

Human Resources

January 2000

Serious talk of revolution

By: Godfrey Golzen

"Sir, this is a revolt,' Louis XVI is reported to have said to the Duc de la Rochefoucauld on hearing of the storming of the Bastille. 'No, sire,' was his answer, 'it is a revolution.' The theme of the articles contributed to his book by many leading management thinkers that there is a revolution going on in the corporate world and those who do not take in what is happening around them are headed for the metaphorical guillotine.

A common strand that runs through all the articles is that change is occurring at a far greater pace than even most of its advocates realize. Consequently, say professors Holmberg and Ridderstrale of the Stockholm School of Economics, the whole notion of developing competencies, which has been central to the training agenda, is on the wrong track. "It is our experience,' they write, "that competencies...often represent retrospective cores.' Professor Paul Evans of INSEAD argues that the right model for leadership is competition yachting which, rather than holding a steady direction, means 'managing a constant but shifting tension between the need to maintain a particular course and the changing winds and currents.'

What is causing all this volatility is that technology is igniting an explosive mix of new product creation, globalization, social change and consumer demand-and the more options are open, the more the market demands. The cascade of new products is breathtaking and their shelf life extremely brief, conferring a temporary advantage while they enjoy a monopoly position, writes Peter Lorange of IMD. The issue will be one of finding new opportunities and expanding them extra fast,' he says, and to do so, 'it will be of the utmost importance to be able to generate as many viable new business ideas as possible.'

Speed will become a major determinant of corporate success, writes HR guru Dave Ulrich. 'With speed comes the requirement for agility to change, adapt, learn more quickly. 'The people who can deliver on that will be -and already are-in short supply. Lorange thinks that the importance of finding and retaining talent will change the basis of executive remuneration, which will be related, not only to financial results but also to having "the right things and reaching the right milestones."

Though agility and being to learn quickly will be a key capability a word that is beginning to replace competency in the HR vocabulary-it also involves a paradox. Paul Evans warns against moving high-potential people around so quickly that they never actually acquire the ability to do anything, other than think about strategy. He quotes Dan Karp, number two at Kodak, whose principle it is never put anyone into a strategic role unless they have shown the ability to run an operation successfully.

Several contributors stress that leaders have to have credibility: 'mastery of a profession or trade will managers', writes Caela Farren from the US. That is because Generation X looks for bosses whose position is legitimized by contribution, not rank.

Rosabeth Moss Kanter, another star name, argues that what is called for a new commercial concept, not just products. It's the richness and diversity of ideas that come out of Silicon Valley, not chips that make it the most dynamic business environment in the world today; that and sheer brainpower-a word, she points out, that doesn't often crop up in recipes for business success.