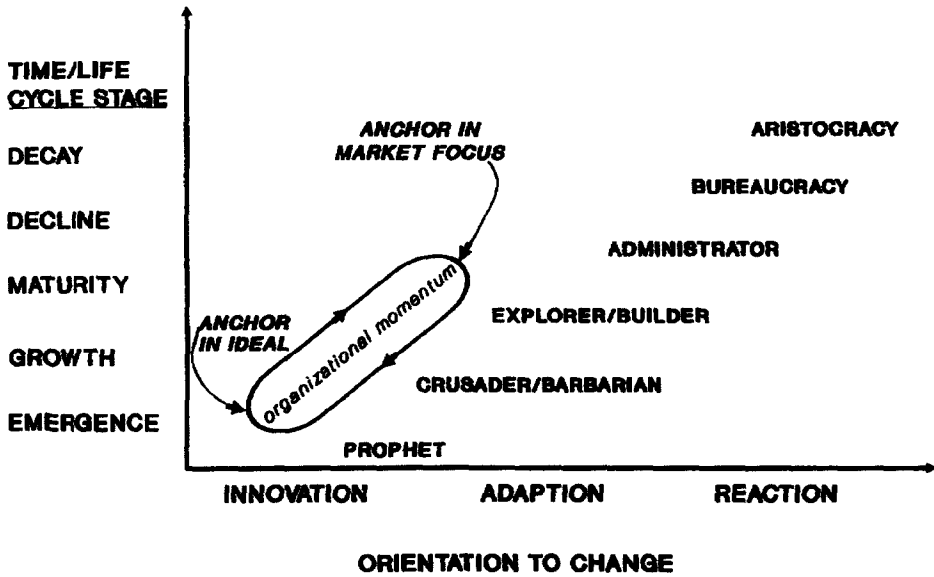
As the organization develops from its emergence through the explorer/builder stage, it is building a base of competitiveness by providing value for its customers in a unique manner (Ulrich and Lake, 1990). In studying defunct organizations, a second striking feature stands out. As these organizations moved through the explorer/builder stage and into the administrator stage, they tended to take market growth and acceptance for granted. Because growth had been the norm for a time, and because the market had been continually expanding, they tended to develop a sense of invincibility. This overconfidence was magnified by the adaptive focus inherent in an organization's culture at the administrator stage. As a result, these organizations became rapidly and dangerously reactive, ultimately falling victim to their inability to adapt to a changing environment.

We learn from the demise of the Soviet Union that the market (in this case the people) will ultimately determine the value of the product, and will, over time, make the ultimate purchase decision. We learn from GE that a strong market focus (the target of number one or two in world markets), coupled with commitment to an ideal, can be an immensely powerful force for organizational development and competitiveness. We learn from BP that finding ways to get close to the market may best be determined by the people with the most customer contact—an idea again supported by results from GE. And, we learn from Conrail that a market focus, coupled with strong commitment to an ideal, can lead to stunning turnarounds and exceptional corporate performance.

So, the second anchor point in the establishment of a strategic leadership talent pool must be a strong focus on the marketplace, on the value added by the organization, on the unique capabilities that make the organi-

Exhibit 3

Strategic Leadership Model: Anchors for Effectiveness



zation competitive, and on the core competencies that are the heart and soul of the organization (Prahalad and Hamel, 1990).

Implications for Strategic Executive Development

The cycle depicted in Exhibit 3 suggests that an executive development strategy anchored in an ideal/strategic intent as well as a strong market/customer focus is more likely to create a pool of strategic leadership talent capable of dealing with the challenge of organizational change and development (Pascale, 1990).

Commitment to the ideal anchors the organization in innovation and encourages prophets to be creative and to pursue new and different ways to bring the ideal into reality. The market focus anchors the organization in the external world, encouraging explorer/builders to expand the boundaries of the organization through market development, and exploit the core competencies of the organization through product and service development.

Prophets and explorers are complemented by crusader/barbarians who are called upon to lead revolutions and capture new territories in this dynamic, growing organization. Administrators are called upon to enhance organizational effectiveness by designing ways to learn from experience and thereby enhance performance. The tension created by the interplay of these four perspectives serves to keep the organization vital and in a state of dynamic equilibrium between the forces for innovation (continuous undirected change) and adaption (continuous stability and constant analysis).

Can an individual leader operate across all four strategic leadership perspectives? Miller (1989) suggested they seldom can, although the ability to bridge two perspectives is not uncommon. Nevertheless, through executive development processes, individual leaders can be schooled in the art of building management teams and networks that embrace all four perspectives and are therefore more effective in dealing with the challenge of change (Charan, 1991). The creation of this kind of talent pool is the essence of changing paradigms for the utilization of executive development as a competitive force (Ulrich, 1989; Ulrich and Lake, 1990; Vicere, 1991; and Evans, forthcoming).

Recommendations for Enacting Strategic Executive Development

Analysis of the Strategic Leadership Model leads to several recommendations to help organizations build executive development strategies that promote the cultivation of a strategic leadership talent pool—the kind of talent pool that enables the organization to stay the course toward its ideal, yet encourages the “boat rocking” necessary to maintain positive tension and dynamic equilibrium in a changing environment (Senge, 1990; Vicere, 1991). The recommendations are:

1. View management as a process of interpretation, not a process of control. To prevent the natural progression into bureaucracy, executive development strategies must view management as much more than a series of analytical techniques and planning processes. Rather, management must be viewed as a process of interpretation that requires a heightened sense of leadership judgment in order to focus the strategic directions of the organization and exploit its capabilities.

GE's utilization of action learning and “workout” exemplifies the application of this idea (Stewart, 1991), as does Conrail's management network (Charan, 1991). This type of orchestrated interaction helps to focus management attention on the ideals of the organization, promote network building, and enhance market orientation. Most importantly, however, it helps to develop an open leadership perspective among managers through the challenge of interaction and group problem solving—a perspective that enhances awareness of the need for dynamic tension between innovation and adaption in leadership style and organizational processes.

2. View executive development as a process of building commitment to strategic intent and engendering focus on markets. Through such a process, an organization is better able to maintain a balance between the forces for innovation and adaption. Conrail's management development program (MacQueen and Vicere, 1987; Vicere, 1990); GE's Crotonville management development center (Tichy, 1989); and BP's focus on OPEN are good examples of this concept in action. These efforts help both to indoctrinate leaders in the ideals of the organization, and empower them to work together to bring those ideals to reality by exploiting opportunity to the marketplace. In so doing, these exemplar

companies are utilizing executive development as “glue technology” to build organizational focus and competitiveness (Evans, forthcoming).

3. Design executive development strategies to create a talent pool of strategic leaders at all levels of the organization. An executive development strategy that focuses only on the creation of a small pool of successors to top management can actually add momentum to the progression toward bureaucracy. Instead, executive development strategies should focus on cultivating, across managerial ranks, the core talents, perspectives, and capabilities necessary to build long-term competitive advantage in the marketplace.

The Soviet Union focused on developing a small pool of successors to senior management. The result was a succession of clones, each farther removed from the realities of society and each more of an aristocrat than his predecessor. Effective executive development strategies take a broad approach to talent development, and they build into development efforts the opportunity to observe performance and identify potential.

4. Focus executive development efforts on building both the individual and collective talents of leaders. Every individual leader has developmental needs that must be addressed in order to reach full potential. These may include skill building to be dealt with through training, organizational knowledge building to be dealt with through internal educational programs, background development to be dealt with through experiential assignments, or perspective broadening to be dealt with through external executive education. All of these efforts are valid *tactical* interventions necessary to build a strategic leadership talent pool.

But effective executive development strategies need to go beyond tactical interventions in order to chart a course toward organizational competitiveness in a dynamic environment. This means that the organization's ideal and strategic intent always remain the focus of the development agenda, and that the marketplace always remains the context. Strategic executive development, then, is an effort to promote individual development through the creation of internal and external networks focused on building organizational effectiveness and competitiveness (Vicere and Graham, 1990; Vicere, 1991).

Once again, the networks, interactions, and project teams that have been described within GE, Conrail, and BP serve as examples of this concept in action. These processes show that executive development can and should be more than narrowly focused programs in training and development. Rather, executive development, when viewed in a strategic context, can be a core lever for organizational change and development, fostering organizational development while promoting individual development.

5. Recognize executive development as a competitive capability that assists in the development, implementation, and revitalization of organizational strategy. Strategic leaders use executive development as a tool to help focus the organization, build competitive capabilities, and cultivate a strategic leadership talent pool. Welch's involvement with GE's executive development programs, Horton's involvement with BP's Project 1990

team, and Hagen's involvement with Conrail's management network and development program all serve as testimony to this principle. Strategic leaders use executive development as "glue technology" to pull an organization together and move it through the cycles of growth, revitalization, and competitiveness (Evans, forthcoming).

6. View executive development as an element of strategic business development. Strategic executive development is a tool to prevent the natural bureaucratization of an organization. As such, it is a driver of both ~~strategic ideals and intent~~ ~~and~~ of market awareness and development. In short, it is an arm of the strategic business development process.

Managers of executive development, then, must be strategic leaders themselves. They must understand the business and the competitive environment. They must develop a perspective that views executive development as a competitive weapon to implement strategy through the creation of a strategic leadership talent pool where the dynamic tension between innovative and adaptive leadership is cultivated to promote the kind of organizational learning necessary for long-term growth and success (Ulrich, 1989; Senge, 1990).

7. Make executive development part of a consistent HR strategy that blends the processes of recruitment, selection, development, appraisal, and rewards into an integrated system for talent pool management, rooted in the ideals of the organization and focused on the marketplace. Creating such a talent pool is the strategic leadership imperative for executive development.

Conclusion

In a time of reorganization, revolution, and change, strategic leadership is essential to the competitiveness and development of an organization. The imperative for executive development, then, is to cultivate strategic leadership. The Strategic Leadership Model can provide insight into meeting the challenge of this imperative. The examples discussed throughout this paper can help us to understand the model's potential contributions to competitiveness.

At the core of this challenge is a changing paradigm for executive development and a changing paradigm for organizational competitiveness. The notion of strategic leadership as a focal point for redefining executive development and organizational competitiveness can help create the dynamic tension essential to organizational learning—the ability to stay the course while "rocking the boat" so as to enhance organizational readiness and competitiveness in an unpredictable environment.

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