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# The enlightened leader

*Successful companies navigate stages of growth*

## Question:

Like many companies, 2008 has not been our best year. Sales have been down. A number of employees have quit or have been terminated. We've spent the last few months in a planning process. What should we focus on as we implement our strategic plan?

## Answer:

Crafting a strategy for weathering our economic troubles is a central concern for many leaders these days.

In their book, *"Enlightened Leadership,"* Ed Oakley and Doug Krug say organizations, like people, have distinct phases by which they develop. They identified three phases through which all organizations must eventually pass.

### The first phase: Entrepreneurial

Within this energetic, getting started phase, the organization is doing whatever it takes to survive. Emphasis is given to adaptability and flexibility to market needs. Leaders are willing to take risks. High motivation and energy pervade. There normally is a high degree of internal and external communication. Problem solving and decision making tend to be spontaneous, with a heavy reliance on gut feel. Because things are changing so quickly, employees must wear many hats.

### The second phase: Growth

As the organization moves beyond

the initial phase, things become more systematic and structured. The organization enters a second phase of development, the growth phase. Early in this phase, market and financial success are realized. An increased focus on efficiency and effectiveness accrues. Inevitably, development of systems, rules, and procedures occurs.

Later in the growth phase, the organization begins to become more formal and mature. There is a clear understanding of organizational methods. But, due

fabric of the organization. It means challenging assumptions about how the organization works and where it is going.

What can leaders do to effectively confront the brutal reality of the organizational life cycle? What can leaders do to encourage renewal and revitalization in these uncertain economic times? In their excellent book, *"The Leadership Challenge,"* James Kouzes and Barry Posner identified the following five practices:

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to the increased complexity of the organization, there is a breakdown of communications. A habit orientation has taken hold in which innovation is minimized or rejected and, therefore, risk is deemed to be threatening. There is low energy for entrepreneurial activity. A preference has been established for defined managerial roles that reflect standard approaches. Excitement for further growth has waned.

### The third phase: Decline or renewal

When organizations enter this phase, a reckoning must occur. The organization's leaders must ask the following fundamental question: "Will more of the same produce better results?"

This means probing deep into the

### Model the way

This practice has to do with "walking the talk." It has to do with operating with authenticity and integrity.

### Inspire a shared vision

This practice has to do with clarifying the organization's reason for being. What is it? What does it aspire to be? It has to do with helping employees to answer the question, "What's in it for me?"

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## Challenge the process

This practice has to do with not settling for the status quo. Leaders who adopt this practice realize the race is never over. The journey is never done. There is always another mountain to climb.

# 4

## Enable others to act

This practice has to do with encouraging partnership and teamwork. Leaders who adopt this practice realize that by building upon the natural interdependencies that exist within the organization the whole will, indeed, be greater than the sum of the parts.

# 5

## Encourage the heart

This practice has to do with validating the efforts of the people who do the

work. It has to do with bringing out the best in others. It has to do with deploying a strengths-based approach to leadership.

Organizations need not be held captive by past practices or by current marketplace uncertainties. Leaders must shake the organization from its complacency. After all, if they do not do so, who

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will? It is essential for leaders, especially top leaders, to show the way for organizations to move toward renewal and away from decline.

Effective leaders drive effective organizations. It's that simple.

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