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PRODUCTIVE SUSTAINABILITY:  
AN EMERGENT METHODS APPROACH TO  
CREATING, COMMUNICATING, AND  
EXPLORING LEADERSHIP AND MANAGEMENT  
PRACTICES FOR  
CONTEMPORARY CHALLENGES

**Volume 1**

A thesis (in two volumes) submitted in partial fulfilment of the  
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by

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## Abstract

Chapter one opens with an account of the journey that led to the writing of the thesis. It grounds the research in my own experiences which led to the two central concerns: firstly, businesses face an uncertain and volatile environment that is very different to anything that they have experienced before, and, moreover, that this uncertainty is likely to continue into the foreseeable future; and, secondly, what organisations can do to promote productive sustainability in the midst of these prevailing and impending challenges? The thesis then foregrounds the importance of environmental factors, and 1) explores how they impact on organisations' productivity by questioning the validity of established methods, given their reliance on retrospective data, and 2) looks for better ways forward by maximising the power of the present through emerging methods and practices.

This forward-looking orientation continues with two chapters (two and three) that seek to underscore the efficacy of experiential learning through action research as well as through theoretical explorations of disciplinary interactions and field research into congruent hybrid opportunities for organisations across the for-profit and not-for-profit divide. Chapter four then argues for reconfiguring the sustainability challenge as one of improving innovation performance by creating dynamic balance between exploration and exploitation.

Building on these ideas, the next three chapters examine leadership repertoires for dealing with different challenges. Chapter five posits that a firm's strategy, leadership, and processes are not only correlated to specific environments, but that particular characteristics can be broadly correlated with different eras. Chapter six then identifies the three new challenges – of sustainable development, base of pyramid engagement, and managing risk in a globalised world – that organisations need to address at this particular time. Chapter seven concludes the trilogy by identifying an emerging set of leadership practices for engaging productively with such high velocity change.

The final five chapters focus on a grounded theory study, which is both a piece of original research in its own right, and an avenue that enables an extension and validation of the earlier concerns through the research questions “What existing and likely future challenges face contemporary Australian businesses and what current and emerging practices are leaders using to address productive sustainability?”. The study involves senior leaders of successful Australian-based businesses who participate in theorising both existing and future challenges and the parallel emerging practices that leaders are using to address productive sustainability. Chapters eight, nine, and ten frame the grounded theory research, and describe the sampling and analysis of data in the study. Chapters eleven and twelve describe the study’s findings, and its conclusions respectively.

The data from the grounded theory research revealed that this environment is described as complex. For the participants, this is evident in the display of one, or more, of the following three key characteristics: dynamic, layered, interdependent, interconnected, and patterned organisational challenges; marked/radical shifts in markets, competition, technology and customers’ definition of value; and uncertain, unpredictable, and uncontrollable global driving forces.

This research further developed theories that leadership’s successful response to this complex environment is the Ensemble Leadership Repertoire. The name has been chosen to provide “vivid imagery” (Locke, 2001, p. 72) to three practices taken together and working in harmony: Firstly, sharing fates and interdependence; secondly, exploring deeper meaning; and finally the emerging practice of “Zeitgeist” (i.e., integrating cognition, conscience and collective spirit). As the name “Ensemble” suggests, these three practices are not manifested individually in exclusion to each other, and/or as a paradigmatic shift from one practice to the other. Rather, successful leadership demonstrates all three practices, as appropriate, as an Ensemble Repertoire in the pursuit of sustainable organisational productivity.

## Acknowledgements

The universe for giving me the opportunity to indulge my spirit of inquiry, and preparing me to understand what it is choosing to reveal.

My thesis supervisor, David McKie, who is living proof, that eclecticism, and curiosity is not the privy of youth alone, and that there is no substitute for deep engagement when one is searching for deep insights.

To all the owners, managers, workers, and students, whom I have reported to, collaborated with, led, and guided, in many organisations and many countries, a big thank you for being part of the experience which has forged my worldview.

My wife Aasha, who has shared every aspiration, struggle and triumph of this and every other endeavour we have ever embarked upon in the past twenty four years. And yes, whose experiences and successes as a senior leader for global corporations in many markets, has been informing, and shaping my views on many of the topics that I have explored in this thesis.

Our two sons Yash and Nikhil who have been the source of much joy, pride and hope for us, and who even as they prepare to enter the rough-and-tumble of working life, remind me that it is not enough to merely steward the planet responsibly for future generations; one needs to also leave behind a few rules of engagement which they can rely on, in uncertain times.

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**Appendices** – see separate volume

# List of Journal Publications, Proceedings, and Conferences Related to this Thesis

## Refereed Journal Articles

1. Murthy, V. (forthcoming). Emergent combinations of frameworks, theories, and grounded action: A solution to overcoming the hurdles to innovation as a growth strategy. *World Review of Science, Technology and Sustainable Development*.
2. Murthy, V., & McKie, D. (2008). Learning from historical periods: Zeitgeist correlations between environment, strategy and leadership. *World Review of Entrepreneurship, Management and Sustainable Development*, 4(4), 331-344.
3. Murthy, V., & Grant, J. (2008). Operationalising the sustainability imperative: An Australian case study. *The International Journal of Environmental, Cultural, Economic, and Social Sustainability*, 4(1), 19-26.
4. Murthy, V., & McKie, D. (2006). Interfacing strategic entrepreneurship: Forward-looking lessons from leadership, followership, and research. *Australian Journal of Communication*, 33(1), 21-34.
5. Murthy, V., & McKie, D. (2006). Lifting barriers: Leadership, tactical, and strategic issues from, and for, indigenous community development. *International Indigenous Journal of Entrepreneurship, Advancement, Strategy and Education*.
6. Murthy, V., & McKie, D. (2006). Energizing entrepreneurs: Resourceful communities and economic pathways. *Journal of Asia Entrepreneurship and Sustainability*, 2(3), 45-62.

## Note on authorship

Each of these publications was entirely my empirical and conceptual work. I have added my supervisor as joint author to some of the papers as recognition for his editing and guidance on how to publish. I have added John Grant in article 3 to acknowledge his sharing of his expertise and advice on specific readings of relevance. All the articles were accepted almost as is, with only very minor amendments and reference questions, so there is no input of any significance from journal editors or reviewers. In addition, each has been substantially amended by me to their present form in this thesis.

## Refereed Conference Proceedings

1. Murthy, V., & McKie, D. (Forthcoming). Environmentally adjusted leadership: Building augmented repertoires for contemporary uncertainties. In A. Ahmed (Ed.), *Proceedings of the Fifth International Conference on Managing Science and Technology for a Sustainable Future*. University of Sussex, Brighton, UK: Science and Technology Policy Research, The Freeman Centre.
2. Murthy, V., & McKie, D. (2007). Natural alternatives: Toward a complementary grafting of the complexity sciences to existing management theory. In D.G. Schley (Ed.), *Proceedings of the Fourteenth Annual International Conference on Advances in Management* (pp. 25-27). Western Kentucky University, KY: Centre for Advanced Studies in Management.
3. Murthy, V. (2007). Beyond corporate profits: Innovation strategy through ambidextrous organizing for the non-profit sector. In D.G. Schley (Ed.), *Proceedings of the Fourteenth Annual International Conference on Advances in Management* (p. 47). Western Kentucky University, KY: Centre for Advanced Studies in Management.
4. Murthy, V. (2007). Retrospective action research – an oxymoron or useful practice: A case-study of a cyber-communities project in Aotearoa/New Zealand. In A. Ahmed (Ed.), *Proceedings of the Fifth International Conference on Managing Knowledge Technology and Development in the Era of Information Revolution* (pp. 180-188). University of Sussex, Brighton, UK: Science and Technology Policy Research, The Freeman Centre.
5. Murthy, V., & McKie, D. (2006). Enterprising communities: From capacity building to strategizing entrepreneurship. In P. W. Potter (Ed.), *Proceedings of the Thirteenth Annual International Conference on Advances in Management* (pp. 28-30). Western Kentucky University, KY: Centre for Advanced Studies in Management.
6. Murthy, V., & McKie, D. (2006). Beyond capacity building: Aligning social purpose with good business. In P. W. Potter (Ed.), *Proceedings of the Thirteenth Annual International Conference on Advances in Management* (pp. 39-40). Western Kentucky University, KY: Centre for Advanced Studies in Management.

7. Murthy, V., & McKie, D. (2006). Augmenting strategic entrepreneurship: Forward-looking lessons from leadership, followership, and action research. In P. W. Potter (Ed.), *Proceedings of the Thirteenth Annual International Conference on Advances in Management* (pp. 53-56). Western Kentucky University, KY: Center for Advanced Studies in Management.
8. Murthy, V., & McKie, D. (2006). Peripheral vision: A case study of a cyber-communities project in Aotearoa/New Zealand. In P. W. Potter (Ed.), *Proceedings of the Thirteenth Annual International Conference on Advances in Management* (pp. 165-166). Western Kentucky University, KY: Center for Advanced Studies in Management.

**Note on authorship:**

Each of the conference proceedings papers was entirely my empirical and conceptual work, apart from standard supervisor guidance. I have added my supervisor to some of the papers to recognise his editing and guidance on how to submit, present, and complete conference proceedings papers.

## Conference Papers

1. *Murthy, V., McKie, D., & Neace, B. (2008). Strategic performance redefined: Doing business and doing good. Paper presented at the 4<sup>th</sup> Annual Conference of the Asia Pacific Academy of Business in Society at INSEAD, Singapore, 16-18 October, 2008.*
2. *Murthy, V. (2008). Leading innovation: Building a new repertoire of leadership approaches for contemporary times. Paper presented at the 41<sup>st</sup> Annual Australian Institute of Food Science Technology Convention at the Sydney Convention Centre, 21-24 July, 2008.*
3. *Murthy, V., McKie, D., & Neace, B. (2008). Ensemble leadership: A management concept for the 21<sup>st</sup> century. Paper presented at the International Research Conference at the Faculty of International Business and Economics REI, Romania, 15-16 May, 2008.*
4. *Murthy, V., & Lyall, K. (2008). Leading innovation. Paper presented at the 5th International Conference of the Hargraves Institute, at the Melbourne Museum, 4-5 March, 2008.*
5. *Murthy, V., & McKie, D. (2007). Strategising community sustainability: Grafting for-profits management frameworks to social purpose enterprises. Paper presented at the 3<sup>rd</sup> Annual Conference of the Asia Pacific Academy of Business in Society at Vanuatu, 25-27 June, 2007.*

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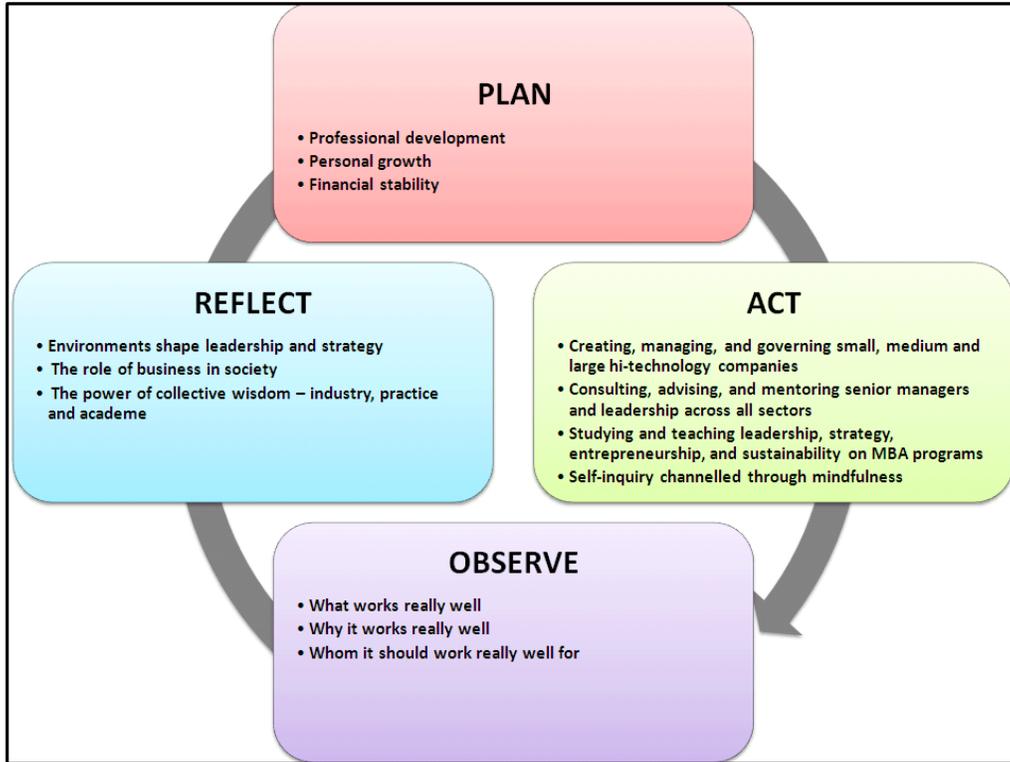
Each of the conference papers was entirely my empirical and conceptual work, apart from standard supervisor guidance. I have added my supervisor to some of the papers to recognise his editing and guidance on how to submit, present, and complete conference papers. Of the other two contributors: Bill Neace (numbers 3 and 5 above), was included for providing specific literature reference suggestions, and Kimina Lyall (number 4 above) is a practitioner, who was added as acknowledgement for arranging special access to the participants involved in the study. In addition, each conference paper has been substantially amended by me to their present form in this thesis.

# Chapter 1 - Introduction

*“Although nature commences with reason and ends in experience, it is necessary for us to do the opposite; that is to commence with experience and from this to proceed to investigate the reason”*

- *(Da Vinci, cited in Melnik, 2004, p.101)*

This thesis is the culmination of thirty years of global experience split unequally between business practice on the one side and academic study, university lecturing, and executive training on the other. The practice side included creating, managing, and governing small, medium and large hi-technology companies; consulting, advising, and mentoring senior managers and leadership in state services (the public sector), NGOs, not-for-profits, retail, manufacturing, financial services, and industry networks. The academic side included studying and teaching leadership, strategy, entrepreneurship, and sustainability on MBA programs; and self-inquiry channelled through recent research into “mindfulness” in management (see, e.g., Weick & Sutcliffe, 2007) and strengths approaches (see, e.g., Seligman, 2006) and eastern philosophy. With the help of this live action learning laboratory, I have progressed from understanding “what works really well” to pondering “why it works really well,” through to contemplating “whom it should work really well for?” This thesis offered me the chance to explore the possibilities of synthesising all three strands of questioning into a replicable framework of economic endeavour for productive sustainability (see Figure 1 below).



**Figure 1: Thesis development – Spiral 1**

My journey began in medical electronics engineering in India, included a middle management role in international sales with an American critical care monitoring manufacturer in the USA, and, thereafter, executive board and CEO Technology responsibilities for almost a decade, in a large multi-industry, multiple products/services corporation in the Sultanate of Oman. That corporation began life as a start-up enterprise in my watch and went to IPO in 1996. Those experiences of global and geographic diversity gave me first-hand experience of how environments shape leadership and strategy, and of the range of variations in sustaining productivity over different sectors and different times. Heavily immersed in achieving productivity, I lacked the time to reflect on it more widely, although questions that initially arose in the course of my work resurface in more systematic form during this thesis.

In 1996, my move to reside in New Zealand brought with it the opportunity to act as entrepreneur, consultant, mentor/advisor, and economic development facilitator, in very different sectors and settings. One feature was a five year spell as managing director and principal shareholder of a boutique management and leadership consultancy practice. That practice provided high quality enterprise incubation, management consultancy, strategic planning, organizational improvement, and management and leadership development, services to a number of government, NGO and large retail organizations. It employed a team of principals, consultants, and associates. Alongside it, in an aspect strongly relevant to the thesis, I set up and acted as the CEO of a charitable community development trust. The trust worked to make a positive difference in the lives of new migrants, Maori and Pacific Island populations living in the socially and economically challenging environment of South Auckland. It did so by undertaking projects, such as community capacity building, enterprise incubation, and ICT uptake, in marginalised communities.

Moving to Australia more recently, I took up twinned roles. One was as the programme director of a new, collaborative network set up by a group of large companies to investigate innovation process and performance and leadership practices; the other was as the principal associate of an innovation, strategy, and leadership consultancy. These roles, and the consequent involvement with senior Australian management and leadership, re-ignited my passion for understanding the impact of environment. It also sharpened my focus on innovation and how it formed a key component of sustainable productivity. Throughout these shifts, I not only saw close up, but actively participated in, increasingly rapid recalibrations of what constitutes successful economic endeavour. In such an operating climate – driven by critical uncertainties and changing social expectation – I moved towards an augmented conceptualisation of the term benevolent economic endeavour. In addition, I shifted to an increasingly inclusive interpretation of the beneficiaries of such endeavour. The shifts in my views mirror in many ways the radical redefining of the purpose of business that has been taking place over the last few decades.

This quantum leap in the *raison d'être* of business comes into sharp relief against the backdrop of the prevailing wisdom of thought-leaders just four decades ago. Today's call for business to "move from value to values, from shareholders to stakeholders, and from balance sheets to balanced development" (Annan, cited in EFMD, 2005, p. 6), for example, is in stark contrast to the unequivocal damning of "drives for social responsibility in business" (Friedman, 1970, cited in Rae & Wong, 2004, p. 131).

This revolutionary reconfiguration of perspectives of business in society underlines an essential unsustainability in applying traditional approaches to strategic management and organisation uncritically (Clegg & Ross-Smith, 2003). What were already regarded as complex and interdisciplinary challenges for leadership leading up to the millennium have clearly compounded today into even more complex business challenges. Contemporary success requires systemic knowledge of political, social, economic, technological, and ecological drivers of the external environment (Coopey, 2003). Moreover, in going forward, as Senge, Lichtenstein, Kaeufer, Bradbury, and Carroll, (2007) argue so convincingly, the need to establish stability in the global commons will signal a further morphing of these challenges. They will require both "outer changes" (Senge et al, 2007, p. 47), such as new metrics and "inner changes" (p. 47) in taken-for-granted business assumptions and ways of operating.

## **Evolving approaches**

During the time of writing the thesis, the search for an augmented repertoire of leadership practices to fit the context gradually evolved. Initial concerns with strategy, environment, and less retrospective ways of comprehending them, moved on to considering the fusing of strategy, entrepreneurship, and leadership practices in the search for ways to attaining sustained productivity. Since embarking on the investigations, I have become conscious of a number of fundamental fallacies that pervade the activist realms of business, especially in global operations of high technology multinational corporations.

Such fallacies include the belief that discontinuities can be forecast using tools and templates capable of working across a variety of organisational and temporal boundaries; that hard data can substitute for soft data; that rationalisation and a reductionist theory of everything is what matters; and that analysis will in and of itself provide synthesis (Mintzberg, 1989). Last but not least of these fallacies, is the reliance on a top-down methodology based on vicarious, predominantly-retrospective, learning

through the accounts of experts, whether academics, and/or practitioners, and/or academic practitioners (Wheeler, Zohar, & Hart, 2005).

It is also true however, that the literature on different forms of management learning, which offer counterbalancing approaches, theories, and assumptions – see, for example, Kayes (2002), for a typology that organises current and emerging trends – is growing. This growth signals an increasing awareness of the need for appropriate responses to changing conditions, which fits well with Kolb's (1984) experiential learning model which views knowledge as emerging from the transformation of experience, through an iterative, cyclical process. This process is usefully operationalised in projects (see Zuber-Skerritt, 1992) through spiral patterns of plan-act-observe-reflect cycles. There are other reasons to support the action side of the learning process and for valuing the emergent over the retrospective. Management, as Gosling and Mintzberg (2006) describe it, “unfolds through constant adaptation and invention, albeit often with recurring patterns” (p. 423), and so the “interplay of context with ideas is therefore central to the development process” (p. 423).

In aligning with these trends, this thesis looks forward in seeking “to bring together action and reflection, theory and practice” (Reason & Bradbury, 2008, p. 4) in ways that contribute “to issues of pressing concern” (p. 4). In many ways therefore the genesis and development of this thesis is akin to the iterative process of discovery that allows strategic intuition (Duggan, 2007) to emerge and point the way forward in human endeavour. My own life experiences, and their evolution through iterative development, which led to the thesis research, coincide with the spiral patterning of plan-act-observe-reflect cycles in action research (Kemmis & McTaggart, 2000, 2005). Accordingly, the rest of this chapter foregrounds the three spirals to provide a developmental framework.

Each stage is examined using a process of rapid prototyping (to adapt innovation process terminology) and a spiral of planning, acting, observing, and reflecting. The result is a set of twelve chapters, and assorted appendices, which, together, map an augmented repertoire of leadership practices for uncertain times through original research. As Einstein famously remarked “no problem can be solved from the same level of consciousness that created it. We must learn to see the world anew” (cited in Overman, 1996, p. 490). Perhaps the perspective of this thesis, coming as it does from

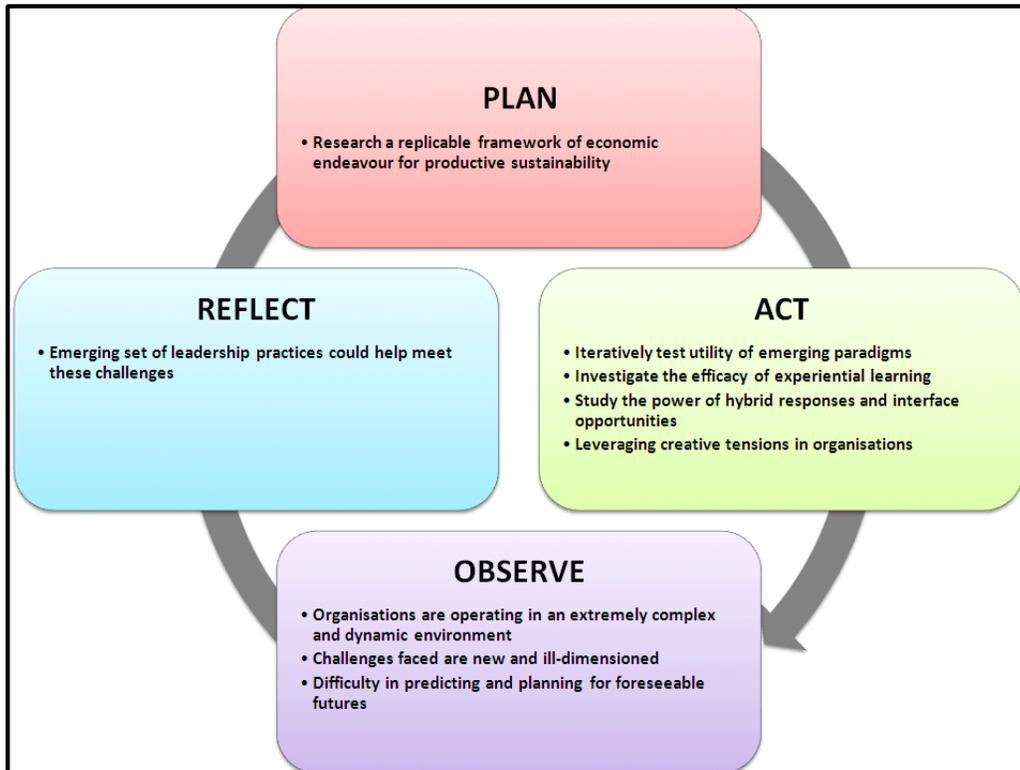
intersections between industries, practitioner experiences, and academic endeavours, might assist the growth of a new awareness of the world.

Certainly, my pre-doctorate studies in, and teaching of, management at tertiary level, had sensitised me to methods and issues and expanded my horizons. As a consequence, the thesis aims to connect organised action to academic theory, with a strong emphasis on the present rather than the past, and on emergent phenomena rather than predictable continuities across time. This has directed this thesis' efforts to look past traditional quantitative approaches based on historical data, and to engage with emergent methods to comprehend such phenomena.

### **Charting the way ahead**

The twelve chapters in the thesis are grouped to chart the journey with the intention of making it easier for the reader to follow their arguments.

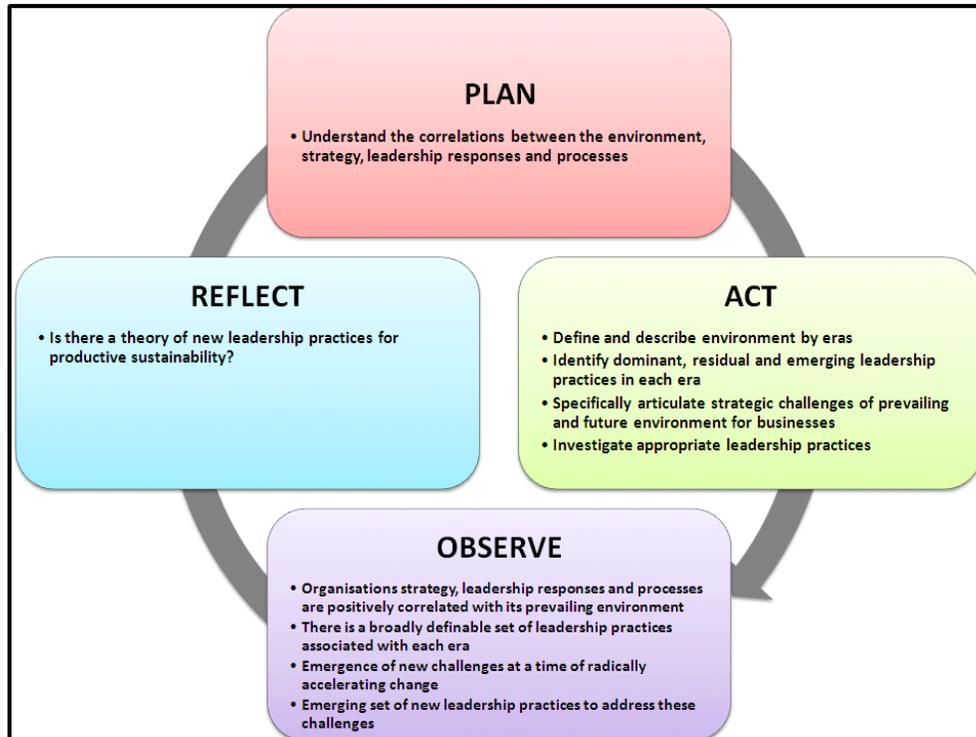
The next three chapters – two to four – begin by foregrounding the issues of time and place, as well as the best methods for understanding how they impact on organisations, that are at the core of the thesis as a whole (see Figure 2 below).



**Figure 2: Thesis development – Spiral 2**

These chapters argue for eschewing retrospective data in favour of maximising the power of present and foregrounding participative inquiry into emerging practice. In also underscoring the efficacy of experiential learning through acting and reflecting, they profile the power of hybrid responses and interface opportunities for organisations across the for-profit and not-for-profit divide. They also mobilise the concept of innovation performance to show how such forward-looking practice allows organisations to better frame their strategic challenges in uncertain times.

Building on these ideas, Chapters five to seven form a trilogy on leadership repertoires for uncertain times (see Figure 3 below).



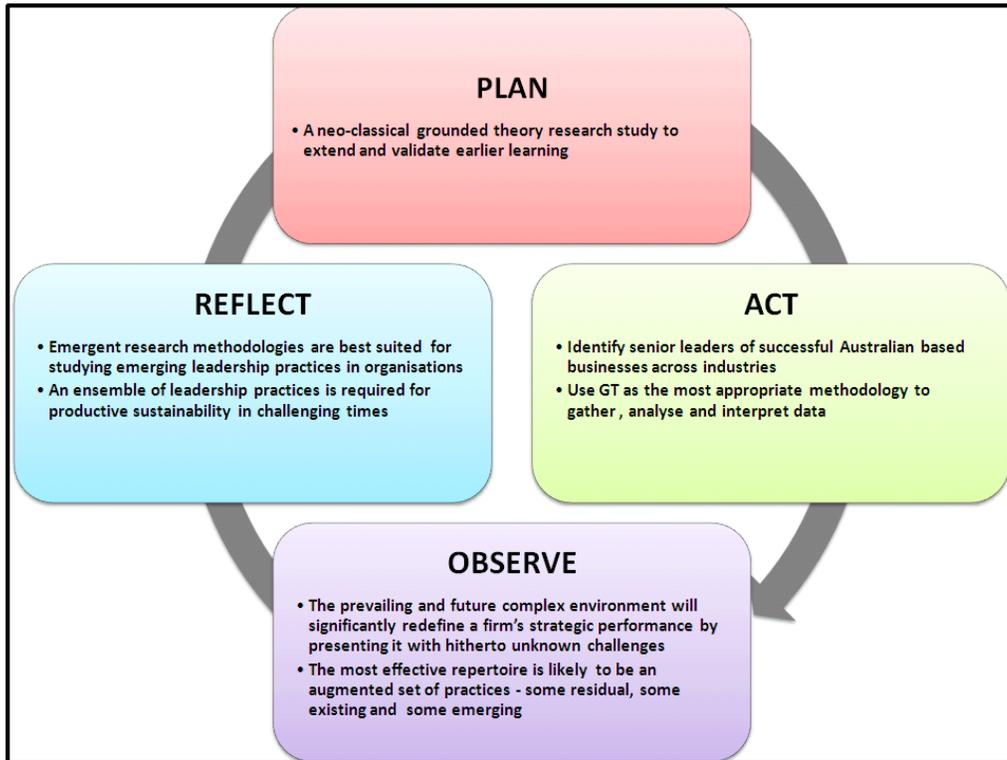
**Figure 3: Thesis development – Spiral 3**

Chapter five posits that a firm’s strategy, leadership, and processes are correlated to specific environments and that particular characteristics can be broadly correlated with different eras. Chapter six then outlines a framework for describing the three new challenges – of sustainable development, base of pyramid engagement, and managing risk in a globalised world – that organisations need to address at this time of radically accelerating change. Chapter seven rounds this group off with a description of the elements of an emerging set of leadership practices that could help meet these contemporary challenges.

In the final five chapters, from eight through to twelve, the thesis undertakes a neo-classical grounded theory research study (see Figure 4 below). It examines two related research questions:

1. What existing and likely future challenges face contemporary Australian businesses?
2. What current and emerging practices are leaders using to address productive sustainability?”

These questions followed from the overall approach of the whole thesis that businesses face an uncertain and volatile environment that is very different to anything that they have experienced before, and that the uncertainty and volatility is likely to continue into the foreseeable future.



**Figure 4: Thesis development – Spiral 4**

This study is both a piece of original research in its own right and an avenue that enables an extension and validation of the concerns of earlier chapters. The grounded theory research involves senior leaders of successful Australian-based local, regional, and multinational businesses. They participate in theorising existing and future challenges facing contemporary Australian businesses and the current and emerging practices that leaders are using to address productive sustainability. Chapter eight provides extensive details on the research methodology and the rationale for its use. Chapter nine sets out, and justifies, the sampling process and the data gathering. Chapter ten provides the analysis, and, in completing the cluster, chapters eleven and twelve describe the study's findings, and its conclusions respectively.

## **Conclusion**

As the grounded theory research discovered, senior leadership in organisations is acutely aware of the need for change. Among the tensions that have to be balanced in an interconnected and interdependent world, they focus on the global versus the local; on reflection versus action; on cooperation versus competition; and on the conceptual versus the concrete (Mintzberg, & Gosling, 2002). All of these tensions independently, and in conjunction, make it increasingly difficult to plan and to predict futures accurately. The present financial crisis, with ramifications that are both global and local, illustrates the fast-shifting power asymmetries that take place between the binary oppositions listed above. The need for peripheral nations such as Iceland having to follow the New York and London stock exchange fluctuations and simultaneously mobilise their government resources in negotiations with the International Monetary Fund's transnational policies exemplifies such global-local tension, and its complexities.

Nevertheless, or, indeed, because of, the paradoxical nature of contemporary challenges, and the very turbulent times we live in, leadership needs to develop more up-to-date and forward-looking responses. Mintzberg (2004b) ventured the view that "management is a practice that has to combine a good deal of craft, namely experience, with a certain amount of art, as vision and insight, and some science, particularly in the form of analysis and technique" (p. 30). It is my fervent hope that the findings from this thesis will advance academic thinking by furthering such a practice both in general terms, and, more specifically, through establishing practitioner-deployable and research-supported leadership practices for productive sustainability in diverse organisations.

## **Chapter 2 - The power of present and participative inquiry: Eschewing retrospective data for emerging practice**

Chapter 1 charted some of the background experiences that formed this thesis and its search for effective sustainable performance. Although still concerned with impacts on practice, this chapter's focus rests more on methodological aspects. In particular, it examines the strengths and weaknesses of different emphases on evidence and time and favours moving in the following directions: from "hard data" rich to "soft data" rich; from objective analysis to participant researchers; and from the retrospective to the forward-looking. It argues that, in this time of major and rapid changes and massive uncertainties, future practice can no longer be based on the evidence, especially restricted statistical evidence, of retrospective management exemplars and models. Instead of looking back for guides to future performance, it proposes that research draw more from existing practice, and emerging trends, to develop better anticipation and more conscious ways of looking ahead.

As a result, the chapter's attention rests less on gaining guidance from the past and more on learning for the future from the present. After a critique of influential historical studies based on retrospective research, it looks for what may be interpreted as anticipatory: firstly, in responses to the shifting impacts generated by a dynamic environment; and, secondly, from currently emerging phenomena (especially in relation to people interactions) – in association with so called "emergent methods" (Hesse-Biber & Leavy, 2008). It uses a case study to test how one such emergent method – action research – might be of value, even when applied in retrospective fashion. This analysis forms a useful precursor to later chapters, which explore how allied approaches might generate more up-to-date and relevant insight for meeting future challenges.

The chapter makes its arguments in two parts. In the first stage, it begins by examining retrospective-driven research approaches through summarising, and critiquing, the methods and recommendations of three early, and seminal, books in what has become

an established genre. It also suggests how, these books have not only set benchmarks for their eras, but contributed to what has become a substantial list of publications characterised by the identification of high-performance companies using pre-defined criteria, followed by their retrospective investigations for clues to their replicable iconic and enduring success.

Despite tracking the establishment of what might almost be seen as a retrospective guidance genre in its own right, this chapter goes on to highlight the limits of the approach. It illustrates the poor survival rate of the exemplar companies listed in each of these books over time, the difficulties of the inter-company and inter-sector transferability of the management principles and practices they have espoused, and the short shelf-life of their business models and frameworks as contexts have changed. It concludes that such retrospective perspectives can be misleading guides with little validity for effective forward-looking practice.

In the second stage, the chapter seeks to explore the efficacy of emergent approaches by reversing the methods followed in the retrospectively-oriented books that derived core principles for managing companies in the future on the basis of historical performance. In contrast, this stage takes action research, an emergent, inquiry-based, participatory, people-centred, situation-embedded methodology to explore how its principles might have underwritten, and perhaps improved, the results in a case study of a successful but complex and multi-dimensional community project with many stakeholders. In analysing the project's methodology, this stage seeks to evaluate how much of the project's success – since there were no previous models – came from virtual adherence, albeit unconsciously, to the core principles of action research and emergent methods.

It acknowledges that the project could not strictly be retrospectively classified as action research because it had neither deliberate action research cycles nor contemporaneous critical reflection during its life cycle. Nevertheless, it seeks to illustrate how the project's success could be partially attributed to aspects of action research typology, methodology, and processes which it had captured, albeit without conscious intention. It concludes that, even if the framework of its application in this particular instance may have been arguably forced and unnatural, this experiment lends support to the utility of emerging paradigms for informing, and learning from,

current business practice in iterative fashion. However, before discussing action research and the relevance of its retrospective application to a historical information, communication, and technology (ICT) project, stage one of this chapter will look at limitations of projecting forward practice from retrospective research.

### **Assuming universality and objectivity: Limitations in depending on history as the guide to present and future**

Stage one briefly examines the construction of exemplar companies, and how enduring business principles deduced from their success, were described and framed in three popular management books. In addition, it illustrates how their assumed methods continue to be core to current approaches through the academically acclaimed, practitioner-adopted, and popular business bestseller, Kim and Mauborgne's (2004) *Blue ocean strategy: How to create uncontested market space and make the competition irrelevant*. The three books, which will be considered in order of their dates of publication, are: *In Search of Excellence: Lessons from America's Best Run Companies* (Peters & Waterman, 1982); *Built to Last: Successful Habits of Visionary Companies* (Collins & Porras, 1994); and *Good to Great : Why Some Companies Make the Leap and Others Don't* (Collins, 2001a).

In the first of the three books, Peters and Waterman's (1982) *In Search of Excellence*, the two authors, who were McKinsey consultants at the time, examined 43 successful American companies and identified, in detail, certain attributes, which were shared by most of them, and which they argued were transferable across the American business landscape . The book has had one of the highest sales in its category (business books) in publishing history and continues to serve as a hopeful reminder to new breeds of management practitioners in the USA that some American companies have been doing things right for many years (McKinsey & Company). Certainly at the time, and for years thereafter, *In Search of Excellence*, became a benchmark not just for companies looking for deterministic tools to achieve high-performance but also for business authors looking for a publication template and academics seeking an acceptable methodology for studying high-performance organisations. This can be seen by the similarity in the meta-structure and typology of many of the influential management practice books which followed. It would not be too much to claim, in the light of subsequent

publications, that the Peters and Waterman (1982) model has come close to what Kuhn's (1970) paradigm theory might classify as "normal science" (p. 10).

A critical part of such an acceptance was an unstated assumption that their data was gathered without partiality and was analysed objectively with independently verifiable figures. In short, it was not influenced by the involvement of the researchers or their context, and ergo the companies they had identified were truly exemplars of corporate America's greatness. When first published, the book was widely regarded as an orthodox McKinsey product, driven and anchored by hard data and rigorous collection methods. This was ironic in the light of subsequent revelations, made most significantly by Peters (2002) himself almost two decades later, who attributed a very different background to the book's genesis, rooting its origins in both the personal agendas of the researchers and their consulting context:

*Search* started out as a study of 62 companies. How did we come up with them? We went around to McKinsey's partners and to a bunch of other smart people who were deeply involved and seriously engaged in the world of business and asked, Who's cool? Who's doing cool work? Where is the great stuff going on? And which companies genuinely get it? That very direct approach generated a list of 62 companies, which led to interviews with the people at those companies. Then because McKinsey is McKinsey, we felt that we had to come up with some quantitative measures of performance. Those measures dropped the list from 62 to 43 companies. General Electric, for example, was on the list of 62 companies but didn't make the cut to 43 – which shows you how "stupid" raw insight is, and how "smart" tough-minded metrics can be.

However, despite this confession, it was not the "raw insight" that was seen as distinguishing the book but the McKinsey way of "quantitative measures of performance" that left the more lasting legacy and led to subsequent critical downgrading of its insights – most notably in Ghosh's (1990) substantially negative book-length appraisal eight years after the publication of *Excellence*. Before the end of the century, Micklethwait and Wooldridge (1997) calculated that two-thirds of the forty-three US exemplars of excellence in the book had, within five years of initial

publication, “ceased to be excellent” (p. 17) and, on this basis, concluded that the “fashion in theories is mirrored by a fashion in companies” (p. 17).

However, while accepting the veracity of their criticisms, this chapter argues that in their attempts to negate the book’s claims to accuracy, they did it the disservice of devaluing the impact that *Excellence* had amongst industry, practice, and academe alike. This impact continues to be reflected in, for example, the longevity of the assumption that its methods followed the objectivity and statistical solidity of conventional management science.

The second of the three selected benchmark books, Collins and Porras’ (1994) *Built to Last*, played a significant part in sustaining and buttressing these assumptions. In *Built to Last*, the authors, as the lead part of a team from Stanford’s Graduate School of Business, extended Peters and Waterman’s (1982) research depth with added academic credence. Collins and Porras (1994) used clearly more rigorous criteria for sample selection and their evidence-gathering was also more robust. For example, they extended the near contemporary evidence of *Excellence* by using 1950 as their start-date for measuring company performance and they made the selection of an initial raw sample more objective by using a survey of 165 business leaders to inform their choices. The result of six years of research, the project selected 18 stellar “visionary companies” (Collins & Porras, 1994, p. 2) and 18 good and equally enduring but less stellar-performing “comparison companies” (p. 2). The comparisons and contrasts were designed to distil the essential principles of what makes organisations visionary and sets them apart as members of “a very special and elite breed of institutions” (Collins & Porras, 1994, p. 2).

Alas for the authors’ rhetoric, by 31 August, 2004, the tenth anniversary of its publication, almost half of the visionary companies on its list including Motorola, Ford, Sony, Walt Disney, Boeing, Nordstrom, and Merck, were struggling. All were facing serious questions about their poor leadership and strategy rather than being lauded as companies worthy of emulation. While the S&P 500 Index had risen 132% in those ten years, Motorola in 2004 was down 2% from its 1994 price; Sony had risen just 20% in a decade that had worshipped technology companies; and Disney, dogged by its 1996 acquisition of Capital Cities/ABC, was in the doldrums at the end of 2004. These

companies had thus slipped dramatically in performance and reputation, and their vision seemed more blurred than clairvoyant (Reingold & Underwood, 2004).

While some of these faltering companies have recovered over the subsequent four years – for example, Disney under Robert Iger and Boeing under Jim McNerney (Morning Star, 2008) – the fact remains that at least seven of the original eighteen companies built to last swiftly began to demonstrate signs of wear and tear akin to their “comparison” contemporaries.

This less than exemplary subsequent performance of the enduring corporations in the *Built to Last* list when viewed in the light of similar markedly below average performances over time of many of the excellent companies featured in Peters and Waterman’s (1982) list, give rise to a number of queries highlighting the Achilles heel in the studies’ findings and recommendations. One recurrent question is, “whether companies struggled because they ignored the principles in the book or because they followed them” (Rigby, Bain & Co., cited in Reingold & Underwood, 2004), and the second and possibly more relevant query from this chapter’s standpoint, “is it because management stopped applying the principles? Or because business conditions changed?” (Rigby, Bain & Co., cited in Reingold & Underwood, 2004).

None of these questions can be answered definitively, but the fact that both sets of companies selected by these management-gurus had high failure rates relatively early, certainly argues in favour of the importance of changing business conditions, as a potentially critical factor. Collins and Porras (1994) have actually cited what they call Peter Drucker’s “landmark book *Concept of a Corporation*” (p. 54) on Alfred Sloan and General Motors and Drucker’s later comments “In his book *Management: Tasks, Responsibilities, Practices . . .*, ‘General Motors has stayed with Sloan’s legacy . . . . But it has failed miserably’” (cited in, Collins & Porras, 1994, p. 54).

In another of those ironies that come with historical hindsight, this cited comment from Drucker actually make a telling argument that working without allowing for the changing business and social environment is a potentially large factor for future failure, that may not be counter-balanced by the enduring success that the unchanging nature of values may bring. This brings into question Collins and Porras’ (1994) core hypothesis that:

Merck, Sony, and Ford each offer a different slice of a general pattern: the existence of a core ideology as a primary element in the historical development of visionary companies. Like the fundamental ideals of a great nation, church, school, or any other enduring institution, core ideology in a visionary company is a set of basic precepts that plant a fixed stake in the ground: “This is who we are; this is what we stand for; this is what we’re all about.” Like the guiding principles embodied in the American Declaration of Independence (“We hold these truths to be self evident . . .”) and echoed eighty-seven years later in the Gettysburg Address . . . core ideology is so fundamental to the institution that it changes seldom, if ever. (p. 54)

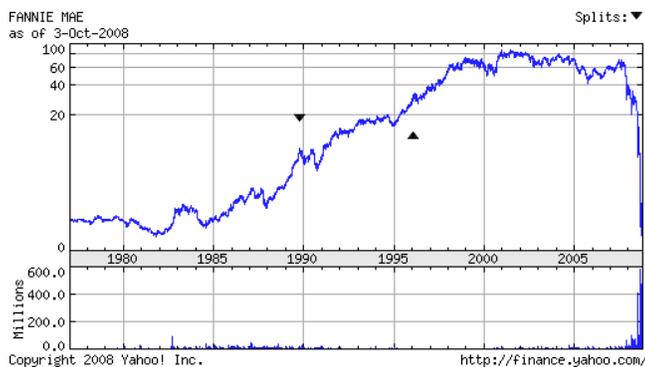
Few passages catch Collins and Porras’ (1994) desire to set out universal, everlasting principles quite so intensely. Their quest to transcend time and subjectivity is also underlined in their methodological approach (e.g., in the emphasis on the Stanford University origins of the research). Another methodological flaw – in *Built to Last*, its predecessor *Excellence*, and its multiple successors – that this chapter seeks to highlight is the overemphasis on hard quantitative data. This is captured in O’Toole’s (2004) summation that *Built to Last* “ignores Aristotle’s advice not to try to scientifically measure those things that don’t lend themselves to quantification.” (O’Toole, Centre for Effective Organisations, cited in Reingold & Underwood, 2004).

The third book in the retrospective research genre, which Collins (2001a) and an academic team researched, but which he published as sole author, was *Good to Great*. In that book Collins (2001a) used equally sophisticated research criteria based on historical performance to distill a list of eleven companies that had made the transition from merely good to “corporate greatness” (p. 6).

This greatness was defined in terms of the performance of the company’s quoted stock, with respect to the market and its direct competitors over a sustained period. The hypothesis was that companies which dramatically and sustainably outperformed their competitors and the market over time, had not only made the transition from good to great, but also embodied certain characteristics which made them built to last. As in *Built to Last*, Collins’ (2001a) *Good to Great*, also employed a university-based research team, and made similar use of contrasts by comparing these companies with eleven “direct comparisons” and six “unsustained comparisons” (p. 8). “Since it came

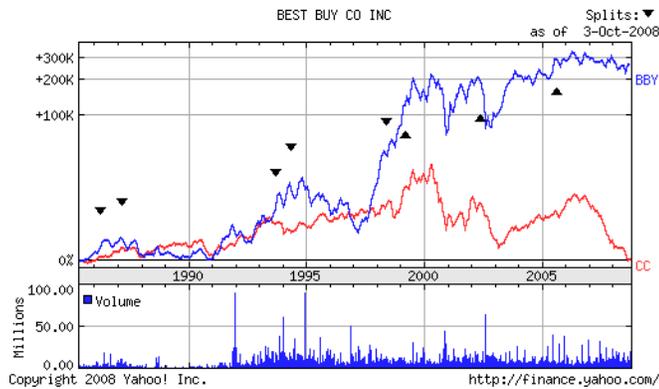
out in 2001, the book has sold millions of copies. It *still* [italics in original] sells over 300,000 copies a year. It has been so successful that seven years later, the book is still in hardcover” (Levitt, 2008).

In acknowledging the book’s marketing and publishing success however, this thesis underlines two already glaring failures – Fannie Mae and Circuit City – among its 11 “good to great” companies. Both raise serious issues about the universal application of its messages. Fannie Mae for example, was placed into conservatorship of the Federal Housing Finance Agency (FHFA) on September 7, 2008, after it had engineered the single most significant global financial melt-down in seven decades by triggering the sub-prime mortgage crisis because of systemic failures in its operations, management, and leadership. It has led to the most sweeping government interventions in private financial markets in decades and the effects of this incursion continue to resound round the world at the time of writing. As Figure 1 below shows, Fannie Mae stock, bought around the time *Good to Great* (Collins, 2001a) was published, would have lost over 80 percent of its initial value by October, 2008.



**Figure 1: Fannie Mae stock performance (Source: <http://finance.yahoo.com/>)**

Circuit City, the other glaring failure of a “good to great” exemplar would similarly have lost an investor more than 80% on an initial investment made in 2001, as it has consistently failed to compete against Best Buy its major competitor for almost a decade (see Figure 2). While the remaining nine of the original eleven “good to great” companies remain more or less intact, only Nucor has dramatically outperformed the stock market since the book came out. Overall it would appear that a portfolio of the “good to great” companies would have underperformed the S&P 500 (Levitt, 2008).



**Figure 2: Circuit City vs. Best Buy stock performance (Source: <http://finance.yahoo.com/>)**

Despite the known failings of research approaches adopting retrospective figures, the *Excellence* imitators continue. In describing how ten research teams (including the authors of the three books discussed in this chapter), discover the keys to high performance, Kirby (2005) provides a useful chronological list of such endeavour. In addition she tellingly underlines and supports this chapter’s arguments against looking back to look ahead, when she points out how management “doctors differ” (p. 32) so markedly in their prescriptions. Their recommendations of tactical and strategic interventions to use as preferred change management templates vary even as they deterministically assert the scientific validity of their recommendations, and urge companies to emulate their chosen list of exemplar companies, to the exclusion of any other route.

Without any attempt at a similar analysis of outcomes, it is interesting to see how the global success of *Blue Ocean Strategy* (Kim & Mauborgne, 2004), which was a notable omission from Kirby’s (2005) list, was based on extending and deepening the Collins and Porras (1994) and the Collins (2001a) approaches, which were themselves bed-rocked on Peters and Waterman (1982). Kim and Mauborgne (2004) extended this genre by going even further back in history than any of their predecessors to examine an even more tightly specified subject group, to proclaim an even more rigorously formatted strategic and tactical template for ensuring high-performance in turbulent times: “Based on a study of 150 strategic moves spanning more than a hundred years and thirty industries, Kim and Mauborgne argue that tomorrow’s leading companies will succeed *not* by battling competitors, but by creating ‘blue oceans’ of uncontested market space ripe for growth” (Front flap).

## **Reframing management: An inquiry-based, emergent approach to building theory and informing action**

As these retrospective examples have demonstrated, rear-view mirror perspectives of high-performing companies can ignore vital contextual markers of time, place, situation, and actors/action, specific to the prevailing circumstance. In addition, they rely on quantifying what might not be usefully quantified and assuming that it can be projected forward as a basis for ongoing future success. While agreeing that quantitative analysis has a role to play, and that respecting the past and learning lessons from history is valuable, this thesis questions the validity of their implied assumptions.

The assumption in these books in particular, and, indeed, the high-performance literature in general, seems to suggest that principles, models, and frameworks which have worked in the past for the business, can continue to guide and structure its future success. Under the circumstances this chapter considers the further assumption that such books make, that these principles can be generalised universally – across different time periods, environments, industries, and sectors etc. – even more dubious. Rather it proposes emergent and mindful inquiry, and learning from responses to current conditions, as better suited both to learning and informing forward-looking practice.

To explore this further, the thesis has turned to action research. It has found a substantial, and fast-expanding, body of literature (Dick, 2004; 2006) showing how action learning (Marquardt, 2004), action research (Reason & Bradbury, 2001; Reason & Bradbury, 2008), and action inquiry (Rooke & Torbert, 2005), independently, or in collaboration, deliver outcomes. In fact, as much of the literature has also revealed, those outcomes can be observed in three key dimensions: in the individual, where they can increase each participant's informed contribution; in the group, where they can increase productive and thoughtful teamwork; and in the organisation, where they can solve intractable problems or open unknown opportunities. Such an integrated foundation has indicated promising directions for speedy and effective processes for solving organisational problems productively.

Action research also looks forward in other ways. In Reason and Bradbury's (2008) definition, action research is not only "a participatory process concerned with developing practical knowing in the pursuit of worthwhile human purposes" (p. 4) but

“seeks to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities” (p. 4). Action research thus has the simultaneous added benefit – in addition to solving problems and opening opportunities (especially those of social usefulness as well as business utility) – of developing tangible learning in difficult-to-measure soft skills.

Increasingly, leading management theorists are confirming that sustaining competitive advantage lies in developing workforces and workforce innovation through such soft skills and commitment to socially useful purpose. The general movement is expressed in Hamel and Breen’s (2007) vision of *The Future of Management* where for “the first time since the dawning of the industrial age, the only way to build a company that’s fit for the future is to build one that’s fit for human beings as well . . . . a 21<sup>st</sup> century management model that truly elicits, honours and cherishes human initiative, creativity and passion” (p. 255).

There has, therefore, been significant research into the application of action research as a methodology for organisations and communities (Coghlan & Brannick, 2001; Kemmis & McTaggart, 2000; Amsden & VanWynsberghe, 2005; Nelson, Poland, Murray, & Maticka-Tyndale, 2004). Since Reason and Bradbury’s (2001) benchmark *Handbook of Action Research*, and its reinforcement in the second edition (Reason & Bradbury, 2008), much of it has focused on the typologies, the prerequisites to entering into action research, project design, project implementation, the skills required for such implementation, the generation of theory as a consequence, and the management of quality in such projects (Kemmis & McTaggart, 2005; Coughlan & Coghlan, 2002, p. 221).

This thesis seeks to demonstrate the power of action research in a distinctly different, and in the light of the literature search, an innovative way. While traditional retrospective research, such as that outlined in stage one above, has looked at past organisational performances to draw lessons for the present and future, stage two of this chapter looks to see if action research can be, as it were, reverse engineered to show its relevance to a recent challenging and complex case study. In so doing, the chapter hopes to show that emergent methods, at least in the specific case of action

research, have explanatory power for the past that can confirm their ongoing utility for present and future projects.

Stage two's analysis attempts to adapt the accumulated body of knowledge on action research to analyse the successfully completed phase of a non-action research community ICT capacity enhancement project in New Zealand called Cyber Communities. At this point it is important to acknowledge that, "the critical reflection and grounded, iterative, and interventionist social action" (Wortley, 2000, p. 2), which is integral to action research methodology, could be compromised by force-fitting action research labels inappropriately (see Herr & Anderson, 2005). This cautionary notice is important because notwithstanding the fact that there was an implied understanding amongst its participants around an unarticulated action research framework, the Cyber Communities never purported to be, nor was explicitly engaged with as, an action research project.

However, while the project was not intended as action research in either its design/delivery or its reporting, the thesis considers the present inquiry useful in three ways: it adds explanatory value to action research by illuminating how, when viewed through its lens, strengths and weaknesses of the Cyber Communities project's conception and execution can be more clearly identified; it suggests how action research, when compared to data-based retrospective frameworks, offers both better insights and better guides to practice in a fast changing environmental situation; and, it shows how important organisational issues can be studied and resolved together with those who experience those issues. The investigation of the Cyber Communities project will also be used to identify how action research might be relevant to congruent projects.

## **Description of the Cyber Communities project**

The Cyber Communities pilot project was a three year strategic intervention, by the Ministry of Social Development (MSD) of New Zealand, designed to bridge the digital divide in Auckland. A snapshot of South Auckland's socio-economic characteristics showed a large Maori and Pacific Island community who were disproportionately represented at the negative end of all demographic, economic, and social well-being statistics. The project's charter was to make this community more ICT literate, mutually

strengthened, and capable of sustainable regional growth. The initiative targeted these underserved wards in order to augment the uptake and use of ICT for service effectiveness by local community groups. In tandem with that compensatory impulse, the project was also designed to create a proactive process for using ICT skills training to improve meaningful employment prospects for long-term unemployed (particularly Maori and Pacific Island youth, young mothers, and middle-aged and older people).

Its other intended collateral benefits included greater social connectedness, increased sustainability of employment, and improved well-being in the targeted communities. In its final phase (the year under consideration for this case-study) it enrolled 120 community participants and 15 community groups in 15 ongoing community ICT projects. The project also worked with 87 unemployed job seekers from the area, of whom 20 were long-term unemployed, and it thereafter successfully placed 34 of them into meaningful work or higher education.

In addition, through the utilisation of available ICT resources, the project increased connectivity between individuals, community groups, and their communities. Examples included a community-owned database-driven web site that participants were taught to use as a learning and information-sharing portal. This increased the ability of a wide range of Pacific Island community groups including the Cook Islands, Tongan and Niuean Wardens, to work collaboratively across different locales on similar ICT projects. By the time it ended, the Cyber Communities project had demonstrated that community services, community capabilities enhancement, and sustainable individual employment outcomes could be achieved through leveraging knowledge-building in ICT. It had also evidenced non-quantifiable, but visibly potent, collateral outcomes of community pride, wellness, and meaningful engagement amongst youth, young mothers, and older people. The Cyber Communities project had therefore become a road-tested project prototype deployable by other agencies and/or communities who wished to use ICT as an enabler of sustainable community development regionally, nationally, and internationally.

## **Retrospective review of action research aspects of Cyber Communities**

This thesis now views the project in hindsight to capture aspects of action research that had gone unnoticed. It seeks, in effect, to examine how the Cyber Communities success was in reasonable measure, a consequence of its use of many of action research's core tenets of project configuration, delivery, and management. Not the least of these was what action research theorists, Eden and Huxam (1996) describe as "the integral involvement by the researcher in an intent to change" (p. 537). The project's alignment with the "action-focused, practical-emancipatory, and professionalising-empowering action research" (Hart & Bond, 1995, p. 37) typology was also evident. This is because, while the community groups participating in the project, the individual job-seekers utilising its services, the government agency funding the project, and the project team delivering programs did share moments where they were all co-researchers and co-change agents, for the most part, the researcher and the project team were "in the merged roles" (Hart & Bond, 1995, p. 43) of practitioners and collaborators.

Problem definition, for example, emerged from the professional expertise and experience of the researcher, and the improvements were defined and delivered on behalf of the users by the trained project team, which was from outside the participating communities. There were however high levels of participation by the community groups, the individual placement-seeking clients, and the funding agency. All of these features helped to reinforce the action-focused, practical, and professionalising bias of the model.

The process for implementing the Cyber Communities project also appeared to adhere to Coughlan and Coughlan's (2002) action research cycle, consisting of a pre-step to understand context and purpose, and two further steps for completion. The pre-step for Cyber Communities took the form of the pre- and post-contract award meetings with the government funding agency to understand the objectives and goals of the contract, and the expectations in terms of outcomes, compliance, and reporting. It also included community meetings where delivery modalities were discussed, revised, and agreed in ways designed to suit community experience and to elicit their willing participation. The next step in the cycle for Cyber Communities involved the project

team in the gathering of data. This was followed by the feedback of the data to the researcher and the community, its analysis, and then the subsequent plan formulation, implementation, and evaluation of the action.

During these processes, care was taken to include constant consultation and network-building with government organisations tracking different categories of Pacific Island people. At the community level, for instance, the project interviewed – in some depth – the various community groups and businesses working in the area to complete their needs analysis. Thereafter, it crafted flexible programs for engagement and intervention in a culturally appropriate way with all potential participants. As part of skills-building, also in line with action inquiry (Torbert & Associates, 2004), participants were encouraged to keep electronic journals of their training and tutoring sessions and to reflect on the personal outcomes of the program, both intended and unintended. This also enabled the next cycle of planning and action to benefit from the experience of the cycle completed.

The researcher and project team tested and embedded participants' learning through thoughtful action projects. They also designed three sets of assessments: one prior to the start of the program; one at its mid-point; and one at its end for all participants to complete.

The final step in Coughlan and Coughlan's (2002) action research process is the monitoring meta-step. In the Cyber Communities project this followed government formats and guidelines for reporting and compliance. It included monthly spreadsheets of clients and community groups handled, demographic data on these clients, a record of the work done and outcomes achieved. These were supplemented with quarterly reports that drilled deep into project variables and key performance indicators. The project's reproduction of the action research cycle, as described above, the deployment of action inquiry through journaling, and the mirroring of an action research typology (as described earlier), combine to clearly demonstrate cross-overs with the processes, and typology, of action research. This thesis contends that these similarities underline how even a rudimentary adherence to the action research framework contributed to program efficacy for Cyber Communities.

Notwithstanding the above, action research is particular, situational, and emerges from praxis. The data is contextually embedded and interpreted and the basis for validation is the conscious and deliberate enactment of the action research cycle. Because this has not been the case in Cyber Communities, and overall critical reflection has not been undertaken consciously with learning fed-back – either into the cycle or a resulting spiral in real-time – there is a disconnect between the elements of the plan-act-observe-reflect cycle, which could compromise both the research and concurrent action for change.

## **Conclusion**

The two stages of analysis in this chapter served two related purposes. Stage one's review of the performance of the *Excellence* and post-*Excellence* exemplars enabled a critique of retrospective studies designed to call into question some of their key assumptions: that research needs to be hard-data rich and extractable from context; that researchers should assume an objectivity, which cannot, in practice, be sustainable; and that usable lessons for future projects can be drawn without necessarily aspiring for anything like universal replication of unchanging elements. Stage two's purpose was to underline the positive outcomes from implementation of even parts of an action research methodology. By reviewing the essence of the Cyber Communities project, this chapter validates the power of this emergent and participatory methodology by demonstrating its ability to go beyond the limits of traditional retrospective approaches, in informing forward-looking organisational practice.

The chapter has thus foregrounded action research's promise as a methodology of emergent inquiry grounded in praxis. It has suggested how it has already, and might conceivably in future, improve organisational performance by solving practical problems while simultaneously generating learning in the process. Its efficacy is enhanced when it is recognised that it can achieve both these outcomes even as it facilitates the embedding of problem solving and learning as self-organising processes. This significant thread of the power of such emergent inquiry for forward looking practice is carried forward through this thesis in general, and is specially emphasised in two chapters that follow. Chapter three will expand this discourse by discussing the power of disciplinary interfaces and their hybrid forms with new management theories

and methodologies, as another significant way of augmenting organisational response. The second specific reference will come much later in the thesis with chapter eight's underlining of the limits of retrospective and quantitative methods and espousal of grounded theory as the emergent method for the thesis' field research.

## **Chapter 3 - Interface opportunities: Profiling the power of hybrid responses through two contrasting responses to environmental changes**

This chapter moves from the previous chapter's explicit concerns with the interplay of methods and environmental change over time to focus on the related, but less researched area, of how different disciplines and sectors can interface and intersect. It sees such areas of intersection as both a neglected dimension of practice, research, and theory, and also as a source of still under-utilised opportunities, having the power to enact a shaping function on sustainable performance and a more conscious mobilisation of joint action. As with chapter two, this chapter has two distinct but interrelated stages: the first stage considers a specific interdisciplinary response to a particular environment; and the second stage focuses on how, in one real life case, a not-for-profit organisation abolished traditional boundaries between sectors to help mobilise effective performance in response to changing external conditions.

In investigating how prevailing uncertainty became a driver for the complex intersection of major management fields, the first stage contends as part of its inquiry, that the contemporary global environment and temporal factors, influence interdisciplinary interactions in ways that are understudied. In support of this contention, it tracks the evolution of a recent interface, between strategy and entrepreneurship and proposes its augmentation by developments in leadership, action inquiry, learning, and research. Stage two later reviews the growth of a better known parallel interface between community economic development and management practices in the private sector. Both of these vignettes in stages one and two, serve to illustrate the intersection and interface processes in action and to suggest how the hybrids which result can, in turn, interface further with relatively recent management theory in such other areas as action research and emotional intelligence, to augment and improve organisational responses at a time of fast-moving change and uncertainty.

Stage one describes, and positively evaluates, one influential acknowledgement of how changing environmental conditions influenced one specific interface namely, the interweaving, of strategic management and entrepreneurial studies, into an emerging field of strategic entrepreneurship.

The resultant hybrid not only illustrates how merging disciplines can help forge a credible response to changing external conditions, but also leads to a further contention that: future projections, as well as contemporary assessments, tend to reinforce the need for such interactions (and, indeed, that recent perspective from the leadership literature both confirm and broaden the analysis of environmental conditions catalysing these kinds of shifts).

In reflecting on the success of the strategic entrepreneurship in stage one and the efficacy of the community economic development interface in stage two, this chapter asserts that exploring the creation and nurture of such interfaces, whether in the corporate or in the not-for-profit sectors, is vital. It seeks to show how such interfacing contributes in multiple ways to organisational sustainability and industry/academic knowledge, by potentially solving practical problems, contributing to general theory, and helping to make “change and learning a self-generating, and self-maintaining process in organisations” (Elden & Chisholm, 1993, p. 125) and, therefore, a strong contributor to sustainable performance.

### **Strategic entrepreneurship: A brief history of the path from interface to hybrids**

The evolution of the strategy-entrepreneurship interface and the resultant emergence of the new field of strategic entrepreneurship is a significant new response to an altering world. Hitt, Ireland, Camp, and Sexton’s (2002a) edited collection, *Strategic Entrepreneurship: Creating a New Mindset*, positions the changing conditions in the late 20<sup>th</sup> and early 21<sup>st</sup> centuries as the key environmental catalyst to what they term the integration of the two fields. In the opening chapter of their collection, Hitt, Ireland, Camp, and Sexton (2002b) observe how a “new competitive landscape developed in the 1990s” (p. 1) and describe that landscape as full of “threats to existing patterns of successful competition as well as opportunities to form competitive advantages through innovations” (p. 1).

They also consider this hypercompetitive landscape as identifiable by:

substantial and often frame-breaking change, a series of temporary, rather than sustainable competitive advantages for individual firms, the criticality of speed in making and implementing strategic decisions, shortened product life cycles, and new forms of competition among global companies. (Hitt et al., 2002b, p. 1)

To accommodate to the new landscape, Hitt et al. (2002b) see the need for strategists to become “entrepreneurial actors” (p. 1) in order to create new markets, to capture a larger market share from less aggressive and innovative competitors, and “to take the customers, assets, and even the employees of staid existing firms” (p. 1). Such a notion of strategic entrepreneurship integrates “entrepreneurial (i.e., opportunity-seeking actions) and strategic (i.e. advantage-seeking actions) perspectives to design and implement entrepreneurial strategies that create wealth” (Hitt et al., 2002b, p. 2).

Building on that foundation, Meyer, Neck, and Meeks (2002) examine the connection of Entrepreneurship and Strategic Management as less of an integration and more of an “interface” (p. 20) designed “to connect the creation aspect of entrepreneurship with the performance orientation of strategic management” (p. 20). This chapter shares Meyer, Neck, and Meeks’ (2002) concern and language and shares unreservedly their allied comments that the term integration should not imply the end of entrepreneurship and strategic management as distinct fields. In addition to preferring Meyer, Neck, and Meeks’ (2002) term interface, because of its connotations for the ongoing nature of activities at such a boundary, this chapter views their emphasis on “creation” and “performance” as better capturing the key activities of the strategic entrepreneurship process. Their use of the terms “creation” and “performance” at such an interface also invites the participation of other possible disciplines and concepts in future; apropos the specific area of leadership which is the focus of the next section.

### **Contextual lessons from leadership**

Goleman, Boyatzis, and McKee’s (2002) new leadership research addresses similar calls for “creation” and “performance” (p. xi). They augment the strategy-entrepreneurship links by specifying emotional resources that are required “to thrive amidst chaos and turbulent change” (p. xi) and to “foster creative innovations, all-out performance, or

warm and lasting customer relations” (p. xi). Their suggestions engage explicitly with emotional dimensions not visible, or at best implicit or marginal, in the strategic entrepreneurship literature. Published in the same year as the strategic entrepreneur research discussed in the previous section, Goleman, Boyatzis, and McKee’s (2002) thinking also follows the causes of the convergence of strategy and entrepreneurship, in that its development has been catalysed by the same contemporary realities. Unlike strategic entrepreneurship, however, the new leadership literature, at least in Boyatzis and McKee (2005) later work, places business as part of a wider social transformation with deep roots in ecology and history:

Our world is a new world, and it requires a new kind of leadership. . . virtually everything we have taken for granted for hundreds, if not thousands, of years is in the midst of profound transformation. Our planet’s climate is changing, and we are experiencing extreme, unpredictable weather and temperature changes that affect indigenous plants, farming, animals, and sea life. There is a rise in the number and severity of natural disasters – hurricanes, floods, and droughts. New diseases are on the rise, and HIV and AIDS continue to decimate populations of entire countries and all of sub-Saharan Africa. (p. 1)

Typically, as with Boyatzis and McKee (2005), the new leadership literature goes on to address substantial social changes where “social systems in place for ages no longer meet the needs of families, communities, or nations” (p. 1) and the concomitant increase in conflict with global dimensions feeds into “a world that is more unstable, more dangerous” (p. 2) with terrorism, and responses to terrorism, leading “to generalized anxiety that touches all of us” (p. 2). Boyatzis and McKee (2005) also observe how similar “seismic shifts have shaken the business landscape as well” (p. 2) with “the sheer complexity” (p. 2) of organisations increasing “geometrically, making predictability and stability elusive if not impossible” (p. 2).

In acknowledging some of the transformational factors highlighted by new leadership, such as instability and anxiety, and contextualising their drivers, this thesis argues for further interfacing. At this point, this chapter supplements chapter two’s coverage of action research (Reason & Bradbury, 2001), with the growing and interrelated fields of action learning (Dotlich & Noel, 1998), action research (Reason & Bradbury, 2001), and action inquiry (Torbert & Associates, 2004). From this point on, for simplicity of

reference, and to acknowledge their commonality without denying their differences, these three will be covered by the plural umbrella term “action sciences” (NB this is somewhat distinct from the more specific use of the singular “action science” originally used by William Torbert (1976) and subsequently deployed by Argyris (1980) and Schoen (1983) – see Friedman and Rodgers (2008) for a fuller account of the semantics).

The claim for the current relevance of the actions sciences is similarly derived from an analysis of the changing conditions of the time. This emerges explicitly in Marquardt’s (2004) assessment: “The rapidly changing environment and unpredictable global challenges require organizations and individuals to both act and learn at the same time” (p. 1). It is this ability to act while learning and learn while acting (at an individual and at an organisational level) which provides another key environmental adaptability factor – swift and continuous response. By bringing such capabilities to the interface action sciences assist entrepreneurs in maximising opportunities for achieving outcomes, while simultaneously developing reflective skills. It can also assist strategists in learning strategic lessons in real time and keep strategy open rather than confined to annual day retreats and swiftly-outdated five year plans. As a consequence, action learning and action research have gained a substantial number of adherents who view it as a powerful means of expanding organisational knowledge while increasing positive outcomes and individual expertise.

Finally, in relation to the action oriented, responsive, and emergent nature of these practices (Dick, 2007, p. 400), but also important in its own right and of relevance to strategy and entrepreneurship and their intersection, this chapter argues for drawing extensively especially from leadership and management writings, influenced by emotional intelligence. In what most commentators concur in describing as anxiety-provoking times, the virtual absence of considerations of emotional intelligence in strategy is cause for concern.

Taking textbooks as a guide to what is considered as mainstream, they reveal that neither emotion, nor emotional intelligence, nor its most prominent published exponent, Daniel Goleman, feature much if at all in the lexicon. For example, none of the three are referenced in the index of a variety of multiple edition textbooks such as European-based authors De Witt and Meyer’s (2004), *Strategy: Process, Content,*

*Context: An International Perspective*; or US-based authors Pitts and Lei's (2006), *Strategic Management: Building and Sustaining Competitive Advantage*; or, the sixth edition of Hitt, Ireland, and Hoskisson's (2005) *Strategic Management: Competitiveness and Globalization Concepts*, which includes a whole final chapter devoted to strategic entrepreneurship. In what is perhaps indicative of the lack of importance accorded to the subject of emotional intelligence in the field of strategy, the one textbook in which Daniel Goleman features, Hill and Jones' (2004) *Strategic Management Theory: An Integrated Approach*, they consistently misspell his name as Goldman in all four pages that refer to him (pp. 27-28; pp. 483-484).

Yet some strategy literature does at least acknowledge the importance of emotions: "what people 'see', 'say', and 'feel', is tied up with what they 'do' and this has major implications for strategic management" (Brocklesby & Cummings, 2003, p. 294):

In some firms, for example, there is a view that if not looking for opportunities and threats is not enshrined in daily practices and infused through the whole organization, then no amount of search and analysis at the "head" of the firm will compensate for this. As one chief executive put it to us recently, "some people seize opportunities, other people do not even notice them, when you have 250 people *always* looking for and talking about new ideas, now that is a creative force." (p. 294)

Accordingly, as a major movement in engaging effectively with emotional material, and with precisely the kind of conditions described in the citation above by Brocklesby and Cummings' (2003) chief executive, the absence of emotional intelligence in strategy is surprising. If strategic entrepreneurship is designed to cope with rapid change and uncertainty, then it would make sense to learn from the development of emotionally intelligent leaders, managers, and workers who have found it beneficial in other fields.

This section ends its discussion of strategic entrepreneurship with two major conclusions. The first is that the successful adoption of the strategic entrepreneurship hybrid supports the contention that interdisciplinary interaction is far from a merely academic exercise, but rather provides ways of establishing common ground for moving ahead in turbulent times. The second is that specific further interfaces, such as augmentations from the areas of new leadership and emotional intelligence, along

with action sciences, offer key component parts of an interface for the generation of sustainable productivity.

## **Community economic development: Exploring the genesis of this interface**

The thesis now posits that the turbulent and high-velocity change driving the creation of new and effective combinations like strategic entrepreneurship is not confined to the for-profit private sector alone. The near-term viability and long term health of not-for-profits worldwide have also been severely impacted by the prevailing nonlinear and unpredictable environment; a consequence of the increasing diversity in populations, aging, the reshaping of economic contracts between businesses and their employees, the preponderance of knowledge as the basis of competitive advantage, the decrease in funding, and the increase in compliance and governance requirements for not-for-profits (Brunham, 2002). The situation has been exacerbated over time by three complementary forces: the visible failures of the public sector and the market in local communities; the inability of the state to act effectively on behalf of those affected by market failures (Hart, 2005); and the inability of public and private institutions to design, implement and sell workable solutions to poverty and neighbourhood decline (Giloith, 1988).

The resulting need for urgent community revitalisation – paradoxically mirrored by the decline and/or drying up of public and private funding pools for not-for-profit organisations – has catalysed the emergence of models of community economic development as an interface between the social not-for-profit sector and entrepreneurship (Emerson & Twersky, 1996).

This movement can be tracked in the increasing use of the terms social enterprise and the social entrepreneur, both individually and in concert, through the following small selection of post-2000 book titles (in rough chronological order): Boschee's (2001) paperback provided *The Social Enterprise Sourcebook: Profiles of Social Purpose Businesses Operated by Nonprofit Organizations*; Gregory Dees, Emerson, and Economy (2002) backed it up with *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*; Borzaga and Defourney's (2004) collection tracked *The Emergence of Social Enterprise*; Nichols (2006) brought aspects

up to date with *Social Entrepreneurship: New Models of Sustainable Social Change*; and Edwards (2008) title intersected both ideas under the banner of one of the keywords of this chapter in her *Hybrid Organizations: Social Enterprise and Social Entrepreneurship*.

The need to safeguard the sustainability of their core social purpose has driven the morphosis of community development organisations into economic forms like for example; community enterprises, social purpose enterprises, and voluntary enterprises (Pearce, 1994). From Giloth (1988) in the 1980s through to Wallace (1999) in the 1990s, and including a number of post-2000 authors (Alvord, Brown, & Letts, 2004; Harding, 2004; Roper & Cheney, 2005; Seelos & Mair, 2005), community economic development has increasingly been re-conceptualised. It has come to be seen to provide: the self-help galvanisation and development of enterprise opportunities, education pathways, and labour market outcomes, for the community, by the community. The culmination of such endeavour finds expression in the president of the Edna McConnell Clark Foundation's statement: "if you're really concerned about impact and measuring the social yield of your investments, you've got to invest like an investor, invest in something that has a good chance of succeeding" (Bailin, cited in Ellsworth & Lumarda, 2005, p. 97).

The emergence and growth of the community economic development interface is therefore akin to the earlier discussion on the emergence of the strategic entrepreneurship interface as a response to environmental challenges. In both areas, extraneous influences did not just contribute to their genesis but continue to augment and shape their emerging forms.

At the outset this chapter foregrounds the natural tensions at this interface between the traditionalists in the not-for profit sector who view moral missions as the *raison d'être* for community organisations, and the sensible pragmatists who regard the community service providers' challenges in terms of escalating costs, shrinking resources, and multiplying needs as lending weight to the argument for mixing moral imperatives with commercial acumen. It is the pragmatist's philosophical view of money and mission as mixed motivation for community organisations, which is arguably winning communal hearts and minds, and in doing so, adding momentum to the flywheel of not-for-profits' entrepreneurial efforts by encouraging the implementation of concepts and practices from marketing, strategic planning, and

systems for the analysis and control of costs. The creation of the community economic development interface has thus resulted in a certain blurring of sector boundaries being taken for granted as a necessary condition for the survival and well-being of community services organisations (Roper & Cheney, 2005).

This interface has begun to deliver outcomes on two fronts. On one, it helps build organisational and community capacity in a variety of areas including commercial, religious, institutional, infrastructural, human and social. On the other it can sometimes act as a change agent, by assisting in the mobilisation of private/public partnerships in ways that will resource communities (see Hart, 2005, pp. 201-202; Pitegoff, 1993). Overall, this thesis is in broad alignment with global research findings which confirm the positive outcomes of this process. As Harding (2004) shows, these findings indicate that social enterprises with mixed revenue streams create five times as many jobs and just over six times the amount of turn-over of mainstream entrepreneurial businesses while, at the same time, regenerating deprived communities, creating socially inclusive enterprise cultures, and delivering public services in a cost-efficient way.

This is the wider canvas of the international context for the design, creation, roll-out, and initial success of a community enterprise incubation programme for urban Pacific Islanders in New Zealand. In recounting the case, the next section seeks to provide evidence of the efficacy of the community economic development interface.

### **Community enterprise incubation: A Pacific Island community economic development case study**

The government of New Zealand sponsored five not-for-profit Pacific Island community groups who worked with communities in low-decile neighbourhoods and helped families through a vicious cycle of poverty, racism, ignorance, drugs, family violence, and abuse, to participate in a community enterprise incubation and empowerment programme. The programme was designed to build enterprise capacity in the participants all of whom were resource-constrained. While some received ad hoc funding from government and quasi-government agencies, most were either operated in a hand-to-mouth deficit model as they went about service delivery, or, in the case of church-affiliated organisations, depended on tithing from congregations and

community members (many of whom could ill-afford it), to stay afloat. Nevertheless, these groups were not only ready and willing, but, as it turned out, capable, participants in the social purpose enterprise incubation programme. The programme promoted entrepreneurship in Thompson's (1999) sense of the conscientious application of management discipline to exploit resources which are either ready to hand and/or which can somehow be found. In the case of the Pacific Island groups, these resources consisted largely of the good-will of the communities they served, the dedication of their trust boards, and the bands of die-hard volunteers who were prepared to give willingly of their time and energies.

The Pacific Island groups were trained in areas ranging from opportunity recognition and selection through to business planning basics. The basics focused mainly on product/service design, industry analysis, customer selection, market research, competitor analysis, and elementary human resources recruitment and retention processes. Using a mixture of training, coaching, facilitation, and mentoring, the project team achieved enormous buy-in from the participants.

Workshops, hands-on mentoring and training on site, "meet the leaders" network sessions, introductions to NGO community agencies with angel investment funds, and the internet and email were all used to drive learning and embed enthusiasm in participants.

The results were significant. In the immediate aftermath of the programme all five groups demonstrated significant progress en route to commencing commercial operations and participating successfully in a dynamic business environment. CBO, a church-based community organization, formulated a business plan which engaged "difficult" teenagers in building a limited variety of planter boxes, and household and garden furniture using second grade kauri timber donated by a saw-mill down-country, in a carpentry and wood-working shed available on church premises. At the time of writing this chapter, CBO, on the basis of its business plan (an outcome of the business skills learnt during the programme), newly created product samples, and good marketing work by the teenage crew (again, a fruit of the marketing planning module of the programme), it had secured memorandums of interest from a large DIY chain to purchase its products.

## **Outcomes: Specific and general**

Similarly MGP, a community trust working with recidivist youth, built a robust business model for a mobile car cleaning and grooming service. The business model and its community objectives aligned strongly with the corporate social responsibility strategies of two local operations of global car-hire companies. On the strength of their interest and intent to underwrite ongoing business to the venture, the trust began sourcing funds to set-up their car-wash infrastructure.

For its part, RMG, another community trust, redoubled its ongoing efforts with the local council to secure land concession for a market garden. Using the knowledge of businesses resources and capabilities, a view of the organisation which they had learnt and customised to their situational context during the programme, RMG sought registrations of interest from a number of community groups wishing to establish specialty vegetable and flower garden plots on the site. Community members also enlisted the support of the local polytechnic and the city council to help with marketing and publicity and obtain a perpetual right to use the land.

ACT, a church-based trust augmented its existing after-school and holiday programme with additional products and services opportunities. It had identified these during the market research stage of its business case development, in the incubation programme. ACT used this improved, and customer-needs focused list of products and services to co-opt members of the congregation with school-going children as its marketing engine. At the time of writing this report, these parents have proceeded to secure strong expressions of interest from a number of the local primary and secondary schools for paid after-school and school-holiday programmes.

Finally, SIS, the Samoan community trust whose social entrepreneurs had all been involved in events management and tourism-related portfolios in their professional lives prior to their community involvement, used the detailed project development and costing training which they had received in the programme, and the networks they had developed with the artists and sporting communities as a result of the cluster meetings during the programme to begin negotiation with a sporting union and one of the local councils for event management projects.

These initiatives also occurred within a broader framework of collective improvement that provided a platform for sustainable growth in the future. As a collateral outcome that the programme objectives had signalled from the beginning, the programme built capacity throughout the individual organisations. Participating trusts became much more adept at using resources like the internet and email to gather, verify, and test information and hypotheses. There were direct employment outcomes because these community enterprises hired part-time and full-time staff. In the trusts themselves, there was a great sense of pride and achievement, both at completing the programme and in starting an enterprise that contributed to trust activities rather than the total dependence on agency funding or community donations (that had hitherto been the norm).

### **Outside parallels and other learnings through action**

In these ways, although working without knowledge of it, the programme reached one of the successful outcomes suggested by Elkington and Hartigan's (2008) benchmark book *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World*. After identifying what they assess as the three main models of social enterprise, Elkington and Hartigan (2008) go on to note that all three "pursue social or environmental ends that the markets have largely or totally failed to address, and that they use different means to do so" (p. 31) but "conclude by describing one social enterprise that has morphed into a fully capitalized and profitable mainstream business without losing sight of its original goal" (p. 31).

Their conclusions and example resonates well with the positive outcomes which the programme described in this chapter witnessed each of the five community enterprises achieve in and for their communities (given the much-reduced size, scale and scope of small and medium enterprises in the context of a small country like New Zealand). What each of these small businesses managed to achieve also aligns well with Waddock's (2008) recent research into visions, values, and value-added.

In its learning through doing dimension, the enterprise incubation programme had helped embed better servant leadership, governance and strategic management by training the senior executives of each of these five organisations to straddle the two worlds of community service and agency compliance. This was visible in the building of operational and productivity excellence using for-profit concepts of processes,

milestones, risk management and transparency as examples. In addition, through a process of learning the tactical and strategic imperatives of running a business, and a carefully programmed calendar of NGO, and business leaders' networking, the programme enabled empowerment. It helped the community groups understand not just their mission and service-delivery desires but equally importantly helped them to understand the economics of their service passion and assisted them to build, and run, an economic engine to deliver on that aspiration.

In effect, the community leadership became comfortable with social entrepreneurship – that is in managing the double bottom line of mission and money. As a result they were able to stabilise funding, develop earned-revenue streams, plan for sustainability, enable risk taking, and reward success (Brunham, 2002).

They were then able to make their individual community group members comfortable with the concept, understand the dynamics of pursuing such a dual track, and commit to the task of implementing the architecture. All this was in process, while they were still maintaining an uncorrupted vision of the non-profit's strategic social intent. Without such a universal mindset in the groups, it would have been impossible to expect them to sustain their enthusiasm for the programme and for the enterprises which were born as a result of the intervention. Borrowing a leaf from transformational for-profit organisations (Waddock, 2005), they also generated commitment amongst their members to the project by framing it in terms of important social values, rather than in purely economic terms. This resulted in a sense of collective purpose among all those who joined the effort (Burns, 1978, cited in Waddock & Post, 1991, p. 395).

### **Conclusion: Exemplifying the power of hybrids and interfaces**

The first section of this chapter contends that interfacing dialogue between disciplines while an academic exercise, is one with practical implications in providing ways of establishing common ground for moving ahead even in high-velocity change environments. Further it argues that specific interfaces such as augmentations of new leadership, emotional intelligence, and action sciences could offer key component parts of a new and more variegated basis for the generation of sustainable organisational productivity.

Indeed, the case study almost parallels the theoretical gains enabled by disciplinary interfacing with the real life success achieved through the hybrid actions of the five community-based social purpose enterprises formed as a consequence of the enterprise incubation programme. The significant collateral roles which these community enterprises then began fulfilling in the community included: uniting members (Emerson & Twersky, 1996); acting as a catalytic change agent showing their communities how to combat intractable problems through a mixture of mission and money (Waddock & Post, 1991); and conserving the limited discretionary spend within the community and distributing it (De Leonardis & Mauri 1992).

Almost twenty five years ago, Lincoln and Guba (1985) clearly articulated the wider trends in knowledge-making through their five axioms of a then-emerging naturalistic paradigm:

Realities are multiple, constructed and holistic (rather than reality being single, tangible and fragmentable); Knower and known are interactive and inseparable (rather than independent, a dualism); Hypotheses are time- and context-bound (rather than time- and context free generalisations); All entities are in a state of mutual simultaneous shaping (rather than there being real, single, identifiable causes); and Inquiry is value-bound (rather than value-free). (p. 37)

A further extension of such an epistemology of knowing leverages John Heron's (1992; 1996) idea that knowing takes multiple forms and is at least propositional, experiential, practical, and presentational. In stressing the importance of all four of these territories of knowing, Marshall and Reason (1998) draw two conclusions: that knowing can be discovered in and for action; and that, because knowledge generated through action is emergent, and unfolding, it cannot be adequately anticipated at the outset. For these reasons the interweaving of different forms of knowing, and the cycling between reflection and action, develops good quality theory and informs sound management practice.

All four forms of knowing are in evidence in this project. For example, theoretical knowledge is interconnected with the practical and experiential to be expressed through vivid proofs-of-concept and working prototypes of the community enterprises that each of the participating groups wish to launch. While discussing action science

and organisational learning, Argyris (1995) asserts that learning occurs whenever errors are detected and corrected, or when a match between intentions and consequences is produced for the first time. With the Pacific Island community groups on the program, these may have helped catalyse their development.

Further support for the utility of the action-theory hybrid is anchored in Reason and Torbert's (2001) description of the four key dimensions of action science: the primacy of the practical, the centrality of participation, the requirement for experiential grounding, and the importance of normative, analogical theory. On the evidence of the outcomes, the Pacific Island community groups clearly used their opportunities for inquiry to forge a more direct link between intellectual knowledge and social action. As a result, the inquiry contributed directly to the flourishing of their communities.

This chapter concludes by reiterating that - notwithstanding the difference in the nature of their responses - both strategic entrepreneurship and community economic development demonstrate the richness and relevance of interfacing disciplines and working with hybrids to adapt successfully to fast-changing environments.

## **Chapter 4 - Innovation performance in uncertain times: Reconfiguring the sustainability challenge as creating dynamic balance between exploration and exploitation**

Chapters one to three have been concerned with adapting to the environment. This chapter continues the associated theme of how increases in the drivers of discontinuities, the density of their interconnections, and the speed of their networking across domains, have contributed to linear instability and unpredictability (Eisenhardt, 2002). Chapter four's approach to engaging productively with this uncertain environment is to consider innovation as the centrepiece of an organisation's growth strategy. It discusses how innovation has emerged in this role because innovation can underwrite longevity of extant revenue streams (extractive exploitation), while, simultaneously, creating entirely new opportunities for the future (entrepreneurial exploration).

In reviewing the research on innovation, this chapter considers an organisation's sustainability challenge in uncertain times as also the leadership and management challenge of creating dynamic balance between exploration and exploitation. It accepts that the current academic and practitioner literature, which focuses on innovation as a successful growth strategy, is mindful of strategic, structural, skills and process traps, and the ubiquitous paradoxes which they create. Nevertheless, it argues that even this significant body of literature does not give enough emphasis to three emerging and significant senior management and strategic leadership practices which if not enacted well, can pose significant hurdles to effective innovation performance. This chapter identifies these three leadership practices that enable value leverage far beyond individual firm capabilities as: smoothing "creative abrasions" (Brown & Duguid, 2001, p. 93); being an "appreciative audience" (Amabile & Khairi, 2008, p. 107); and creating and proactively managing "innovation eco-systems" (Adner, 2006, p. 98). Without these new leadership practices, this chapter argues that, in an organisational climate of competing initiatives, strategically worthwhile and long-term innovation programs will not be adequately recognised and resourced.

## **Setting the scene: Innovation as the answer to the new imperative for permanently reinventing the customer value proposition**

Eisenhardt's (2002) identification of the conditions of linear instability and unpredictability has direct implications for organisational quests for sustainable competitive advantage. They suggest that, as in other chaotic conditions, adaptive advantage rather than competitive advantage will enable a faster and more flexible response. This has come about because businesses, in such a nonlinear world, require strategic understanding and attention that go beyond mere marketplaces and market dynamics, and extend to socio-environmental developments and larger geopolitical considerations.

These same uncertainties suggest that adaptation for customer and market success will foreground, among other factors, the organisation's ability to understand important customer and market needs and its capacity to consistently create customer value (Carlson & Wilmott, 2006) even as its customers are constantly changing. As a result, an organisation's prosperity, and perhaps survival, has become conditional on its ability to stay ahead of the competition, in understanding and delivering on its customers' changing definition of value. Organisations across industries including not-for-profit sectors (Waddock, 2008) seek the capacity to constantly reinvent and reinvigorate their equivalent of customer value propositions.

In such an environment, it is no surprise that innovation once again occupies centre stage. Kanter (2006) calls it a "prime focus of growth strategies" (p. 73) and Christensen and Johnson (2006) term it both a "key strength" (p. 17) and a "critical investment" (p. 17) for market leadership now, and in the future. Theorists also specify particular ways in which innovation delivers on this promise by driving: top-line growth through new products and services' volume and price leverage (Christensen & Johnson, 2006); bottom line augmentation through process innovations that result in cost savings (Hagel III & Brown, 2005a); and transformational growth from business model reconfigurations and new venture creation (Kim & Mauborgne, 2004). Indeed as Morris (2006) and others put it, innovation, when embraced as a core value, practiced as a core methodology, and produced as a core output, delivers adaptive organisational advantage on both extant and future perspectives.

Such organisational advantage is a feature of great significance in a globally hypercompetitive business climate where the pressure on organisations to build a portfolio of products and services for future sustainability is counter-balanced by their equally pressing need to protect extant business to ensure ongoing viability. For this chapter, the movement – between today’s viability and tomorrow’s sustainability – offers an alternate lens from which to view the challenge of organisational sustainability.

## **Balancing exploration and exploitation as the challenge of organisational sustainability**

Organisational strategy and leadership needs to come to terms with this tension between exploration and exploitation for sustainable growth in complex environments. This chapter goes so far as to contend that this tension, when handled creatively and consciously, can serve to reframe the organisation’s sustainability challenge as one of achieving dynamic balance between entrepreneurial and extractive activities. Seen from one angle, the new competitive landscape dictates that organisational focus must move away from old style strategic management (loss prevention and activities coordination) towards newer, exploratory, and entrepreneurial management, which is more concerned with discovery, development, and growth. For most of the authors in Hitt, Ireland, Camp, and Sexton’s (2002a) collection, for example, continued reinvention of the organisation through such exploratory activity is vital for survival.

Seen from another angle, there is a pressing argument for ongoing exploitation since the imperative is to fortify and grow already existing revenue streams, because such streams will provide the resources required to adapt to turbulent futures in a globally hypercompetitive business climate. In dynamic contexts, however, as March (1991) observed, sustained organisational performance is not an either/or choice between executing incremental innovation in the extant product (exploitative innovation) and implementing non-incremental (exploratory) innovation for the future. Rather, as Smith and Tushman (2005) have further confirmed, it depends on leadership effectively balancing the creative tension between exploring and exploiting actions. Others (Eisenhardt & Sull, 2001; Christensen, Craig, & Hart, 2001; Foster, 1997) agree that, in fact, a business’s viability and long-term sustainability are together predicated on the ability to build tomorrow’s opportunity while still managing today’s business.

It is nevertheless important, because there are innate strategic contradictions in such a path, to emphasise the associated need for levels of creative and conscious engagement. Theorists have recognised for some time that exploration and exploitation, because of their very different emphases, are contradictory organisational processes whose outcomes vary in terms of their expected value, timing, and distribution (March, 1991). Moreover, exploration and exploitation are associated with different and inconsistent organisational architectures and processes. Exploitative innovation is associated with rigid processes, such as those for market research, strategic planning, and budgeting which, while they may not be adaptive, do support reliable repeatability (Christensen, 2002).

In contrast, exploratory innovation is associated with the need to compete and succeed in the marketplace through recognition of emergent, rather than deliberate, strategy. That kind of exploration has a bias towards organic germination rather than careful crafting (Christensen, Johnson, & Dann, 2002). Of course, these incompatibilities – between exploratory and exploitative (extractive) activities – are not new in the literature. Indeed, tensions between activities focused on productivity improvements and cost reductions and those focused on innovation and flexibility have remained in the foreground of many business sectors for at least three decades (e.g., Abernathy, 1978).

What is new is the intensified pressure caused by the high-velocity change and global uncertainty of recent times. This has pushed the exploration-exploitation tension to the forefront and has made it a critical balancing act for leadership and senior management. It adds intensity to Porter's (1996) still-valid view that an over-concentration on exploration activities prevents the realisation of operational effectiveness at the productivity frontier of exploitation. Alongside Porter's (1996) perspective, however, Sutton (2002) and others show that, especially in times of such rapid change, too much exploitation leads to rigid managerial cognitive frames and cautious conservatism. These can undermine an organisation's ability to explore in prevailing dynamic contexts. In contemporary contexts of higher levels of organisational need for dynamic balance, this chapter posits that innovation is central to underwriting sustainable productivity because it is a growth strategy capable of supporting both exploration and exploitation.

## **Framing innovation: Practices and processes from interfaces between management science and industry.**

At least four decades of studying innovation in the private sector, and more than twenty years of interest in innovation in the public sector, have shown that innovation is a multi-faceted phenomenon. Many theorists (Borins, 2002; Tushman, 1997; O'Reilly & Tushman, 2004) contribute to a widespread consensus that innovation emerges in the context of numerous intervening variables with no simple universal formulae that can be applied to ensure success. Many industries have sought to leverage innovation's twin foci of exploration and exploitation, and these efforts have manifested in organisations as distinct revenue streams for simultaneously underwriting near-term viability and long-term sustainable growth (Christensen, 2006; Smith & Tushman, 2005).

This chapter draws on these, and other, research findings to describe three clusters of innovation streams simultaneously managed by an organisation: the first cluster concerns incremental innovations, which are small improvements in existing products and services that deliver greater value to customers (O'Reilly & Tushman, 2004); the second cluster concerns architectural innovations, which apply technological or process advances to fundamentally change an element of the business (Henderson & Clark, 1990); and the third cluster concerns discontinuous innovations, which are radical advances that fundamentally alter the basis of competition in an industry (Smith & Tushman, 2005; Gatignon, Tushman, Smith & Anderson, 2002). Together these three streams deliver Morris' (2006) four types of innovation (described earlier in this chapter): incremental, break-through products and technologies, business models, and new ventures.

Industry has made many trial and error attempts to find the best set of processes, procedures and practices which will deliver all three streams of innovation to their operations. These attempts have been captured in Dougherty's (2006) description in the *Handbook of Organisation Studies*:

Previous Product Development Management Association surveys found that innovative companies used more "best practices" especially strategic systems. The 2003 survey found that the most innovative organisations used practices selectively, moulded the ones they did use to fit particular situations, and implemented them more effectively.

Moreover innovative organisations managed the entire organisation to support innovation by ensuring that resources flowed smoothly to innovation teams, that structures, processes, and other organisational mechanisms supported innovation, and that long-term investments in supporting technologies were made. Innovation thus involves explicit managing of organisation design and practices. (p. 598)

Other descriptions in the literature of such industry attempts at deriving best-practice innovation through experimentation include: General Motors Saturn Plant (Brown & Duguid, 2001); IDEO Product Development Company (Hargadon & Sutton, 2000; Kelley, 2001); Idealab! (Hargadon & Sutton, 2000); 3M's Skunkworks (Hippel, Thomke, & Sonnack, 1999; Thomke, 2001); Xerox's PARC facility (Brown & Duguid, 2001); and Blyth Industries (Macmillan & McGrath, 1997).

In the best traditions of emergent inquiry, such experimental sandboxes provide an environment conducive to the creation of knowledge and the improvement of practice. They suggest varied, and often prescriptive, solutions for embedding creativity in organisations. These range across: encouraging communal creativity through an expressive free space (Kelley, 2001); employing lead-users for creating breakthroughs (Hippel et al, 1999); and creating enlightened experimentation to best leverage old and new technologies (Thomke, 2001).

Academic researchers and management scientists have used these kinds of projects to theorise best-practice processes for nurturing innovation. The resulting theoretical assertions stem from their deterministic belief that "innovation is not random" (Christensen, 2002, p. 34), and that, once all the factors that affect successful innovation are understood, their outcomes will become predictable.

While this thesis demurs at such reductionist confidence, it does however acknowledge that they have a certain utility. In practice, they provide an emerging framework of well-researched and replicable practitioner models and academic theories at the interface of management science and industry practice. They also provide simplified representations of innovation in what is otherwise a complex, seemingly serendipitous, and nonlinear field. Paradoxically, however, the same reasons – complexity, serendipity and nonlinearity – pre-determine the mixed success that both industry and academics have had in their efforts to guide both research and action, and underlines the urgency of continued engagement at the interface (Albury, 2005).

## **Innovation performance as the new lens: Barriers to avoid and new practices of strategic leadership to adopt**

Innovation is therefore an attractive organisational growth strategy in these turbulent times if organisations are able to become sustainably productive. Kanter (2006) lists four traps to be avoided when pursuing an innovative culture: strategic confusion of scope and scale; process handicaps of constraining tightness, structural isolation due to loose connections with, and sharp separations from, the parent business; and skills lacunae arising from poor leadership direction. Adding to this list Sidhu, Commandeur, and Volberda (2007) highlight some of the ubiquitous organisational paradoxes involved with such traps. These include the dynamic tension between change and preservation, learning and adaptation, competition and selection, and routines and dynamic capabilities.

While sharing Kanter's (2006) and Sidhu et al.'s (2007) identification of barriers and paradoxes, the rest of this chapter goes on to argue that their views would benefit further from taking an innovation performance perspective. From this perspective the delivery of demonstrable, reliable, and consistent results (as the outcome of any innovation process), becomes the fundamental objective of an innovation growth strategy. Moreover, such a perspective requires a widening of the scope of the discussion around strategy, structure, skills, and process so that, for example, new leadership practices, which require successful senior management and leadership enactment, will also be essential if effective innovation performance is to be achieved.

Without these leadership practices, allied to an innovation performance perspective, strategically worthwhile and long-term innovation programs will not be adequately recognised and resourced, especially given prevailing organisational climates of tight competition for competing initiatives. The chapter buttresses this viewpoint by describing three emergent leadership practices needed for an innovation performance leadership repertoire: smoothing "creative abrasions" (Brown & Duguid, 2001, p. 93), being an "appreciative audience" (Amabile, & Khaire, 2008, p. 107), and creating and proactively managing "innovation eco-systems" (Adner, 2006, p. 98) to leverage value beyond individual firm capabilities.

Resolving creative abrasions is the first leadership practice for effective innovation performance. Innovation strategies, because they too easily isolate new practices from essential process, often present new and difficult-to-navigate internal consistency issues for senior management and leadership,. This results from creative abrasion between process that emphasises the hierarchical, explicit command-and-control side of organisation – the structure that gets things done – and by contrast, practice that emphasises the implicit coordination and exploration – that produces things to do.

Practice without process becomes unmanageable and process without practice results in the loss of creativity needed for sustained innovation (Brown & Duguid, 2001, p. 93). Surmounting this hurdle – of the disconnect between process and practice – requires senior leadership to make use of practitioner frameworks to mesh process and organisational practice synergistically.

In recommending such an approach, the chapter is aware that it conflicts with the opposing views of traditional organisation theorists. These are best expressed in Dougherty's (2006) criticism that "organisation design has been given over to consultants, in part because design is understood in a-theoretical terms, as the use of tools and techniques that are based more on fads than on scholarship (e.g. process engineering, total quality, and stage gate)" (p. 599). Notwithstanding her withering summation, this chapter finds support for its recommendation in more recent, and, arguably, more prevalent, academic views. Amabile and Khairi (2008) express one such view in stressing that: "If research is to inform the practice of management, and if practical challenges are to guide research agendas, then we must have frameworks and theories – call them coordinated totems if you will – to collaborate around" (p. 109). Cooper (2005) had earlier provided examples of such "coordinated totems" (p. 23) including the Stage Gate model, which is a well-tested framework for innovation work that invests process with creativity, while at the same time making practice manageable.

The second leadership practice for effective innovation performance involves being an appreciative audience. Leadership's role as an innovation enabler has for some time been recognised in the leadership literature (Bennis & Biederman, 1997) and increasingly emphasised in the innovation literature as in Morris's (2006) emphatic statement that: "innovation begins at the top of every organisation, and **without the**

**right leadership, companies just don't innovate"** [bold in the original] (p. 193). This second leadership practice of being an appreciative audience significantly extends this conceptualisation of senior leadership's role in challenging and inspiring creative work, as a vital prerequisite for effective innovation performance in organisations (Amabile & Khaire, 2008). This is because the practice of being an appreciative audience has to be enacted in the organisation in a variety of ways. It requires leadership to commit to, and believe in, a fundamental (if intuitively contrarian) view, that good people are rarer and more valuable than good ideas (Catmull, 2008).

It thus pre-supposes the need for leadership to create an environment of psychological safety. This enables people to see their organisations and leaders as collaborative, cooperative, and open to new ideas, able to evaluate and develop new ideas fairly, clearly focused on an innovative vision, and willing to reward creative work (Garvin, Edmondson, & Gino, 2008). Although not industry specific, this chapter endorses Lingo and O'Mahony's (2007) allied findings – from their grounded theory research in creative media production – that “entrepreneurial individuals driving these projects must not only acquire and retain resources, but also integrate contributions from many different types of experts in order to develop creative products” (p. 1). Lefeley and Charan (2008) reinforce this centrality of inspiring and innovation-linked leadership in confirming that, in “the integrated process of leadership, it is the leaders who link all the drivers of integration together, energize people, and inspire them to new heights” (p. 15). Leadership's appreciative audience practice under these circumstances becomes a key lever for driving motivation and innovation performance (Amabile & Kramer, 2007).

### **Leveraging external linkages in the external eco-system: The third leadership practice for effective innovation performance**

The third and final senior leadership practice for effective innovation performance is the forging of external linkages that support innovation in the organisation. These external linkages can deliver value on three dimensions: innovation-centric intellectual property (including frameworks, tools, techniques and templates that can be integrated into existing change management programs); vibrant alliances with thought leaders (including business schools, and innovation think-tanks, which can become sources of knowledge and learning with theoretical rigour); and alliances with other

businesses and organisations both within and extraneous to the industry, which can provide exposure to a ready source of best-in-class innovation practices and precepts.

The merits of collaborating clusters of related, and supported industries for building a national competence of consistent innovation was first mooted by Porter (1990b). In a subsequent empirical examination of the determinants of national innovative capacity, Furman, Porter, and Stern (2002) further argued that the strength of the linkages between national innovation infrastructure and these clusters, were instrumental in a “more productive flow of innovative output” (p. 900). During the time of writing of this thesis, such an approach has made quantum leaps in theory and practice as the need for such collective endeavour has been heightened by the changing environment.

A good example of such productive collaboration is the one between A. G. Lafley, Chairman and CEO of Proctor & Gamble, and Harvard Business School faculty member, Ram Charan, to co-publish *The Game-Changer: How Every Leader Can Drive Innovation* (Lafley & Charan, 2008). Their book’s avowed goal is to foreground innovation as central to business success:

The acceleration of change today is unprecedented. It creates opportunities as well as the threat of obsolescence. The best way to win in this world is through innovation. . . . The fruits of innovation – sustained and ever-improving organic revenue growth and profits – have to become integral to the way you run your business. That means making innovation central to the goals, strategy, structure, systems, culture, leadership, and motivating purpose and values of your business. (Lafley & Charan, 2008, p. xi)

Others have stressed the vital importance of group creativity to an organisation even when it is outsourced. Taylor and LaBarre (2006) underline this in a chapter headed “Ideas Unlimited: Why No One Is As Smart As Everybody” and cite Rob McEwen, former chairman and CEO of Goldcorp on how he sought to change the tired, old industry of gold mining by doing “something that no one in the industry had done, to tap into the intellectual capital of the whole world” (McEwen, cited in Taylor & LaBarre, 2006, p. 63). McEwen realised that people didn’t have to work *for* his company . . . in order to work *with* his company” (p. 65) [italics in original], and posted

all of Goldcorp's data on a specific mine, including "50 years worth of maps, reports, and raw geological information – along with software that displayed the data" (p. 65).

He then proceeded to "invite scientists and engineers from anywhere in the world to download the data, analyse it as they saw fit, and submit drilling plans to Goldcorp, which would convene a blue-ribbon panel of judges to evaluate the submissions" (McEwen, cited in Taylor & LaBarre, 2006, p. 65) with the goal of helping Goldcorp "find its next 6 million ounces of gold" (p. 65), for which there would be a reward "prize money of \$500,000 [US\$], to be divided among 25 semi-finalists and 3 finalists chosen by the judges" (p. 65). Although considered a radical outsourcing of innovation to unknown external agents at the time, McEwen's challenge drew submissions from 51 countries and resulted in outstanding success not only in the gold mined, but in company share price in an industry, which "had rarely, if ever, seen anything like the surge in Goldcorp's operating performance and stock price" (McEwen, cited in Taylor & LaBarre, 2006, p. 67).

The Goldcorp example, and many others in Taylor and LaBarre (2006) book, lend support to Sawyer's (2007) hypotheses that innovation is a product of groups, and that the cross-fertilising, dynamic environment of clusters, rather than individual endeavour, is more aligned to sustainable innovation in a globalised, and flattening world. They find echoes in Nambisan and Sawhney's (2007), *The Global Brain: Your Roadmap for Innovating Faster and Smarter in a Networked World*, where the authors advocate strongly for an externally focused approach to innovation that relies on harnessing the resources and capabilities of external networks and communities to amplify or enhance innovation reach, innovation speed, and the quality of innovation outcomes.

Empirical endorsement of such a strategy comes from a variety of sources including for example, a joint worldwide study by MacCormack and Forbath (2008) from Harvard Business School and Wipro Technologies respectively, involving one hundred managers from twenty companies in industries ranging from aerospace to software that found that "company success is increasingly tied to its ability to orchestrate and integrate the efforts of hundreds of global partners" (p. 26). Other researchers have studied how East meets West with evidence from Asian practitioners, in for example, DeKrey and Messick's (2007) collection *Leadership Experiences in Asia: Insight and Inspiration from 20 Innovators*, as well as specific studies with a deliberate global dimension, as in

Cohen's (2007) field research into *Leadership Without Borders: Successful Strategies from World-Class Leaders*.

Such a radically co-creative world view is already visible in the successful use of operating models of platform leadership, and open innovation by industry leaders like Nokia, GE, and Procter & Gamble to transform entire industries (Chesbrough, 2003). This thesis reinforces the trend by arguing that the efficacy of such collaborative arrangements is illustrated by the ability of these organisations to provide customers with integrated market-facing innovations that are a gestalt sum of the individual contributors' value propositions. Senior leadership's practice of building and leveraging "innovation ecosystems" (Adner, 2006, p. 98) is fundamental to firms being able to collectively create value that is greater than their individual abilities.

Some of the enactments of this practice include managing the inherent risks of initiative, interdependence, and integration that such eco-systems carry. Thus one enactment of this practice requires leadership to manage the marked differences in outcome expectations between ecosystem members. For example, in an industry-academia innovation eco-system, the need for speedy, usable solutions on the part of industry on the one hand, is arguably not mirrored on the other hand, by academia's limiting preoccupation with obtaining publishable research data rather than a commercially viable outcome. In throwing individual schedules out of step, this uneven progress can exacerbate the delays caused by interdependence between complementary innovators in such an ecosystem. This thesis, therefore, stresses the importance of the new leadership practice in identifying, estimating, and managing all the risks associated with such collaboration. It does so even at the same time as it sees such collaboration as unequivocally augmenting the density and scope of the organisation's external linkages by adding a unique dimension of resource leverage to its innovation process and programme repertoire.

## **Conclusion**

This chapter has used the emergence of innovation as the centrepiece of an organisation's growth strategy in uncertain times. It has also argued that three new leadership practices – smoothing creative abrasions, providing an appreciative audience for creativity, and constructing and leveraging an innovation ecosystem to

generate value multiples for clients and customers – have, to date, been under-emphasised. It further contends that they take on greater significance in an organisational growth strategy that is predicated on an innovation paradigm. In describing how these leadership practices enable the organisation to meet the challenges that arise as a consequence of adopting an innovation growth strategy, the thesis underlines the need to reconfigure an organisation's sustainability challenge for contemporary uncertainties. It concludes that reconfiguration has to foreground the ability to create dynamic balance between exploration and exploitation and to manage the paradoxes that result because of this tension.

## Chapter 5 - Era-shaped responses: Correlations between environment, leadership, and strategy

Chapter five moves on from chapter four's consideration of the factors that foreground the success of innovation as a contemporary growth strategy. It takes a broader view of the relation between environment, strategy, and leadership, and attempts to situate correlations between the three in a longer historical context. More specifically, by following the widespread practice of organising history into coherent periods, this chapter identifies significant commonalities and differences in strategic environments across different time periods. It then goes on to cluster these different eras into broad categories. In identifying such configurations for distinguishable periods of time, it acknowledges postmodern and poststructuralist challenges (see Munslow, 2000) to the assumed coherence of all periodic divisions, and accepts associated assertions, such as De Landa's (2000) *A Thousand Years of Nonlinear History*, of the impossibility of objectively confirming that such periods do exist. Nevertheless, the chapter adapts this common practice from general history to similar practices in the management literature, and, indeed, partly derives its classification of periods from already published work in leadership – not only Mayo and Nohria (2005a; 2005b) but the very title of Hesselbein and Goldsmith's (2006) *The Leader of the Future 2: Visions, Strategies, and Practices for the New Era* (Hesselbein & Goldsmith, 2006a) – and strategy (Mintzberg, 1994; Mintzberg, Ahlstrand, & Lampel, 1998).

Thereafter the chapter endeavours to deploy the eras specified, however contentious, as useful structural devices for describing the configuration and characteristics of changes across time, and associating organisational circumstances with its particular responses. It also deploys this typology to describe the current context through Williams' (1977) helpful categorisation of prevailing responses in any era as comprising of a spectrum which ranges from residual, through dominant, to emergent. It also shares his associated conceptualisation that, while these three coexist unevenly, each is capable of interchanging positions with the other two, so that, for example, one era where religion was dominant and secularism is emergent, may shift to another era where secularism is dominant and religion is residual.

In identifying the existence of relatively distinct common strategic environments for different eras, the chapter goes on to connect such periods with dominant approaches in strategy, leadership processes and leadership responses heeding Mintzberg et al's (1998) premise that "response to the forces of the environment . . . must be found at its own time and its own context" (p.306). It acknowledges that any classification will tend to oversimplify the complexities – by minimising the contradictions and differences that inevitably occur in human interactions over time – and by establishing boundaries that are convenient points in a continuum rather than absolute divisions. Both these drawbacks can be observed in similar attempts at clustering contexts. For example, Hitt, Ireland, Camp, and Sexton's (2002b) correlation of organisational size to its leadership's choice between creative (entrepreneurial) and performance-oriented (strategic management) practice, incorporates such generalisations which are clearly visible in their assertions that: "Entrepreneurship focuses on creation while strategic management focuses on building a competitive advantage. Additionally, entrepreneurship has largely examined small businesses while strategic management has focused on large businesses" (p. 3).

For the focus of the zeitgeist discussion which follows, this chapter broadly classifies eras of the common strategic environment and correlates them with the strategy, leadership processes, responses and approaches of that period. It identifies three dominant responses in the given periods: transactional, transformational, and new-new leadership practices. It argues that while these three leadership paradigms have successively emerged, as the best theory-in-use for a prevailing time and set of circumstances, they have each been presented as a synthesis of previous and current practices to enable leaders to successfully navigate new era uncertainties. It also observes an emerging discourse in the literature around a new and significant leadership perspective which can be related to contemporary uncertainties.

### **Era-based strategic responses**

Figure 1 below offers a visual representation of the chapter's proposition that a firm's common business unit, or industry level, competitive environment, plays a critical role in success or failure. Support for that as a mandatory lens for viewing both a firm's current development and the content and quality of its responses to future challenges can be found in much strategy theory (e. g., Mintzberg et al., 1998; Pitkithley, 2003).

Notwithstanding the ongoing debate of whether it is environmental determinism (to a larger or smaller degree), or whether it is leadership’s environmentally-contextualised intentionality that determines firm’s choices, theorists such as Mintzberg and Waters (1985), Johnson and Scholes (1999), and Whittington (1988), argue that changes in a firm’s common strategic environment and strategy are correlated. This correlation has recently been reinforced by Montgomery’s (2008) contention that, as a minimum, strategy helps position a company in “its external landscape” (p. 56) and is further evidenced in the strategy and strategic entrepreneurship literature (Hitt, Ireland, Camp, & Sexton, 2002a; Mintzberg, & Lampel, 1999; Mintzberg, Quinn & Ghosal, 1995). The centrality of this relationship can be reinforced by backtracking to its history in strategy.

ERA	1940-1960	1961-1980	1981-1995	1996-2004	2005-PRESENT
COMMON STRATEGIC ENVIRONMENT	DELINEABLE & STABLE	STABLE & MATURE	FLUID & DYNAMIC	PUNCTUATED & DISCONTINUOUS	HIGH VELOCITY & COMPLEX
STRATEGY	PRESCRIPTIVE	LEARNING	EMERGENT	CONFIGURATIONAL	

**Figure 1: Environment and organisational strategy**

**Source: Adapted from Mintzberg et al. (1998, pp. 354-359).**

Organisational strategy has revolved around planning and design whenever the external environment has been viewed as benign, comprehensible, and controllable (see figure 1 above). The assumption has been that slow-changing trends can be accurately forecast, so that the resulting opportunities and threats can be reasonably mapped, and the organisation’s own resources and capabilities matched accordingly.

This whole arrangement can then be set to a grand plan to ensure that present performance can be extrapolated in generally linear fashion into the future (Ansoff, 1969; Kay, McKiernan & Faulkner, 2003). Extensions of this rationalist paradigm, predicated on environmental stability, can also be found in organisational strategy rooted in prescriptive formulae and simplistic choices like the Boston Consulting Group

matrix (Henderson, 1979), and Porter's (1980, 1985, 1990a, 1991, 1996) model of competitive analysis – focussing on industry, competitor, generic positions, sustainable competitive advantage, strategic groups, game theory, and value chains. In a relatively stable environment, this static view of strategy, what Montgomery (2008) calls “a set solution” (p. 58), allows the organisation to commandeer a defensible market position.

As the driving forces and the critical uncertainties in the common strategic environment become more volatile and unpredictable, so strategy responds appropriately (by, for example, eschewing static planning, design, and positioning frameworks). In their place, organisational strategists seek to capitalise on a firm's internal resources and capabilities to build dynamic capabilities that underwrite its ability to create unique value. This means adopting a cognitive view of strategy formation as the generation of emerging perspectives that equip an organisation to respond to a complex and unpredictable environment rather than just a stable one. As Teece, Pisano, and Shuen (1997), Prahalad and Hamel (1989, 1990, 1994a; 1994b), Snowden and Boone (2007), and others show, this can be accomplished by precluding deliberate control and thus allowing the merging of strategy formulation and its implementation, and by facilitating learning over time. It also positions strategy formation as a process of social interaction, based on the beliefs and understandings shared by the members of the organisation. Such an approach enables learning to be embedded in the organisation as shared wisdom and values, and enacted behaviour (Campbell & Yeung, 1991; Collins & Porras, 1994; Collins, 2001a).

### **Identifying the organisational environment: Linkages with leadership responses and processes**

This chapter contends that strategy formation will itself need to change to a new two-state process. The requirement will be to extend adaptive thinking in order to deal with environmental change that accelerates beyond punctuated discontinuities to the high velocity, complex, but interconnected, uncertainties of the present time. To protect the survival and functioning of the organisation under these prevailing circumstances, strategic intent must, on the one hand, aim to sustain stability by strategic adaptation most of the time, while, on the other hand, it must be capable of, at least periodically, managing a disruptive transformation process to a new configuration (Miller & Friesen, 1980). Thus a persistent quest for improvement will hinge on the capacity of an

organisation to configure both adaptive and generative strategies for sustainable longevity (Bawden, 2007).

The notion of change as revolutionary transformation (Miller, 1996) inherent in such a two-state process is in direct opposition to other views of change as evolutionary and incremental (Quinn, 1982). This chapter recognises this as a valuable, if unresolved and ongoing, debate in strategic management. It however underscores the power of the configurational strategy to integrate both revolutionary strategies, as in catastrophe scenario examples, such as Brown's (2008) latest view of a civilisational tipping point, and adaptive strategies, such as the responsiveness encoded in Esty and Winston's (2006) title *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Value*.

Over the past five years, the leadership literature has repeatedly underlined the correlation between leadership and organisational environment. Tichy and Bennis (2007) go so far as to view leadership's ultimate act as the process of making judgment calls, and identify the very first step of that judgment process as sensing and identifying environmental signals. Exemplary leadership has been defined in other recent literature as the ability to manage nonlinear environmental change and its unprecedented problems and unexpected consequences (Bennis, 2004, p. 334; Bennis, Burke, Gery, Juechter, & Tichy, 2003; Hesselbein & Goldsmith, 2006).

In predicting that executive leadership will be successful in new roles only if the new firm environment matches the old, Groysberg, McLean, and Nohria (2006) draw an even closer correlation between the environment and leadership. Accordingly, leadership processes, if they are to have more lasting consequences, must, as in figure 2 below, map well to environmental contexts.

ERA	1940-1960	1961-1980	1981-1995	1996-2004	2005-PRESENT
COMMON STRATEGIC ENVIRONMENT	DELINEABLE & STABLE	STABLE & MATURE	FLUID & DYNAMIC	PUNCTUATED & DISCONTINUOUS	HIGH VELOCITY & COMPLEX
LEADERSHIP PROCESS	DOMINANT & JUDGEMENTAL	RESPONSIVE TO ANALYSIS	RESPONSIVE TO LEARNING	PURPOSEFUL SEARCH FOR MEANING	CHANGE AGENT

**Fig. 2: Leadership process vs. Environmental Context**

Sources: Adapted from Mintzberg et al. (1998, pp. 358-359); Groysberg et al. (2006, pp. 92-100); Tichy and Bennis (2007, p.97).

This growing need to understand the prevailing confluence of global uncertainty in events, demographics, social mores, technology, and labour markets, combined with the simultaneous pursuit of the unique opportunities it presents, make unprecedented calls on leadership. In Mayo and Nohria (2005b) considered assessment: “A leader’s long-term success isn't derived from sheer force of personality or breadth and depth of skill. Without an ability to read and adapt to changing business conditions, personality and skill are but temporal strengths” (p. 45). Building on the correlation between the changing environment and the emerging world of new strategies identified earlier, and providing a logical extension to it, the relationship between a firm’s leadership approaches and its environment is underlined in figure 3 below.

ERA	1940-1960	1961-1980	1981-1995	1996-2004	2005-PRESENT
COMMON STRATEGIC ENVIRONMENT	DELINEABLE & STABLE	STABLE & MATURE	FLUID & DYNAMIC	PUNCTUATED & DISCONTINUOUS	HIGH VELOCITY & COMPLEX
LEADERSHIP RESPONSE	RIGID	REACTIVE	REACTIVE ADAPTIVE	ADAPTIVE GENERATIVE	GENERATIVE

**Figure 3: Environment and leadership responses**

Sources: Adapted from Mintzberg et al. (1998, pp.358-359); and Montgomery (2008, p. 58).

As Mintzberg et al. (1998) have observed, stable environments, and the rational and prescriptive strategies they spawn, also demand rigid leadership, i.e. leadership that is dominant and judgemental. Such leadership is aimed at supporting superior responses: in transactional behaviour to procedures, in creating acquiescence to organisational routine; and in encouraging receptivity to quantitative analysis (Mintzberg et al, 1998). Conversely, discontinuous environments, and the learning strategies that they engender, require cognitive and entrepreneurial leadership approaches that are both responsive and adaptive. Essentially, the move is from passively reacting to outside forces towards actively learning, creating, and innovating. Support for the final generative characteristic is found in Montgomery's (2008) view that, in high-velocity and complex environments, leadership needs to demonstrate generative approaches that continuously engage with holistic, open-ended, and organic organisational processes.

### Transactional leadership: Benign environments and the advantages of economic exchange

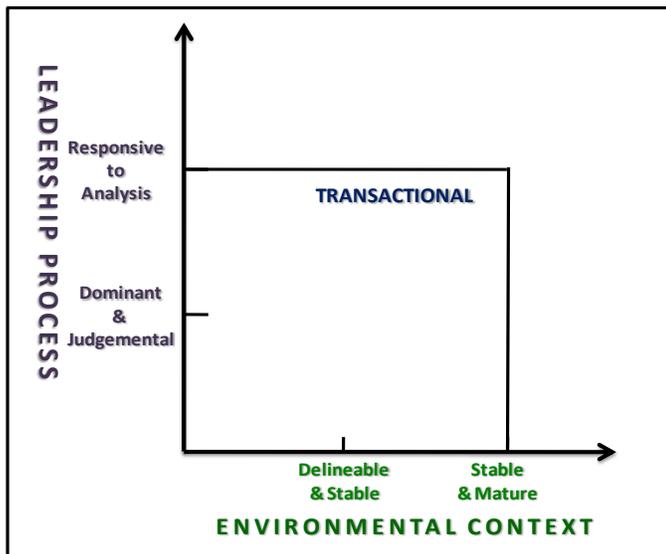


Fig. 4: The leadership and environmental context of transactional leadership

To illustrate these points further, this section will look at the period from the late 1940s through to the 1970s. This era will be positioned, albeit simplistically (since it obviously also contained its own contradictions), as the industrial age exemplar of a delineable, stable, and mature environment. Such conditions can be seen (as in figure 4 above) as ideal for framing transactional leadership in action and for enabling organisational leaders to concentrate “on method, technique and mechanisms rather than on broader ends and purposes” (Burns, 1978, p. 405). Through these foci they can satisfy the self-interests of organisational members, and manage day-to-day organisational operations.

One such approach is transformation leaderships and attempts to make distinctions between it and transactional leadership has a long history. As Weber (1924/1947) long ago recognised, economic and non-economic sources of authority are the critical distinction between the two with the economic linking to the transactional. Taxonomically, the exchange notion underlies all other leadership approaches (Hollander, 1980; Graen & Cashman, 1975; Graen & Uhl-Bein, 1995). These views are enhanced further with Miller’s (1976) and Miller and Frieson’s (1980) concept of archetypes, transition between archetypes, and their theory of quantum leaps rather than incremental changes when transitioning archetypes. In conjunction, such approaches help to explain the almost simultaneous co-existence of transactional, transformational, and new new-leadership approaches in organisations at different times.

Equally useful in accounting for the change are both Miller and Frieson’s (1980) suggestion that organisations resolve the strategically contradictory forces of change and continuity sequentially, and Burns’ (1978) classic construct of transforming and transactional leadership as the two opposing end points of a single continuum. This chapter, however, concludes that transactional and transformational leadership approaches are employed by the same leader at different times for different contexts. It notes how Bass and Avolio’s (1993) later research findings support this conclusion in emphasising that “the best of leaders displayed both transformational and transactional leadership” (p. 457).

## Transformational leadership: Environmental turbulence and mutual interests

Up to this point, the chapter has positioned the time span from late 1940s to the end of the 1970s as the representative period of stability for transactional leadership. It now draws from literature across the management field to situate the last 15 years of the 20th century as presenting organisations with levels of uncertainty, turbulence, change, and competition not previously experienced (Sashkin, 2004, p.191). As organisations struggled to manage technological discontinuities, globalisation, disintermediation, reconfiguration of industry boundaries, internal cultural change, and the empowerment of organisational members (Prahalad, 1998; Hamel & Breen, 2007), there was a demonstrable need for a culture of transformational leadership to augment the transactional culture of the organisation (see figure 5 below). The augmentation enabled leaders and followers to share Bass and Avolio's (1993) "mutual interests" (p. 116).

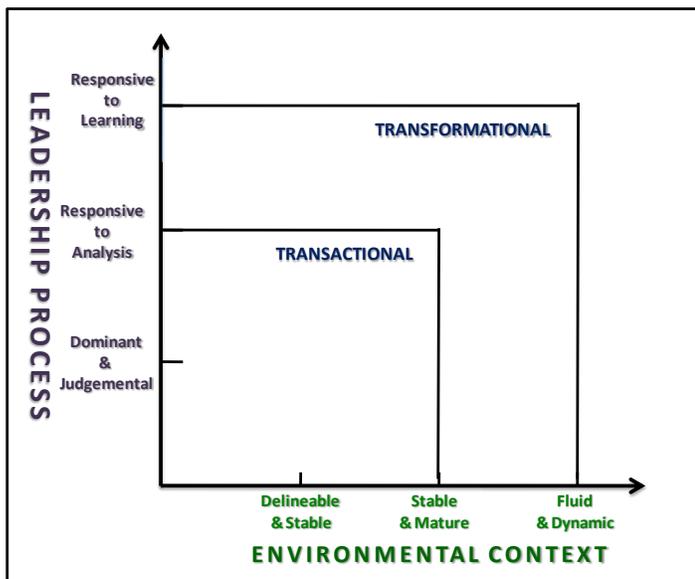


Fig. 5: The leadership and environmental context of transformational leadership

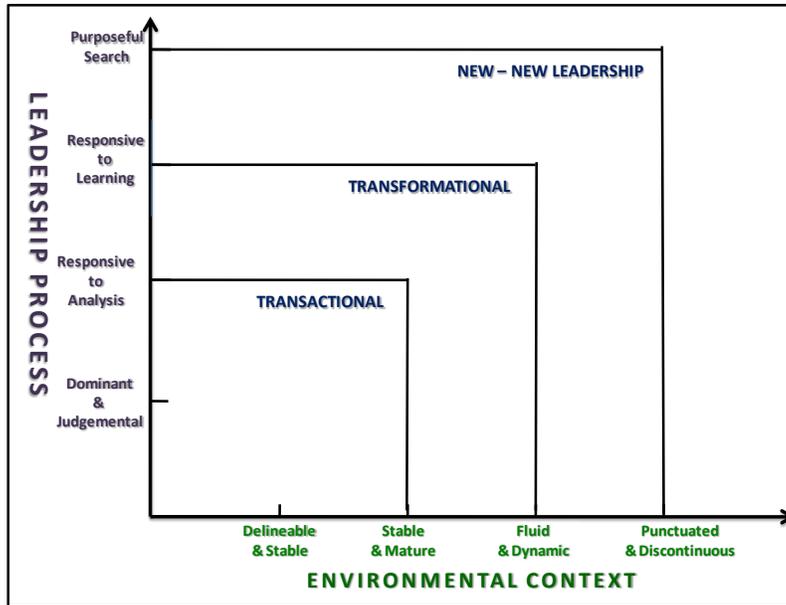
From its inception, in keeping with its less economic focus, transformational leadership aimed to transform the followers' self-interest into collective concerns, and, overall, to

“engage the full person of the follower” (Burns, 1978, p. 4). Transformational leaders sought to achieve this by deploying certain behaviours and traits in an organisation’s structural and cultural context. These included managing followers’ attention using a compelling vision (Bennis & Nanus, 1985), displaying charismatic behaviour (Bass & Avolio, 1995), demonstrating the commitments and practices of leadership (Kouzes & Posner, 1987), constructing organisation systems and structures (Jacques, 1986), motivation (House, Spangler, & Woycke, 1991), and changing organisational culture (Kotter & Heskett, 1992; Schien, 1992). By informing and expressing the organisation’s mission, and by laying the foundation for the organisation’s strategies, policies and procedures, transformational leadership – in direct contrast to transactional leadership – demonstrated an organic world view and ethical altruistic motivation grounded in duty and based on universals (Kanungo, 2001).

This section not only endorses the practices of transformational leadership but sees them as foreshadowing similar, albeit much-augmented and finessed, subsequent efforts including the “new-new” and emergent leadership described in the following sections. These approaches highlight a variety of behaviours, which are aimed at building and energising people and can be seen in such examples as: expressions of care and consideration towards followers (Bass, 1985); use of dramatic metaphors and exciting presentations (Bennis & Nanus, 1985); fostering collaboration and supporting followers in their personal development (Kouzes & Posner, 2002); creating empowering opportunities for followers (Shamir, House, & Arthur, 1993); and involving others in the achievement of a vision (Kotter & Heskett, 1992).

### **New-New Leadership: the personal, organisational and global exploration of beliefs**

What this chapter calls new-new leadership developed in the context of a tidal wave of transformation experienced by organisations around the new millennium. Not all of it has been an evolutionary survival response to environmental changes. While some have seen the manifestations as a result of the trauma of 9/11 (Parrett, 2007), the emergence is uneven across different parts of the globe, with, and without, specific triggers. There are many instances that signal a new and purposeful exploration of values and belief systems both at global and individual levels as in figure 6 below.



**Fig. 6: The leadership and environmental context of new-new leadership**

This section underlines the fact that the sheer size, scope, and transnational nature of the modern corporation heighten the opportunities and dangers because of a “radical shift in the nature of change processes” (Mohr, 2001, p. 2). The change and complexity in the global, societal, business, and organisational environment have clearly shaped the drivers of interest in new-new leadership. This is because they have a deep impact on the way that organisations have to conduct every aspect of their business. Changes in societal values, for example, make it vital for organisations enmeshed in a global war for talent, to engage with employees in a different way to secure commitment. They also surface in other forms: changes in investor focus with intangibles, such as leadership depth and quality, becoming as important in investment decisions as earnings performance (Low & Kalafut, 2002); in implementing organisational change, which demand new leadership behaviours that drive effective change implementation (Gad & Rosencreutz, 2002; Hamel & Breen, 2007; Kotter, 2008); and awareness of the impact of stress on employees as they work harder to deliver under the increasingly relentless conditions of a 24/7 world (e. g., Conner, 1999; Higgs & Rowland, 2001; Higgs, 2003; Weick & Sutcliffe, 2001; 2007).

This chapter further contends that new-new leadership draws extensively from writings influenced by emotional intelligence to explore the emotional and interpersonal aspects of personal engagement. Goleman's (1995) book first brought the term emotional intelligence to a wider audience and his subsequent work found direct ties between this construct and leadership's measurable business results in his research with nearly two hundred large global companies (Goleman, 1999). His further assertions on this basis that emotional intelligence is born in the neurotransmitters in the limbic system and can be learned and, thereafter, used to shape a repertoire of leadership styles to successfully navigate turbulent and changing business environments has stimulated wide-spread leadership interest and organisational engagements with emotional intelligence (Goleman, 1999). Even more traditional psychological approaches such as Kets De Vries, Korotov, and Florent-Treacy's (2007) *Coach and Couch: The Psychology of Making Better Leaders* now talks about helping "clients to develop their emotional intelligence" (p. 351).

In arguments for what their title calls "*The New Leaders*," Goleman, Boyatzis, and McKee (2002) draw urgent inferences, to member networking as part of new-new leadership's approach to managing change. These are clustered with notions of different emotional competencies as ways of preparing answers to such questions as "How do leaders create an emotional climate that fosters creative innovations, all-out performance, or warm and lasting customer relations?" (Goleman, Boyatzis, & McKee, 2002, p. xi). There is supporting evidence beyond the U.S., in Alimo-Metcalfe and Alban-Metcalfe's (2006) research with British public sector leaders, where they also find that networking has a "much stronger sense of working *with* constituents/stakeholders, of understanding *their* agenda, and of creating a *shared* vision" [italic in original] (p. 58). Bennis (2004) reinforces this need for connection because of the new environment by forcefully asserting that "in a globalised world made smaller by technology, it is more urgent than ever that we understand each other's symbols, values and mind-sets" (p. 340) to be able to reach consensus on common goals.

## **Emotions and leadership: Learning from the dark side and from changing contexts**

An emerging trend that has evolved in new-new leadership as a seeming counterpoint to positive emotions and intelligent leadership considers bad leadership. This has a stronger focus, not only on bad leadership as under researched and worth examining in its own right, but on leadership from the perspective of followers of bad leadership (Kellerman, 2004). The research, mainly on what the respective researchers term bad leaders (Kellerman, 2004) and toxic leadership (Lipman-Blumen, 2005) provide an explanatory framework for leaders like Jim Jones, societies like Nazi Germany, and organisations like Enron. In synthesising the core concepts from these researchers, this section contends that both leadership credibility and competency for organisations in complex contexts, is predicated on service, and a commitment to shouldering responsibility in, and beyond, organisational boundaries. From Kellerman (2004) and Lipman-Blumen's (2005) perspective, leadership becomes more concentrated on the study of the influencing process between leaders and followers. Nevertheless, they also consider the context and outcomes of such a process, including the ways leaders align organisational followers to the vision, and build their deep engagement with the mission through a mixture of enablement, empowerment, and encouragement (Kouzes & Posner, 2002; Antonakis, Cianciolo, & Sternberg, 2004).

In addition new-new leadership clusters around other expanding research that centres on themes of authenticity. Examples include Bardaracco's (2001; 2002) notion of quiet leadership that is driven by mixed motives of altruism and acknowledged selfishness; authentic leadership, which is demonstrated by building followers' perception by getting to know oneself, others, and the organisational context better (Goffee & Jones, 2005); public sector features (Alimo-Metcalfe & Alban-Metcalfe, 2006); tempered radicalism, which is executed by challenging both existing mental models and prevailing orthodoxy to achieve cultural transformation in organizations (Meyerson, 2001); level 5 leadership, which is exhibited as a paradoxical blending of personal humility and professional will to build great enterprises (Collins, 2001b); fundamental states of leadership, which are entered by tapping one's deepest values and instincts for excellence (Quinn, 2005); and connecting leadership, which is enacted through a framework that perceives and relates to people on a continuum ranging from

compassion through structural change and humility to the final anchor point of solidarity and mutual reciprocity (Lipman-Blumen, 2005).

The above discussion is not to claim that authenticity, integrity, and its associated constructs, are new to the leadership lexicon. Academic scholars and management practitioners have long recognised that without moral standing and integrity, leadership fails to influence for the greater good. Burns (1978), for example, spoke of the need for a process (transformational leadership), whereby leaders and followers “raised one another to higher levels of morality and motivation” (p. 20) about 30 years ago, and Robert Greenleaf’s concept of servant leadership has undergone a revival in Spears and Lawrence’s (2002) collection reconsidering *Servant-Leadership for the 21st century*.

Nevertheless, as even the renewed interest in servant leadership suggests, there has been an observable increase since 2000 in the number of theorists coming together around similar issues to the bad and toxic leadership research. Kanungo (2001), for one, commented that “organisations lose their long-term effectiveness and become soulless structures” when leadership is toxic (p. 258); and, similarly, Bennis and Thomas (2002a, 2002b) situated the “integrity tripod of ambition, competence, and moral compass” (p. 145) as one of the four essential competencies of alchemist leaders.

Despite this philosophical convergence, academic scholars do disagree on whether all existing leadership approaches; transactional, transformational, and new-new leadership, demonstrate moral legitimacy. The debate can be traced through, for example, the difference of opinions on the moral legitimacy of transactional leadership between Bass and Steidlmeir (1999) and Kanungo and Mendonca (1996). In contributing to this debate, this section asserts that, in a globalised world, the importance of genuine altruism, or moral motivation, as a behavioural strategy that serves both organisational and societal interests is non-negotiable.

In keeping with its search for deeper engagement with all stakeholders, other supporting new-new leadership research includes a range of diverse but aligned views: Alimo-Metcalfe and Alban-Metcalfe (2005) underline genuine concern for others’ well-being and development as a new-new leadership approach (Alimo-Metcalfe & Alban-

Metcalf, 2005); Kellerman & Rhode's (2007) collection recognise that gender differences influence aspects of leadership style preferences; Spears (2002) has traced not only the past and present future of servant-leadership, but its more altruistic tendencies into the future; Antonakis and Atwater (2002) examine the relation between leader behaviour and leader-subordinate distance; Den-Hartog, House, Hanges, Ruiz-Quintanilla, Dorfman, and Associates (1999) attempt to research cultural and ethnic diversity and their impact on appropriate leadership behaviour. Avery (2005) widens the scope of such research to explicitly include the environment in her cross-national study of *Leadership for Sustainable Futures*. New-new leadership therefore adds the dimension of authentic and respectful connectivity between people and their leadership, to the notions of economic exchange, and vision-led transformation to provide a composite leadership response. These are obviously more suited to punctuated and discontinuously changing environments.

## **Conclusion**

This chapter has posited that a firm's strategy, leadership, and processes are correlated to changing environments, and that particular characteristics can be broadly linked with different responses to different periods. It divided the discussion into five eras, and discussed the first four of these eras, reserving the final era from 2005 to the present, for separate treatment in the next chapter. Identifying a prevailing environmental context for each era, it has underlined how theories of leadership styles, have emerged as a consequence of environmental changes, and can contribute to understanding of contextually related trends. It has suggested how these cluster round three main approaches: transactional leadership; transformational (or new-leadership); and new-new leadership.

In describing each of these leadership practices in turn, chapter 5 concludes that this clustering has explanatory advantages in identifying major transitions. More importantly it has underlined the clear thread in the extant research that such leadership approaches are neither mutually exclusive nor irreconcilable paradigm shifts.

Rather, it suggests that each era, with its attendant environmental complexity and distinctiveness, necessitates a leadership response that is an augmentation of existing

leadership practices from preceding eras with new leadership practices that are particularly aligned with the emergent challenges in that era. In the next chapter a framework is described that sets up the environmental challenges of the present era. Chapter 6 connects this present environment with the redefinition of strategic performance – as it has been understood for the past twenty years or more – because of the challenge of internalising what have hitherto been classed as externalised environmental and social costs of doing business.

## **Chapter 6 - Redefining strategic performance in a globalised world: Sustainable development, bottom of pyramid engagement, and the management of global risk**

As this chapter moves from the earlier era covered by chapter five, to the present era, it is salutary to look back. Almost half a century ago, in a work originally published in 1968, Drucker (1992) noted that the impacts of high velocity and complex change would take approximately 20 to 30 years to fully materialise. That his insight was reasonably accurate has since been confirmed as recently as this year by the work of such subsequent scholars as Lusch, Vargo, and Wessels (2008), and practitioners such as the Boston Consulting Group in their book titled: *Globality: Competing With Everyone From Everywhere For Everything* (Sirkin, Hemerling, & Bhattachaya, 2008). Startlingly different real life events, economic shifts, and a range of findings – from areas as diverse as economics and climate change – confirm and extend the force of these impacts.

They are visible through a range of indicators: continuing and widespread disparities in the distribution of wealth and natural resources (Stern, 2006); the varying definitions and understanding of secularism and democracy in different parts of the globe (Idemudia, 2008); increasingly abnormal climate patterns and environmental refugees; an oil-driven global economy nearing the time of peak oil production (with all the associated collateral security risks) (Garnaut, 2008; Lovelock, 2006); untenable demands on a resource-constrained world because of rapid economic development of the BRIC countries (Brazil, Russia, India and China) ; and the redefinition of organisational performance criteria because of the inclusion of social, environmental and physical externalities ( Grant, 2008; Porritt, 2007; Mayer, 2007).

This redefinition radically alters the classical micro-economic basis on which firms have traditionally competed. Arising in part from Porter's (1980; 1985) influential work, the dominant traditional paradigm of treating the industry as their field of action and thereafter positioning themselves strategically by looking for sustainable competitive

advantage over competitors, through overall cost leadership, differentiation, focus and/or a combination of all of these, has been the holy grail for almost three decades for senior leadership in businesses.

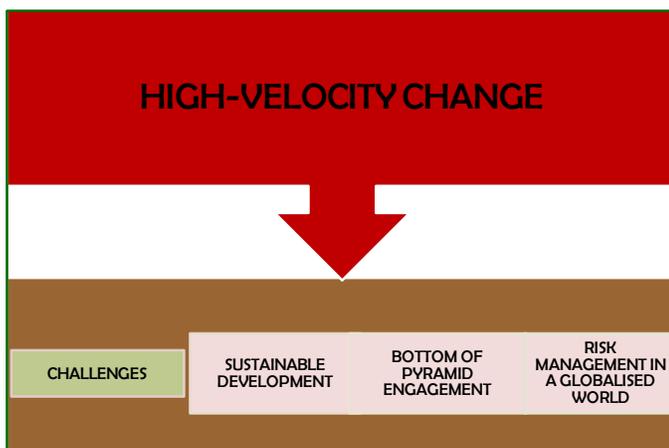
This chapter highlights the incorporation of the Global Risk Network, as part of the World Economic Forum in 2005. It uses the Network's inception to mark the temporal beginning of a new era of accelerating and high-velocity change, complexity, and uncertainty whose magnitude, severity, global scale and scope, far outstripped any that the world has seen prior 2005. It foregrounds three radically new and dramatically different strategic challenges that the prevailing conditions of high-velocity change has surfaced. It contends that businesses must mandatorily engage with these three challenges if they are to be successful going forward. In their broad classifications (to be granulated later in the chapter), these three challenges comprise sustainable development, base of pyramid engagement, and the management of risk in a globalised world.

Each of these three challenges forces companies to think of firm success from a much more whole-of-system view. This is something the historical structure-conduct-performance model of the positioning school of strategy – described above – never required of them. Fundamentally, in every dimension of their endeavour, businesses are being called upon to include in the firm's costs of doing business, elements that have hitherto been viewed as externalities to doing business. This is in order for a truer and more accurate measure of the business' profitability to be made visible. It has broadened the definition of a firm's stakeholders to include its community, and the society at large, expanded its cost envelope to take into account the impacts on the planet of every stage of its products/services life cycle, and re-conceptualised its addressable markets to include all deciles of people in every corner of the world (and there are rising demands from very diverse stakeholders that they are engaged with in a contract of equity).

Moreover this reconfiguration has not remained static, as evolving iterations dynamically push the model. The shifts being called for include: from environmental management and eco-efficiency to pro-active eco-effectiveness; from social responsibility and stakeholder capitalism to "radical transactiveness" (Hart, 2005, p. 171) and co-venturing; and from imperfect operationalisation of sustainability (through

such tools as the triple bottom line), to a deeper and much more layered understanding of, and contribution to, the building blocks of economic sustainability.

In order to anchor the subsequent discussion this chapter uses a simple causative framework created by loosely adapting Grant, Krahnke, and Latham's (2007) discussion on future sustainability. The framework foregrounds three key challenges that businesses are facing now and expect to encounter in the future: sustainable development; bottom of the pyramid engagement; and risk management in a globalised world. The sections which follow will discuss each of the key challenges and opportunities as well as the emerging leadership practices as outlined in Figure 1 below.



**Figure 1: Framework for examining elements of emerging leadership practices**

## **Challenge one: Sustainable development and the trade-off paradigm**

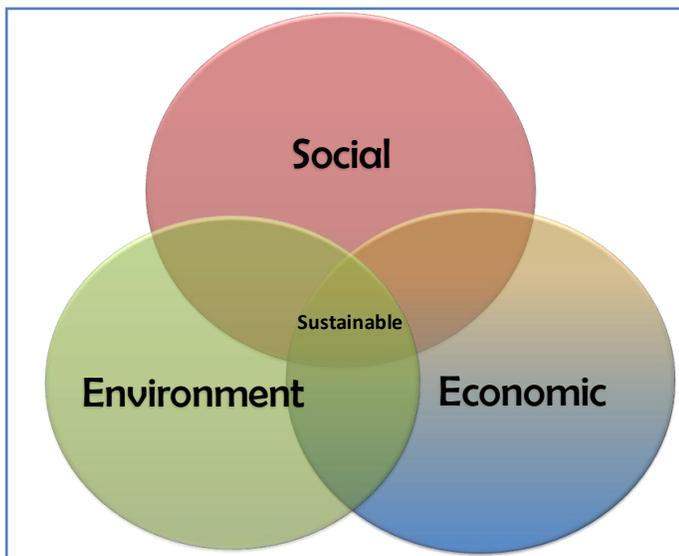
In describing the overarching sustainability challenge, this chapter makes a number of important causative connections: firstly, in complete contrast to the first industrial revolution, today's world faces the anomaly of abundant people and scarce nature (Lovins, 2005); secondly, as a consequence, a transformational redevelopment – that includes our energy systems, chemical, material, and building technologies, and industrial agriculture – is needed. Such a transformation is necessary to ensure the preservation of the world's remaining species and ecosystems, and to underwrite stable and long-lasting international peace (Atkisson, 2005). Thirdly, to achieve this transformation – given that economic, social and environmental concerns are synergistic – energy, genius, creativity, and commitment are required from all sectors of society, and from all nations (Fairbanks, 2005; McDonough, 2005).

One major paradigm challenged by the three statements above is the traditional view of economic success or sustainable development as a zero sum game. For almost four decades prior to this time, the discussion on sustainable development has been extremely cautionary and repeatedly stressed the trade-off between economic development and environmental security (Hargroves & Smith, 2005). For example, in acknowledging the incomplete nature of its information, but nevertheless urging attention to its findings, *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind*, first published in the early seventies stressed that:

There is no reliable and complete information about the degree to which the earth's physical environment can absorb and meet the needs of further growth in population and capital. There is a great deal of partial information, which optimists read optimistically and pessimists read pessimistically. Continuing "business as usual" policies through the next few decades will not lead to a desirable future, or even to meeting basic human needs. It will result in an increasing gap between the rich and the poor, problems with resource availability and environmental destruction, and worsening economic conditions for most people. (cited in Meadows & Meadows, 2007, p. 196)

Fifteen years later, the *Report of the World Commission on Environment and Development: Our Future* (Brundtland, 1987), in underlining what it perceived as the three vectors of the sustainable development debate, triangulated those with the cornerstones of economic growth; the needs of the poor; and environmental limits (see figure 2 below). In its oft-cited definition, Brundtland (1987) only served to reinforce the trade-off mindset even if it did stretch it generationally:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs. (p. 54)



**Figure 2: Sustainable Development (Adapted from the Brundtland Report, 1987)**

Source: [www.Wikipedia.org/wiki/Sustainable\\_development](http://www.Wikipedia.org/wiki/Sustainable_development)

The United Nation's *World Summit on Sustainable Development and its Critical Trends Report* (WSSD, 2002) highlighted another, and more telling, dimension to the prevailing

trade-off paradigm. This was that, notwithstanding the globally compounding social and environmental problems, business did not even merit a mention in its report. Perhaps business was not seen by any of the stakeholders, nor arguably considered itself, as any part of the solution. The following Brundtland (1987) Report citation from underscores this argument because while it lists all the key global challenges, it refrains from any mention of business as forming part of any concerted response:

The world will have to support an additional five billion people and a high proportion of these are in developing countries; poverty and economic inequality continues in Latin America and Africa; food consumption is increasing and potential to expand crop production is limited; industrial water use increases because of development and services provided by fresh water ecosystems are threatened; nearly half the world's people will experience water shortage by 2025; world's forest area continues to decline; consumption of all types of energy is growing; bio-mass energy is a health threat to billions in poor countries; fossil fuel consumption and CO<sub>2</sub> emissions on the rise in developed countries; many signs of climate change; over 1 billion people lack access to safe drinking water; malaria is increasing in Africa. (WSSD, 2002, pp. 4-21)

This chapter situates the United Nations declaration in January 2005 – of the start of a Decade of Education for Sustainable Development – as an important milestone in the sustainable development discussions. This is because it marked a turning-point where the hitherto entrenched view of sustainable futures as a trade-off can be seen to be losing traction, and, more importantly, business was positioned not just as a net contributor to the human-made component of environmental and social equity problems, but as a key and hopeful part of its solution.

### **Redefining strategic performance: From trade-offs to opportunities, or who pays wins**

This thesis positions the post-2005 discussion as having arrived at a series of cascading conclusions that are significant for research on emerging leadership practices. For a start, there is now considerable consensus among the scientific community, official government reports, and most social stakeholders on climate change. The Australian government's Garnaut Report offers a useful brief summary:

on the balance of probabilities and not as a matter of belief, the majority opinion of the Australian and international scientific communities is that human activities resulted in substantial global warming from the mid 20th century, and that continued growth in greenhouse gas concentrations caused by human-induced emissions would generate high risks of dangerous climate change. (Garnaut, 2008)

This consensus has been paralleled by increasing expert assertions that, rather than being a trade-off, sustainable development is beneficial to society, environment, and business. As the British government's climate change report expressed it: "the world does not need to choose between averting climate change and promoting growth and development" (Stern, 2006, p. 3).

The economic confirmation of the end of trade-off thinking has even been accompanied by a Prime Ministerial acknowledgement that "business leadership is needed in adopting efficiency measures, mobilising capital, creating new markets, developing new technologies, driving innovation, deepening our skills base and developing partnerships across the whole community" (Rudd, 2008).

Finally, all of the above culminate in the growing belief – increasingly supported by evidence – that

action on climate change will also create significant business opportunities, as new markets are created in low-carbon energy technologies and other low-carbon goods and services [and that] these markets could grow to be worth hundreds of billions of dollars each year and employment in these sectors will expand accordingly. (Stern, 2006, p. 3)

In short two foundational ideas are increasingly accepted: that businesses are integral contributors to a better understanding of the uncertainty of environmental change (through new information, analysis and a proactive search for mitigating products, services and solutions); and that by taking action on climate change as above, businesses profit all their stakeholders. Building on these, this section stresses that redefining a firm's strategic performance through the inclusion of externalities is a mandatory first step;

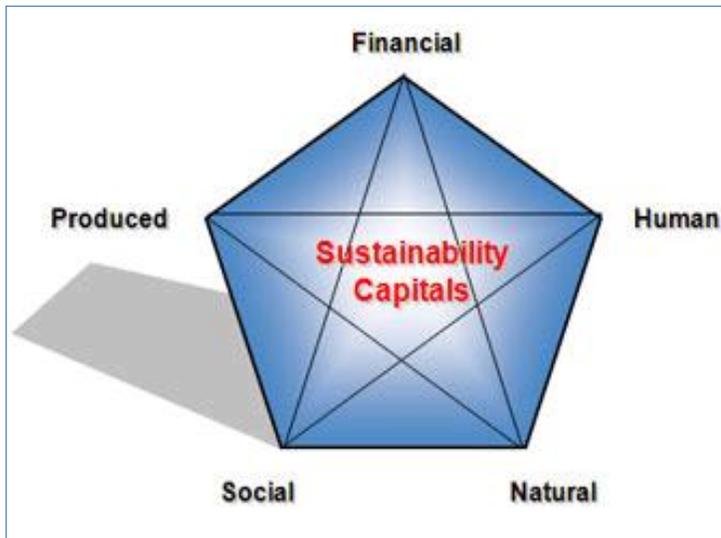
Matters have reached the point that the Deputy Director of the Institute of Sociology of the Chinese Academy of Science has estimated that much of the nominal growth in their country's economy in the last twenty years has come at the expense of the environment; i.e. their calculations suggest that it is possible that between 30 – 100 percent of the nominal GDP growth in China's economy has been offset by factors traditionally considered to be externalities. (McGregor & Harvey, 2006, cited in Grant, 2007, p. 13)

Including externalities in the balance sheet will shape business' challenges and opportunities in new and interesting ways. In such a changed economic climate, organisations, and their leaders, will have to anchor sustainability considerations in strategic data.

As Porritt (2006) comments, they will have to show how they are contributing to sustainability in ways that are consistent with business activities. This means such things as: tracking the benefits and costs to the company of its initiatives; measuring the externalities created; and calculating the costs and benefits to the company of avoiding its environmental impacts. As a result, new complexity is added to leadership responses by the sheer multiplication of the determinants of business performance.

## **Towards strategic redefinition: The five capitals, resource and capabilities utilisation, and the creation of business and societal benefit**

This thesis contends that the new complexity will mean an elaboration of the basic concept of capital to arrive at a hypothetical model of sustainable capitalism. Even under standard business measures, capital has become diverse and can be considered under five different headings (see figure 3): 1) natural capital, which is the flow of energy and matter that yields valuable goods and services; 2) human/intellectual capital, which comprises the health, knowledge, skills, motivation, emotional and spiritual capacities of individuals; 3) social capital, which is the structures, institutions, networks and relationships that help the collective development of productivity; 4) manufactured capital, which comprises the tools, machines and other infrastructure of the production process; and, 5) financial capital, which enables the other types of capital to be owned and traded.



**Figure 3: The Five Capitals**

**Source: British Standards BS 8901**

Each of these five capitals in their turn requires businesses and their leadership to focus on additional interconnected success factors. For example, proper valuation of natural capital requires four interlinked ways of behaving called natural capitalism: “Using nature 10-100 times more productively with integrative design that makes very large resource savings cost *less* than small or no savings”; producing in closed loops with no waste and no toxicity; implementing a solutions economy business model where “service providers and customers both profit from doing more and better with less for longer”, and “their increased profits support reinvestment in natural capital” (Lovins, 2005, p. xxii).

However, while perspectives on the issue have moved significantly from the initial adversarial paradigm of trade-offs to one of opportunities, which synergistically benefit planet, society and business, the re-conceptualisation of business performance to realise such productive sustainability brings its own challenges. Nevertheless, these challenges have moved centre-stage as this comment from *Lee Scott, the CEO of Wal-Mart* in his lecture to the *Prince of Wales’s Business and the Environment Program on February, 1<sup>st</sup> 2007*, underlines: “whether it is the world’s rapidly growing population or the worsening problem of global warming, we see the need for sustainable business practices as increasingly urgent, and perhaps more than anything else, we see sustainability as mainstream” (Scott, 2007). Figure 4 below aggregates this proposition

by connecting a firm’s new three-pronged strategic framework of technology, markets and business context to its sustainability markers.

<b>SOCIETAL BENEFITS</b>	Social and environmental security	Community cohesion	Improved quality of life	Greater access to economic opportunities	Personal needs/aspirations met
<b>BUSINESS BENEFITS</b>	Enhanced reputation	Stronger brands and customer preference	Market advantage	Risk Reduction and Option Creation (Responsiveness to changing world)	
<b>STRATEGY</b>	<b>TECHNOLOGY</b> 1. Improved Technologies in current production methods 2. Use closed-loop systems in production and beyond 3. Improve product design as customer needs evolve 4. Create radical new technology		<b>MARKETS</b> 1. Improve transparency to protect brand value Create and grow new markets at the bottom of the pyramid 2. Grow the size and sophistication of demand in mature markets 3. Sell services, not products		<b>CONTEXT</b> 1. Improve inputs, supply chain and infrastructure 2. Seek regulation that rewards responsibility 3. Form Strategic Alliances to address business-critical issues
<b>CAPITAL</b>	<b>NATURAL</b> (Environmental or Ecological)	<b>SOCIAL</b> (Structures, Institutions, Networks and Relationships)	<b>HUMAN/INTELLECTUAL</b> (Health, Knowledge, Skills, Motivation, Emotional and Spiritual Capacities)	<b>MANUFACTURED/TECHNOLOGICAL</b> (Tools, Machines and Infrastructure)	<b>FINANCIAL</b> (Enables Owning and Trading of other Capitals)

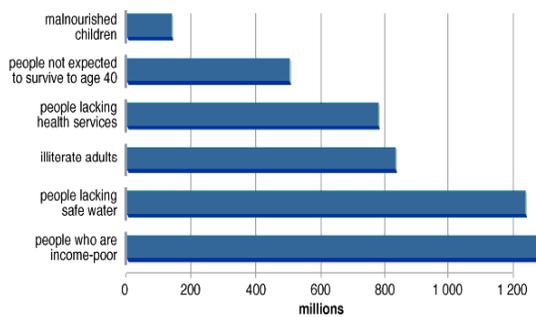
Figure 4: The Five Capitals Framework for strategic business and societal benefits

Sources: Bent and Draper (2007) and Porritt (2006).

## Challenge two: Engaging the Bottom of the Pyramid (BoP)

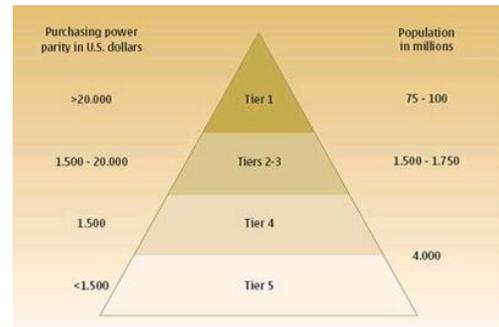
Consideration of challenge one has been very Western-centric. However, the economic and social benefits of the new sustainability cannot be restricted to the West and the rich of the rest of the world. Too many people would otherwise be left out to make it morally or practically viable. This section begins to address these issues by summarising information available from a variety of government agencies, NGOs, and global business networks in order to establish the conditions shaping the commonly accepted definition for BoP. Nearly two thirds of the planet’s people are poor, in many cases denied access to proper services, energy, water, health, and, above all, the opportunities to improve their economic and social outlook. To quantify this disparity

for example, the “richest 20% of the world’s population consumes 86% of all goods and services, eats 45% of all meat and fish, uses 58% of all energy, has 74% of all telephone lines, owns 87% of all vehicles while the poorest 20% of the world’s population consumes 1.3% of all goods and services” (Schwartz, Leyden, & Hyatt, 2000, p. 265) (see also figure 5). The term “base of the pyramid” (BoP) refers to these four billion people in Tier 5 of Figure 6 below with purchasing power parity in US Dollars of less than \$1500 per year (Prahalad & Hart, 2002).



**Figure 5: The planet’s poor**

**Source: Global Environment Outlook 2000**



**Figure 6: The Base of Pyramid**

**Source: Prahalad and Hart (2002)**

The BoP approach focuses on market-based and entrepreneurial activity aiming at poverty alleviation and development by tapping into the previously ignored markets of the economically most disadvantaged: those four billion people at the base of the economic pyramid (Prahalad & Hart, 2002). Proponents have argued that, because traditional methods of poverty alleviation through aid and subsidies had not achieved sustainable social transformation, an alternative was to attempt poverty alleviation through market development. Hammond and Prahalad (2004) and Prahalad (2005) argued for treating the BoP as a global market opportunity and so concurrently achieving social and economic transformation for it by energising the four drivers of a market economy: dialogue, access, transparency, and risk/benefits.

The involvement of the private sector in the potential transformation of the BoP, however, has not just been because of the disappointment with the results of traditional development aid. A number of global trends are encouraging companies to think more proactively about engaging with the base of the pyramid not just to help promote sustainable livelihoods but to make profits. Such trends include: the need for many companies to break out of mature markets; to seek new opportunities in emerging and more dynamic markets; the improving legal structures that enable greater security for more robust and longer term investment conditions; and decreasing corruption in many developing countries. All of these align favourably with a growing realisation among many organisations that they have a stake in creating peaceful, stable and prosperous societies is motivating businesses to engage with the BoP (WBCSD, 2004; WBCSD, 2007, p. 2).

Over the past two decades, in addition to the forces of political transformation, there has been an unprecedented transfer of assets through economic globalisation, the rise of new philanthropic funds (that are aimed at solving problems rather than giving charity), and technical innovations (that diminishes the importance of distance). In concert these are bringing private enterprise to the heart of the international development agenda and bringing more BoP consumers into the global market. The global reach and influence of multinational corporations has also grown substantially and has added to the overall potency of small, medium and micro enterprises that account for the bulk of economic activity and job creation in most countries. This in turn makes the private sector a powerful engine of social and economic change in BoP markets (Nelson, 2001).

### **Win-win connotations and leadership challenges in BoP enterprises**

This thesis finds Simanis and Hart's (2008) classification of BoP strategies as BoP1.0 and BoP2.0 respectively (see figure 7 below), as useful in describing the two predominantly different views of people in BoP markets. The former, BoP1.0, effects economic and social transformation by engaging with the BoP as a vast and lucrative market to be mobilised through appropriate and affordable products and services. That is, in effect, by selling to the poor – a view largely promoted by Prahalad's (2005) *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. As an influential part of

BoP1.0, this has attracted justified criticism such as Kandachar and Halme’s (2008) observation that “while it is undeniable that many products and technologies have made our lives easier, it is naïve to assume that increased opportunities to consume will automatically promote well-being or increase happiness” (p. 20).

Kandachar and Halme (2008) also prefer to make BoP2.0 the strategy of choice, because, in contrast to BoP1.0, it effects social and economic transformation by engaging with the BoP as a business partner (i.e. through business co-venturing, which is a more equitable and more robust way of producing scalable and sustainable business and societal benefits).

<b>Next Generation BoP Strategy</b>	
<b>BoP 1.0</b>	<b>BoP 2.0</b>
<ul style="list-style-type: none"> <li>• BoP as consumer</li> <li>• Deep listening</li> <li>• Reduce price points</li> <li>• Redesign packaging, extend distribution</li> <li>• Arm’s length relationships mediated by NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• BoP as business partner</li> <li>• Deep dialogue</li> <li>• Expand imagination</li> <li>• Marry capabilities, build shared commitment</li> <li>• Direct, personal relationships facilitated by NGOs</li> </ul>
<b>“Selling to the Poor”</b>	<b>“Business Co-Venturing”</b>

**Figure 7: The base of the pyramid protocol**

**Source: Simanis & Hart (2008)**

Notwithstanding their philosophical and perceptual differences, both BoP strategies have been successful in providing companies with fresh ways to address some of the world’s most pressing development challenges. Because engaging with BoP markets promises to provide businesses with the ability to combine humanitarianism with conventional motivations of growth and profitability, it has the potential to bring benefits to the poor in a more sustainable and scalable way. This is because companies share the development benefits by creating new wealth for themselves in the first instance from the BoP markets, and, thereafter, by benefiting through investing in new ideas designed to create opportunities for the poor.

Company initiatives may include tailoring products to specific needs, increasing sourcing from local suppliers, and involving low-income communities in the delivery of new products and services (WBCSD, 2005, pp. 6-7; Kandachar & Halme, 2008). All these could contribute to what Christensen, Craig, and Hart (2001) characterise as disruptive innovations in products and services, production processes, market delivery mechanisms, and/or business models. These could also be blown-back either to other BoP geographies, or other more mature markets in the developed world (Hagel III & Brown, 2005b).

This thesis underlines the significant leadership challenges embedded in the very taxonomy of a BoP enterprise. BoP enterprises need to graft partner-intensive private sector business models to transform communities through capacity building, capabilities accumulation, and wealth creation. Community economic development strategies must have environmental, societal, and quality-of-life improvements as associated outcomes. To be an instrument of social transformation, the enterprise needs to be capable of growth and expansion. Scalability and replication must therefore be at the heart of the BoP business strategy (Touesnard, 2008).

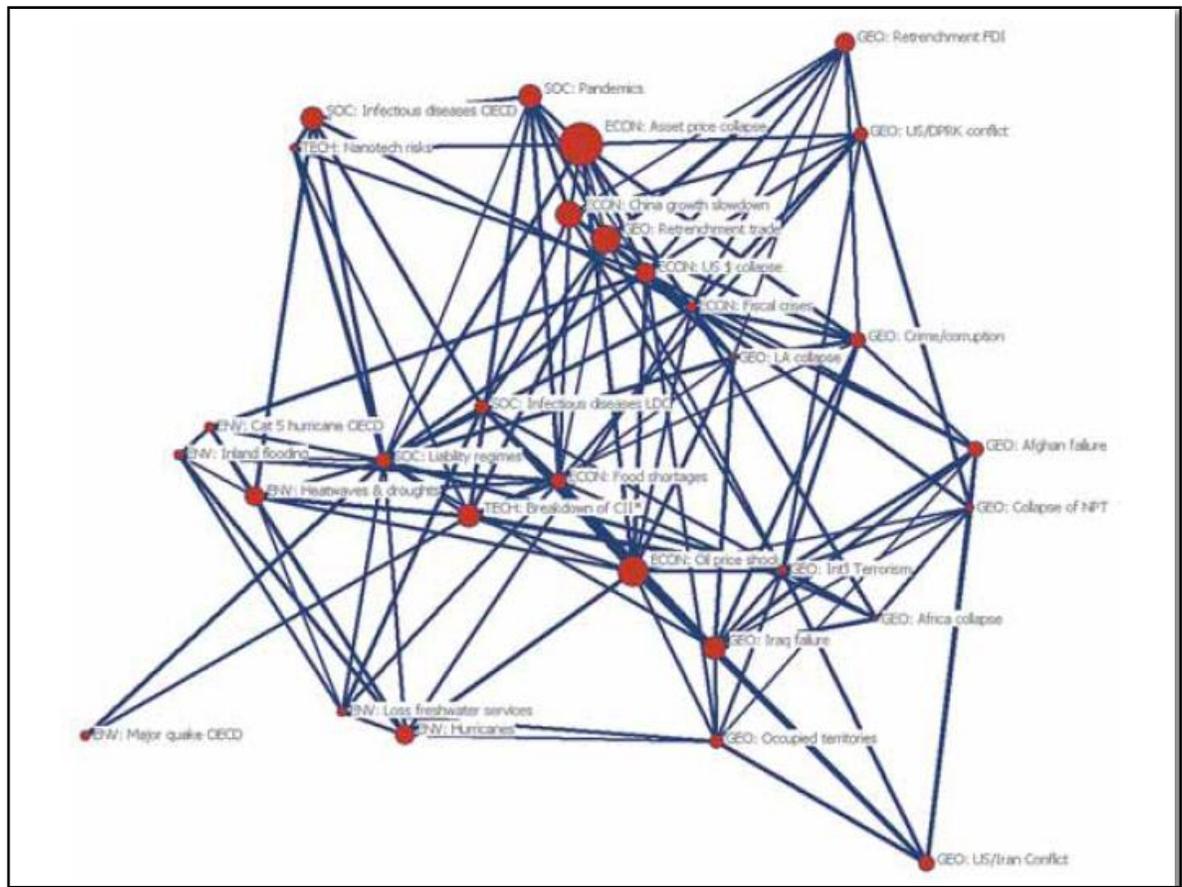
Given the multiplicity, complexity, and interconnectedness of these strategic and operational objectives, leadership needs to deal with business and justice issues simultaneously. Leadership practices will need to be characterised by an ability to simultaneously manage mixed motives of social equity and altruistic missions on one side, and the social enterprise's profitability and growth on the other. This requires leadership acumen in managing typologies of actors that span a range stretching from intensely cause-oriented and mission-driven catalysts and enablers; through community economic development agenda driven social entrepreneurs; and process-focused funding agencies (GBN, 2003).

### **Challenge three and risk management in a globalised world (1): The mega-environment**

The final section of this chapter looks at the fragility and turbulence of the contemporary world, and the business vulnerability associated with what were formerly perceived as exogenous, in relation to the commercial sphere, risks. However, globalisation and communication technologies have brought with them an

unprecedented interconnection and interdependence between businesses, markets, people, and nations. This section uses evidence from the most recent 2008 Global Risk Reports – issued annually by the World Economic Forum since 2005 – to draw inferences on the changing nature of risk and their implications for new thinking and concerted and proactive leadership action. While the core global risks, identified by the annual report each year, are very important in and of themselves, their changing nature has implications of arguably equal or greater significance for leadership’s deepening insights and risk mitigation responses.

The increasing complexity of interrelationships in the mega-environment has been foregrounded extremely well in the World Economic Forum’s (2008) *Global Risks Report* (figure 8 below). It describes in some detail the global research and how it has been distilled into: the six trends, the six issues of concern, and the six risks in economic driving forces. It connects these with – not only the seven trends, the nine issues of concern and the twelve risks in geopolitical driving forces – but also with: the three trends, six issues of concern, and seven risks in environmental driving forces; the four trends, the four issues of concern and the four risks in societal driving forces; and the two trends, the two issues of concern and the two risks in technological driving forces (WEF, 2008, pp. 41-45). In short, the WEF Report underscores the high number of variables whose initial conditions determine the change trajectory of the mega-environment by contributing independently, and in concert.



**Figure 8: Social networking diagrams of global risks**

**Note:** The sizes of the nodes in the social networking diagram indicate the assessment of the risk itself. The thickness of lines represents strength of correlation, while proximity of the nodes represents similarity of correlations

**Source: WEF (2008). Global Risks Report**

In addition, by foregrounding the vulnerability to disruptions in the global flow of people, capital, and technology, the WEF Report conveys the risk-squeezing effects of the transfer of negative externalities of a production process from one area to another. It similarly brings to the forefront the simultaneous risk-homogenising effects of the seamless distribution of what were once localised problems of the developed and developing world. In addition, the WEF (2008) Report underlines the interdependency of, and interactions between, different parameters of the mega-environment that result in the dynamic effects associated with nonlinear and complex behaviour (pp. 27-28).

## **Challenge three and risk management in a globalised world (2): Some business consequences**

Having considered the dynamic and interconnected nature of the forces shaping the mega-environment in the preceding section, chapter seven now turns to considering some of the consequences for business. Clearly the discontinuous changes in existing parameters, and the sudden appearance and evolution of new factors, in the mega-environment impact on a business's task or industry environment and so also contribute volatility and unpredictability in that area. This is reflected in the findings of a number of the larger and well-respected consultancy houses, including KPMG, Deloitte, and PricewaterhouseCoopers, who have been conducting a variety of surveys and analyses of business task environments over the years. Because the insights they report emerge from data grounded in praxis, and because they are produced independently from national and international public agencies, this thesis views them as adding distinctive insights into the complex changes in task environments for organisations.

In particular, this section uses these insights to foreground and configure key challenges and has selected the following six as of most significance: 1) rapid growth in cross-border deals as globalisation and connectivity transform and reshape the marketplace; 2) a dramatic rise in total spending across the converging sectors of communications, entertainment, and technology (combining to help create a burst of innovation); 3) geographical dispersion, alongside the selective spread of individual nation-initiated regulatory burdens (e.g., Sarbanes-Oxley from the U.S.) and the contradictory movement towards transnational controls (e.g., the International Financial Reporting Standards, whose good intentions still complicates managing and reporting performance); 4) an even more borderless world (Ohmae, 2005) where new value propositions, for example, from freshly emergent countries like the Philippines, are yet again changing the globalised supply chain dynamics of businesses; 5) the orchestrating of outsourcing and shared services arrangements not just as a cost-cutting measure but as a source of strategic advantage; and 6) incorporating different systems, different channels, lines of business and countries, into the business model

without which a business's customer insights suffer (PricewaterhouseCoopers, 2008; KPMG, 2008a; Deloitte, 2008).

Clearly, both the mega-environment, and the task environment of businesses, are indeed experiencing high velocity and nonlinear change. The next section will expand this argument to include the internal environment of the business, especially because of the urgent imperative to source and manage talent in a globalised but talent-constricted and competitive world.

There is an increasingly prevalent view, amongst academics and practitioners alike, that ongoing shifts in labour and talent will be far more profound than the widely-observed migration of jobs from the developed world to low-wage countries that formed part of outsourcing and shared services arrangements. Despite their differences in background, and different conclusions, journalist Thomas Friedman's (2006) *The World is Flat*, which sees a more level playing field for talent, and academic Richard Florida, in *The Flight of the Creative Class* (Florida, 2005) and "America's Looming Creativity Crisis" (Florida, 2004), which see the world as full of spiky inequities, converge in tracking intense cross-border and inter-regional competition for business talent.

The shift to knowledge-intensive industries, and the associated *Rise of the Creative Classes* (Florida, 2002), has highlighted the importance and scarcity of appropriately trained and innovative talent. The challenges of workforce management that accompany this new reality can be gauged by following quote, which is made by a KPMG partner in a KPMG survey report in Australia: "Increasing globalisation, combined with the effects of what we call the demographic fault-line will present challenges for multinational corporations unprepared for the change" (KPMG, 2008b). Such a fault line will create unprecedented pressures on businesses' internal cultures, value systems, and beliefs as they scramble to ensure global consistency in management processes, cultural diversity in global settings, development and management of global leaders, translation of human resources information into action, relocation of work to places with good supplies of talent, and the ongoing identification, recruitment and management of overseas talent (Guthridge & Komm, 2008).



### **Risk management in a globalised world (3): The changing nature of risk and the implications for leadership**

As mentioned earlier, the World Economic Forum's Global Risks Reports classifies group environmental risks into the five standard nomenclatures of Economic, Geopolitical, Environmental, Societal, and Technological. While the core risks identified within each class have largely remained the same since 2005, this thesis underlines the following three important exceptions as critical to the demands on leadership performance in these complex times: firstly, the estimate of the likelihood, severity, and the interconnections of the drivers, triggers, and consequences of these core risks have been changing each year; secondly and perhaps even more critically, brand new global risks, (such as food security in 2008), are suddenly emerging as critical 21st century risks with no prior warning. Last, but not least, there is the paradoxical creation of vulnerability and invisible global risk by following good management practice.

One example of such vulnerability is the integration of previously separate regional economies through global supply chains. Hailed as a key economic benefit of globalisation at the turn of the millennium, this is now surfacing as a systemic global risk (WEF, 2005; 2006; 2007; 2008). In September, 2008, for example, the Shijiazhuang Sanlu Group (one of the largest dairy companies in China and 43% owned by New Zealand dairy giant Fonterra) had to recall milk powder adulterated with melamine. That powder had led to the death of at least two children and caused kidney and urinary problems to thousands of others (<http://en.wikipedia.org/wiki/Fonterra>). In addition, the scandal drew the attention of the two national governments, forcing New Zealand partner Fonterra into a brand and shares crisis, and pressuring health authorities across Asia and Australasia to operationalise, and/or increase, their regulatory powers.

The Sanlu contamination incident was only one example of the risks of a hyper-optimised global supply chain. It can be construed as evidence that surprises are part of the make-up of environments characterised by rapid and discontinuous change in demand, competitors, technology, and/or regulation (Eisenhardt, 1993). However, academic research refined over two decades argues that surprise, or the unexpected, is born of expectation and that it is the quality of leadership's expectations that determine how well surprise is pre-empted. For example, from his study of twenty five

CEOs of large Swedish firms, Kylan (1985) made the insightful inference that while surprise and the unexpected can take at least five forms, notwithstanding which form it took, surprise always began with an expectation. Weick and Sutcliffe (2001) built on this proposition with their findings from their ongoing work with high response organisations to assert that:

The unexpected does not take the form of a major crisis. Instead it is triggered by a deceptively simple sequence in organisational life: A person or unit has an intention, takes action, misunderstands the world; actual events fail to coincide with the intended sequence; and there is an unexpected outcome. People dislike unexpected outcomes and surprises. Because of that they sometimes make situations worse. (p. 2)

In an environment of ubiquitous and high-velocity change, leadership's dominant logic becomes a vital determinant of the quality of the organisation's readiness and response to external challenge. This is because it acts as an information filter, focusing organisational attention on data that it deems relevant. Leadership's dominant logic therefore determines an organisation's perception of, and reactions to, risk (Bettis & Prahalad, 1995). However, changing a dominant logic is a slow and iterative process of critical problem-solving, which often starts during substantial problems and crises. Accordingly, it is vital that, in times of radical and complex change, leadership practices include updating the dominant logic in ways that do not jeopardise firm sustainability.

Any proactive approach to risk mitigation in a globalised world requires leadership practices that help it quickly determine its prevailing operative context so that it can make appropriate choices (Kuhn, 1970; Tversky, & Kahneman, 1974; Nystrom, Hedberg, & Starbuck, 1976; Prahalad, & Bettis, 1986; K@W, 2005, pp. 1-2; Snowden & Boone, 2007).

## **Conclusion**

This chapter, the second part of what will be a trilogy of chapters based around leadership (and leadership challenges), advanced from the discussion of transactional, transformational, and new-new leadership practices that were covered in the first part of the trilogy. It moved forward in time to the period from 2005 and onwards and categorised the resultant opportunities and challenges as belonging to one of three

broad areas; sustainable development; base of pyramid engagement; and managing risk in a globalised world. In discussing each of these three categories in turn, it has highlighted how the meaning of strategic performance for a firm has been redefined as a consequence of traditional firm externalities being internalised in an uncertain, unpredictable, and interconnected world. Given this new landscape, the next chapter, which forms the last part of the trilogy, will investigate extant literature to determine the emergent strands of new leadership practices best suited to these uncertain times.

## **Chapter 7 - Responding to uncertainty: An augmented repertoire of leadership practices**

This chapter completes a trilogy of chapters concerned with leadership. Chapter five identified eras and correlated them with strategy, leadership processes, responses and approaches. In the process, it suggested that although different leadership approaches successively emerged as the best theory-in-use for a prevailing time and set of circumstances, each such approach integrated previous and current practices to best enable leaders to successfully navigate the prevailing conditions of the era. Chapter six then posited that change in macro-environmental driving forces surfaced three particular challenges for businesses in the form of sustainable development, engagement with base of pyramid markets, and management of risk in a globalised world.

Underpinning both chapters was the assumption that businesses cannot succeed in societies which fail. Continuing to build on the basis that this assumption still holds, it seems probable that successful businesses of the future will be those that do business in ways that, openly and transparently, address such major world challenges as: climate change; poverty and inequity; pollution; resource depletion; globalization; and demographic shifts (WBCSD, 2007, p. 2). Responding to the new environment and the associated redefinition of organisational strategic performance, this chapter argues that none of the current leadership approaches will suffice. Whether the approach is transactional (with its connotations of fair economic exchange), transformational (with its promise of aspirational visions and shared fates), or new-new leadership (with its quest for meaning), none of them, in and of themselves, can meet the emerging challenges. Nor, this chapter will contend, can they credibly set businesses up for productive sustainability into the future. Indeed, it further contends that the sheer scale and diversity of the coming challenges will demand reconfigured leadership responses.

These claims find support in a growing body of academic and practitioner research and anecdotal, empirical, and personal first hand evidence that leadership will need to demonstrate an augmented repertoire of practices and their enactments. A crucial clue as to what such an augmented repertoire is *not*, can be deduced from the discourse rooted in the increasing awareness of researchers, teachers and practitioners alike that the pervasive metaphor of organisations as problems to be solved has become an overused deficit-based theory of managing change over the last twenty years.

This is expressed succinctly by leading practitioners of appreciative inquiry, which is an action sciences methodology, who suggest that: “We may have reached the end of traditional problem solving” (Cooperrider, Whitney, & Stavros, 2007, p. 2). In fact, traditional problem solving, and its application, have had unintended consequences and diminishing returns that range from few and restricted images of possibility, a dependence on hierarchy to provide solutions, spirals in deficit vocabularies, and a disempowering organisational climate that has been markedly against innovation and creativity. These have been evocatively captured by Thomas White, the President of GTE Telephone Operations:

We troubleshoot everything. We concentrate enormous resources on correcting problems that have relatively minor impact on our overall service performance . . . . When used continually and over a long period of time, this approach can lead to a negative culture. If you combine a negative culture with all the challenges we face today, it could be easy to convince ourselves that we have too many problems to overcome – to slip into a paralysing sense of hopelessness (White, 1996, cited in Cooperrider, Whitney, & Stavros, 2007, p. xxi).

Contrary to the problem-solving paradigm in the preceding discussion therefore, any augmented organisational leadership repertoire will need to transcend it. Instead they must go beyond this failing discourse of deficit-based change management, because, as Fry (2007) observes:

Human systems are not entropic; rather, they are capable of virtuous acts resulting from members finding more energy to cooperate with each other – that the desire to put more effort, more time, and more attention toward an activity of mutual benefit is the consequence of certain kinds of inquiry and conversation. Negative, critical, radical, or fringe voices are not excluded from this formula. (p. viii)

In the light of the “tremendous growth in the application and dissemination of AI throughout the world” (Fry, 2007, p.vi), this chapter broadly accepts the veracity of the above assertion. It thereafter argues, in concert with Fry (2007), that collaborative and inclusive inquiry, along the lines of those advocated by the AI processes described above, depend on organisational members practicing inquiry “as a particular type of search and exploration for shared meaning that can lead to powerful images of the future that then call for action to realise that preferred future” (p. viii) and “being connected to others in shared hopes, activities, and exchanges” (p. ix).

The thesis goes further to contend that positive affect, shared meaning, and virtuous human systems, which connect through shared hopes, will form significant parts of any emerging leadership practice repertoire to meet the three challenges of a high-velocity environment. It will also hereafter argue that such a repertoire can be conceptualised as three specific practices that it will define and expand upon in the course of this chapter.

Notwithstanding, any generalisations, this thesis contends that the framework described below in figure 1, and the initial leadership practices that follow, are significant for two reasons: they provide a useful indication of where extant research and theory are, with respect to this vital area of theoretical and practice preoccupation; and they provide a benchmark for comparing the results of the detailed grounded theory research study to be described in the four chapters following this one.

The framework in Figure 1 below is a rendition of a figure that has already been used to anchor earlier discussions in chapter six – where the key challenges and opportunities (the brown band) arising from high-velocity change (the red band) have been covered in detail. It now includes three broad building-blocks of emergent leadership practices: strengths-based approaches; the search for meaning; and world citizenry. This chapter will define, and describe these three emerging leadership practices (the pink band) and explain why they need to become a part of leadership’s augmented repertoire for sustained success.

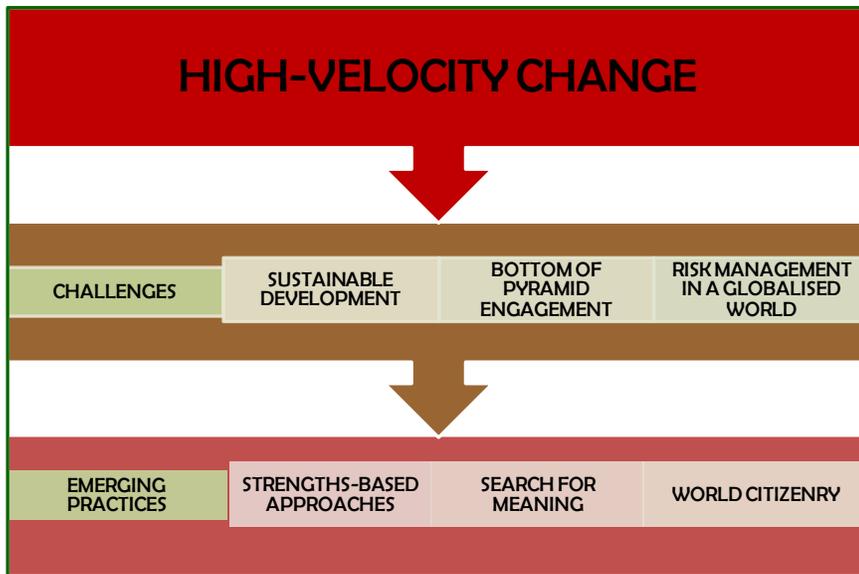


Figure1: Emerging leadership practices for productive sustainability

### **Emerging Leadership Practice 1: Contemporary organisations, positive psychology, and the strengths-based perspective**

Strengths-based leadership practice is best manifested in the positive psychology movement that has helped to redirect the contemporary organisation’s attention to positive change through learned optimism (Seligman, 1990; 1998; 2006). Although its roots stretch back at least over half a century to Maslow’s (1954), *Motivation and Personality*, its recent resurgence as a movement is usually traced back to Martin Seligman, who ushered in the resurrection during his presidency of the American Psychological Association in 1998. Its impetus has been carried over into other disciplines using what Cooperrider, Whitney, and Stavros (2007) summarise as “methods that affirm, compel, and accelerate anticipatory learning” (p. 2). Its efficacy at an organisational level is underpinned by research findings that resilient people use positive emotions to rebound from, and find positive meaning in, stressful encounters (Tugade & Fredrickson, 2004).

Further empirical support that positive emotions contribute to resilience in crises is found in Fredrickson and Branigan’s (2005) research, which supports three central aspects: “First positive emotion broadens the scope of attention. Second, positive emotion broadens thought-action repertoires. And third, broadening effects emerge

for two distinct types of positive emotion, namely amusement and contentment.” (p. 326).

There is increasing practitioner and business acceptance of methodologies – such as appreciative inquiry and happiness research – originating in the positive psychology movement. Cooperrider, Whitney, and Stavros’ (2007) *Appreciative Inquiry Handbook*, for example, lists more than forty five organizations worldwide (along with the appreciative inquiry initiatives that have either been completed or are currently underway in them). The sample includes such global, regional, and local organisations as ANZ Bank (Australia), Avon (Mexico), British Airways (UK), Green Mountain Coffee Roasters (US), Imagine Nagaland (India), McDonalds (US), World Vision Relief and development (Romania) and the United Nations Global Compact (see Table A.1, pp. xxii –xxvii).

This growing list of industry adherents is arguably because the positive psychology movement conceptualises the organisation as an effective web of strengths. Barrett and Cooperrider (2007) present it as a web with infinite capacity, possibility, and imagination, in which positive emotions help broaden and build both individual and team scope of attention, and thought-action repertoires (Fredrickson & Branigan, 2005), thereby leading to better performance. This view gains further credence from Fredrickson and Losada’s (2005) findings that high performing teams in organisations do overwhelmingly use positive strengths-based and opportunity-focused dialogue as well as appreciative inquiry type (open) conversation as opposed to negative dialogue and advocacy (closed positions) conversations.

Allied insights have been emerging simultaneously in what has become known as happiness research. In this area too, Seligman (2002) was a prime mover and proposed that the unwieldy notion of happiness could be unpacked into three more scientifically manageable components: positive emotions (the pleasant life); engagement (the engaged life); and meaning (the meaningful life).

In a further development of this line of research, Peterson and Seligman’s (2004) *Character Strengths and Virtues: A Handbook and Classification* contributed to the science of human strengths by providing a classification of six virtues and twenty four character strengths that have been valued across time, and societies. In addition these

“enable human thriving” (Seligman, Steen, Park, & Peterson, 2005, p. 411). These researchers updated, re-contextualised, and reintegrated many traditional values and vocabulary that had largely dropped out of leadership discourse and put them back into organisational lexicons.

This restoration and reinstated relevance had another vital strand that accompanied them. This was the simultaneous revival of Csikszentmihalyi’s (1990) earlier definition of an engaged life as a life that pursues engagement, involvement, and absorption in work and his associated notion of flow. Csikszentmihalyi (1990) describes this full engagement through the term flow, that is, as the psychological state that accompanies highly engaging activities. This allows a triangulation with these two contributions from positive psychology.

The huge cross-disciplinary adoption of flow probably eased its subsequent entry into business discourse. The crossover into contemporary work in general can be traced through Gardner, Csikszentmihalyi, & Damon’s (2001) *Good Work: When Excellence and Ethics Meet*, which notes that when “good work” (p. 5) happens it “*feels good*” [italics in original] (p. 5). Further fusion is confirmed two years later in Csikszentmihalyi’s (2003) book title *Good business: Leadership, Flow, and the Making of Meaning*.

These theories coalesce to leverage strengths-based approaches for individuals and organisations in contemporary times. This chapter traces their interconnection, firstly, by aligning with Seligman, Parks, and Steen’s (2004) insight that an engaged life requires us to draw on character strengths such as creativity, social intelligence, sense of humour, perseverance, and an appreciation of beauty and excellence (p. 1380). It then suggests that, by definition, such a fully engaged person is in flow. In flow, potency, concentration, creativity, satisfaction, and motivation are all higher than in non-flow (Csikszentmihalyi & LeFevre, 1989, p. 819).

It concludes that what this means for the executive, who faces potential duress at work, is that, as a direct result of flow, the stress that accompanies the pursuit of excellence in the workplace becomes not only tolerable, but even pleasant. This occurs because the tension is submerged in a state of consciousness that Donner and Csikszentmihalyi (1992) identify as predominantly positive.

All of the above is feeding into emergent leadership approaches in the extant literature. They converge with consequences for both individuals and for their organisations. For the individual, one way to enhance engagement and flow at work is to identify his or her highest talents and strengths, his or her signature strengths, and then help him or her to find opportunities to use them more (Seligman, 2002; Peterson & Seligman, 2004). For organisations, flow can be easier to achieve by designing optimal experiences through establishing clearly bounded goals, rules, and feedback systems for activities thereby facilitating concentration, and involvement for a bounded period of time (Moneta & Csikszentmihalyi, 1996; Csikszentmihalyi, 1997).

It is a strong testimony to the rigour of academic theory and research in this area, and the popular and pragmatic nature of science that it has espoused, that the strengths-based movement finds many practitioner champions in organisational change and talent management eager to “lead a strengths revolution” (Buckingham, 2006, p. 11). Such champions make activist interventions whose scope and intent are best captured by the following list of questions that Buckingham (2006) asks:

Can't we pick people with a keener sense of how their strengths match the demands of the role? Can't we change our performance appraisals so they aren't so unremittingly remedial? Can't we redesign our compensation and recognition systems so they don't lure everybody to scramble blindly up the ladder with little regard for whether the next rung truly plays to their strengths? Can't we change our own perspective so that we're fascinated by the potential of our strengths, rather than fixated on our flaws? (p. 11)

## **Emerging leadership practice 2: The search for meaning**

Strengths-based approaches involve meaning. This section reviews three areas of research on the search for meaning. It seeks to outline this emerging leadership practice and how the practice is enacted. More centrally for the thesis, it tracks its importance to success in what the Bennis, Spreitzer, and Cummings' (2001) collection of leading leadership theorists usefully characterises as an unknowable world. Area one of the three looks at sense-making and mindful approaches as explained in non-core management literature, and in theories of high reliability organisations. Area two examines the making of meaning as defined in bodies of research on leisure and work; and, finally, area three considers a meaningful life as defined in positive psychology.

This section moves outside of the core literature on leadership, strategy, strategic entrepreneurship and innovation. It finds the unprecedented circumstances call for new resources and seeks to conceptualise self-awareness by synthesising material not usually perceived as relevant to management. This thesis refers to authors who have a greater focus on a search for meaning, reflective practices, and spirituality.

These selected sources include Silsbee's (2004) work on coaching and his brand of mindful leadership, which is adapted from Buddhist and Western work on the taxonomy of consciousness and conditioning. Silsbee's (2004) approach relates both to the need to be present with what is actually happening, rather than expecting a simple repetition of the past (the business-as-usual syndrome), as well as assisting in liberating perceptions because "being mindful often requires letting go of what we think we know and seeing the world and our relationship to it in a new way" (p. 28). A similarly useful source is Clarke's (2004) work on inner consciousness, which offers guidance on how to embed self-aware, and socially-aware, empathetic behaviour to spur leaders, their people, and their organizations to success in a world of uncertainty and change (p. 27). Along similar lines, Kabat-Zinn's (2005) *Coming to Our Senses: Healing Ourselves and the World through Mindfulness*, extends the applicability of experiences in medicine and stress reduction.

These three non-management works with their search for meaning, and associated reflective practices, have been emerging recently in different forms in more conventional leadership and management sources. Boyatzis and McKee's (2005) *Resonant Leadership: Renewing Yourself, Connecting with Others through Mindfulness, Hope and Compassion*, for instance, describes congruent connections between thought, action and physiology by linking stress and renewal to the body's neuro-physiological systems.

In an organisational context this focus on self-aware and socially-aware behaviour finds expression in an arguably more pragmatic definition of mindfulness as a leadership practice. Mindfulness in this sense is best described in Weick and Sutcliffe's (2001) study on *Managing the Unexpected: Assuring High Performance in an Age of Complexity*, which researches such "*high reliability organizations*" [italics in original] (p. 3) as "power grid dispatching centres, air traffic control systems, nuclear aircraft carriers, nuclear power engineering plants, hospital emergency departments, and

hostage negotiation teams” (p. 3). Both this, and Weick and Sutcliffe’s (2007) subsequent and more recent book, *Managing the Unexpected: Resilient Performance in an Age of Uncertainty*, serve to illustrate the grounded insights possible even under extreme pressure and uncertainty. Moreover, through their “preoccupation with updating” (Weick & Sutcliffe, 2001, p. 42), employees of such high reliability organisations reinforce the need for such mindfulness in complex times to help “make sense of unprecedented events” (p. 42), to “provide a more nuanced appreciation of context” (p. 42), and to demonstrate ways to deal with it. This move from Eastern style meditative techniques to contemporary organisational awareness is both unexpected, and clearly linked, by semantics and mindful practices.

Very recently, leading leadership scholars Tichy and Bennis (2007) have moved the need to regard mindfulness – which they define as the ability to “pick up on signals in the environment” (p. 97) – to the forefront of good leadership. They regard this ability as the very first element in a leader’s judgement process (Tichy and Bennis, 2007, p. 97). Snowden and Boone’s (2007) contention that leaders require such self-aware frameworks to accurately “identify the governing context” (p. 73) for each domain of action in complex times, serves to further underline this chapter’s argument that mindfulness as a part of the search for meaning, is a significant leadership practice for prevailing conditions.

Our final reference in this argument for mindfulness as a vital component of the search for meaning brings us to Henry Mintzberg, “perhaps the world’s premier management thinker” (Peters, cited in Mintzberg et al., 1998, back-cover). Particularly in his work on executive education (Mintzberg, 2004a), this leading strategic theorist articulates the insight, that the most useful education for practicing leaders in uncertain times are reflective practices that will help them to understand and modify their own behaviour. Mintzberg’s (2004b) brand of mindfulness is best articulated in his forward-looking views on a framework for future management development:

Thus third generation management development can be organized around the following framework: managing self – the reflective mindset, managing organizations – the analytic mindset, managing context – the worldly mindset, managing relationships – the collaborative mindset, and managing change – the action mindset. If you are a manager, that is your world (p. 33).

As the diversity of the above list indicates, this section also finds that self-aware and mindful approaches must actively heed and adapt intersectional knowledge from other disciplines. Accordingly, it draws support from earlier work on the new science.

Wheatley's (2006) updated version of her classic *Leadership and the New Science: Discovering Order in a Chaotic World*, for instance, asserts that management phenomena may benefit from an alternate viewing lens and that key metaphors from the new sciences, such as non-linearity, dynamic change, unpredictability, self-organisation, bifurcation and edge-of-chaos help in conceptualising prevailing organisational contexts and situations in new and insightful ways.

Such insight has clear relevance to meeting contemporary leadership challenges by adding value to existing management frameworks faced with ongoing uncertainties and suggests key components of the new leadership synthesis.

It is not just spiritual practices that are forming, and informing, emergent leadership practices. The search for meaning can also be enhanced through adapting research in leisure and positive psychology. This section suggests that because work and leisure are complementary activities that at their highest states share core elements, and because "leisure is intrinsically rewarding, facilitating personal and organisational transformations that increase extrinsic economic value" (Beatty & Torbert, 2003, p. 239), the research on leisure has important contributions to make to this discussion on work and the search for meaning. Much earlier, in defining leisure as activity generated by an inner attitude of voluntary engagement and inquiry, Aristotle's (c. 300 BC/2000) philosophy drew attention to a particular frame of mind. He saw leisure-framed thought as having an ability to assist one to be at peace through the activities of the day, to rest and pace oneself, and to have a quiet self-awareness about how the different activities and time horizons in one's life relate to one another and to the deeper mystery of intelligent life. In many ways, albeit not as based on physiologically-validated research, this approach prefigures Boyatzis and McKee's (2005) call for renewal to be an essential behaviour for contemporary leaders.

This thesis therefore finds that the research on leisure advocates a real-time reflective practice (Schon, 1983). It offers a sense of being in the moment while simultaneously being aware of one's surroundings as well as of the cognitive, and temporal frames in which one is participating (Torbert, 1973). In this sense it refers to an overarching

mindfulness or inquiring attentiveness that is very different to the concept of flow discussed earlier. This is because such attentiveness “may be experienced and cultivated over a lifetime, penetrating more and more of one’s activities, rather than experienced in bursts like flow” (Beatty & Torbert, 2003, p. 242). It is interesting how the value of such reflective practice to business had essentially been outlined much earlier in leisure.

Kelly and Goodbey’s (1992) characterisation of leisure sees the practice as distinguished by its voluntary purposefulness, by its inquiring and awareness-enhancing processes, and by the development outcomes it engenders. In describing leisure’s transformational role in influencing management students’ action-logics and their managerial practices, Beatty and Torbert (2003) underline its special significance in the prevailing climate of global financial system melt-down because of spiralling corporate greed, and corrupt governance:

The experience of leisure, which we define here as self-reflective and development inquiry, can encourage our students to take a broader view of the workplace, expanding their focus beyond the bottom line to the interplay among visioning, strategising, performing and assessing profitability and other outcomes. . . . Contributing to our students’ capacity to engage in leisure and to exercise power in ways that enhance collaborative inquiry can help reverse professional and corporate ethical myopia and can help improve organisational stewardship. (p. 249)

As described in the earlier discussion on positive psychology and happiness research, the third of three more scientifically manageable components of Seligman’s (2002) theory of happiness, involves the pursuit of meaning. This consists in using one’s signature strengths and talents to belong to and serve something that one believes is bigger than the self. There are a large number of such positive institutions, such as knowledge, goodness, family, community, politics, justice, or a higher spiritual power. This route gives life meaning. It satisfies a longing for purpose, and because such activities produce a subjective sense of meaning, they are strongly correlated with happiness (Lyubomirsky, King & Deiner, 2005; Seligman, Parks, & Steen, 2004).

This thesis therefore posits that the search for meaning, the second of the three new leadership practices for prevailing times, works along with positive psychology and the strengths-based approach – the first of the three new leadership practices described earlier – and the practice of world citizenry – the last of the three practices, which will be covered next, to provide an augmented leadership practices repertoire for prevailing uncertainty.

### **Emerging leadership practice 3: World citizenry**

The concept of world citizenry can best be approached by first looking to stakeholder descriptions from industry, civil society and government. These set out the challenges faced by businesses in society and the key vectors of a successful response. One such telling description is provided in a report produced by The Conference Board of Harvard University's Kennedy School of Government and International Business Leaders Forum titled *The Role of Business in Society: An Agenda for Action* (Fitzgerald, & Cormack, 2006). In it, one of the authors Niall Fitzgerald, makes the categorical assertion that:

Leading an international business in the twenty-first century requires the delivery of goods and services and, through the profitable management of activities, the creation of wealth. But leadership also requires responsibility towards people and the societies in which the company operates and stewardship of the natural resources on which it relies. The role of business in society is a legitimate aspect of business leadership. It is not in conflict with growth or profitability, but an integral part of successful management practice and sustainable business building. ((Fitzgerald, & Cormack, 2006, p. 5)

Such connectedness as a leadership practice has been a consistent theme for operationalising the responsibility towards people and societies. It has been voiced by senior government leaders, who have made a strong and unequivocal case for collaborative endeavour. For example, speaking in 2005, Kofi Annan, former Secretary-General of the UN called for a collective response by all stakeholders: "All of us – the private sector, civil society, labour unions, NGOs, universities, foundations and individuals – must come together in an alliance for progress" (EFMD, 2005, p. 6) and continued that "Together we can and must move from value to values, from

shareholders to stake-holders and from balance sheets to balanced development. Together, we can and must face the dangers ahead and bring solutions into reach” (p. 6).

But this coming together in a globalised world in and of itself surfaces new and escalating challenges for leadership, whose scale and scope are daunting:

One of the key drivers of globalisation is international economic development. It is a highly dynamic process. Through millions of daily decisions that we, as business leaders, are making, business, trade and commerce are driving global economic integration. Countries and their populations—as consumers, employees, investors and citizens—are being brought into rapid, if uneven, participation in global economic activity and growth. The scale of these trends is massive. To take one example, at a global, macro-economic level, it is estimated that more than one billion people have been able to afford to buy a manufactured product for the first time over the past ten years. (Fitzgerald, & Cormack, 2006, p. 9)

Following on from such preoccupation on the part of industry, civil society and government, connectedness has also been a significant part of the academic discourse since the middle of the decade. The emergence of connectedness as a core feature of business strategy in academic research and literature has arguably mirrored the advent and popularity of the Base of Pyramid (BoP) concept and frameworks of shareholder value models for sustainable development, related to BoP protocols. These have focused on connectedness as a non-negotiable pre-requisite for working in this sector. This sentiment is best articulated by Hart and London’s (2005) almost axiomatic statement that: “In order to work at the base of the pyramid, large corporations need to learn how to become ‘indigenous’ to the places in which they operate (p. 30) but, doing so “will require that they first widen the corporate bandwidth by admitting voices that have, up to now been excluded” (p. 30).

Their advocacy of the need to become indigenous in emerging markets strikes a common chord with other academics exploring BoP. Hammond and Prahalad, (2004), for example, find that “widening bandwidth by modernising distribution channels” (p.

34), is crucial for larger multinational companies “hoping to reach low-income markets in the developing world” (p.34).

Researchers have also found the social connotations of connectedness in such markets because, as London and Hart (2004) surmise, “firms without a capacity to appreciate and create social value or to become locally embedded in the social infrastructure that dominates low-income markets may struggle to overcome their liability of foreignness” (p. 353).

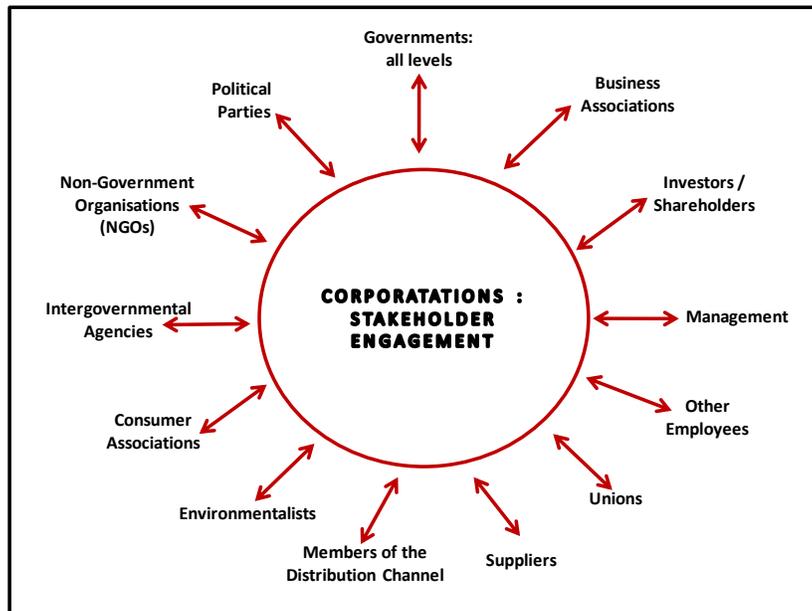
But connectedness as a new leadership practice goes even beyond access and brand acceptance, to weigh-in on a business’s core solutions design process itself, because, as Hart and London (2005) conclude:

Companies interested in developing responsive technologies and products at the base of the pyramid can learn much from fields such as rural sociology, applied anthropology, and empathy-based design. These disciplines stress the importance of co-developing custom solutions to problems through two-way information flow. Rather than imposing pre-existing solutions from above, the emphasis is on working with local partners to co-design every aspect of the product or service including its delivery (p. 31).

Thus the nurturing and, thereafter, utilisation of highly diversified networks helps the business, and its managers, to identify and engage in contexts that are new and different. This engagement both deepens their understanding and extends the scope of their competitive imagination leading to potentially “disruptive” (Hart, 2005, p. 171) innovation in products and services for the business. Such a disciplined pursuit of co-creation, co-development and connectedness makes its own demands on leadership and strategic management and Prahalad, Krishnan, and Donker (2005) conclude that:

The implications of a company’s desire to anticipate and lead, and consumers’ desire to create their own experiences . . . put new demands on how large companies are managed. The demands are very clear: An ability to cope with more complex alliances, multiple suppliers, and relationships with multiple consumers and consumer groups; in other words, the emerging importance of stakeholders of all kinds. (p. 35)

Such connectedness is best symbolised by the EFMD's (2005) stakeholder network engagement diagram shown in Figure 2 below:



**Figure 2: Stakeholder engagement**

**Source: EFMD (2005). Globally responsible leadership: A call for engagement (p. 29).**

This call on businesses to stay connected with a multitude of stakeholders brings other complementary challenges. This section will consider the second component of the new leadership practice of world citizenry, namely virtuousness. Once again, dominant wisdom in industry, specifically that of senior representatives from twenty one companies, business schools, and centres of leadership incorporating four continents will be used to frame the new global business context and the redefined purpose of globally responsible business. This is the catalyst for what the chapter calls the emerging leadership practice of virtuousness:

The challenges facing humankind are large, undeniable, and global. Economic, social, environmental inequalities abound and are increasing. Businesses are among the most influential institutions worldwide. They have a tremendous opportunity to shape a better world for existing and future generations. Business schools and centres for leadership learning can play a pivotal role, alongside business, in developing the present and future leaders required to ensure that business is a force for good (EFMD, 2005, p. 2).

The recognition of the need for moral legitimacy, and genuine altruism, and their manifestation in corporate actions, has shaped the form and nature of the discourse on virtuousness in this globalised world:

As companies have evolved, like all institutions, they have been subject to both good and bad leadership and management . . . . And the same spectrum of performance is seen today with some outstanding standards and innovations in practice and other appalling betrayals of trust. It seems to me that if society is to continue to accept the granting of substantial rewards for successful business leadership, it is entitled to expect complete leadership— an approach that combines optimum returns for shareholders with responsibility for social and environmental performance. (Fitzgerald & Cormack, 2006, p. 8)

Elaborating on this theme, Ban Ki-moon, the present Secretary-General of the UN underlines the universality of being good when he states that: “we need business to give practical meaning and reach to the values and principles that connect cultures and people everywhere” (UNGC, 2008, p. 4). Therefore, this chapter argues that the leadership practice of virtuousness is a broadening of corporate purpose by putting ethics at its centre. It is enlightened self-interest that combines a humanitarian, even activist orientation, with the conventional motivations of growth and profitability (WBCSD, 2004; EFMD, 2005; Hart, 2005). It builds on Kanungo’s (2001) and Kanungo and Conger’s (1993) discussion on the ethical values of leadership (see figure 3), and extends it in a significant way, by not confining virtuousness to two quadrants of mutually altruistic intent (with its transactional leadership connotations of fair exchange) and/or morally altruistic intent (with its connotation of organisational transformation).

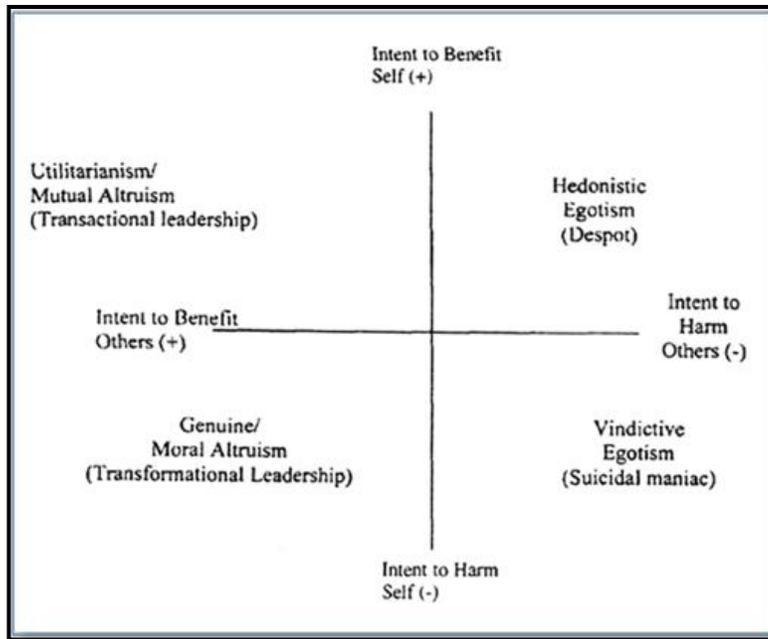


Figure 3: Altruistic intents in ethical leadership

Source: Kanungo, R. N. (2001). *Canadian Journal of Administrative Sciences*, 18 (4), pp. 257-265

Instead, it posits that the practice of virtuousness, in a productively sustainable context, is a gestalt of these two ethical intents. Moreover, it suggests that the resulting gestalt far transcends either of the intents in its scope and aspiration by making the organisation an instrument of social transformation. Virtuousness is a leadership practice that honours universal principles and in doing so makes both business ethics and corporate global responsibility, central tenets in an organisation's challenging pursuit of economic and societal progress, and sustainable development (EFMD, 2005).

On the strength of the above discussion this thesis argues that world citizenry, in the dimensions of leadership connectedness and virtuousness, is the third significant part of the new leadership practice for uncertain times.

## Conclusion

This chapter, the last of the trilogy on leadership repertoires for uncertain times, sets out the three leadership practices of positive psychology and strength-based approaches, the search for meaning, and world citizenry. It positions them as the

strongly emerging, and conceptually appropriate, leadership responses to the prevailing complexity identifiable in extant research. It then argues that they are effective as leadership's emergent repertoire to the challenges and opportunities of sustainable development, bottom of pyramid engagement, and the management of risk in a globalised world described in chapter six.

The following summary of the core messages of each of the three chapters (five, six and seven) will reemphasise the logic of their flow. Chapter five posited that a firm's strategy, leadership, and processes are correlated to specific environments, with particular characteristics that broadly correlate with different eras. It has thereafter argued that the theories of leadership styles, which have emerged as a consequence of environmental changes, can contribute to understanding of contextually related trends. These cluster round three main approaches: transactional leadership; transformational or new-leadership; and new new-leadership. It has contended that this clustering has advantages in identifying major transitions.

Chapter six then proceeded to outline a framework to describe the three areas of sustainable development, base of pyramid engagement, and managing risk in a globalised world. These have emerged as the key challenges that have redefined the meaning of strategic performance for businesses in an uncertain environment of high-velocity change. Finally, chapter seven discussed the elements of an emerging alternative leadership perspective on practices which could help it meet the challenges around issues of particular contemporary relevance.

ERA	1940-1960	1961-1980	1981-1995	1996-2004	2005-PRESENT
COMMON STRATEGIC ENVIRONMENT	DELINEABLE & STABLE	STABLE & MATURE	FLUID & DYNAMIC	PUNCTUATED & DISCONTINUOUS	HIGH VELOCITY & COMPLEX
LEADERSHIP PROCESS	DOMINANT & JUDGEMENTAL	RESPONSIVE TO ANALYSIS	RESPONSIVE TO LEARNING	PURPOSEFUL SEARCH FOR MEANING	CHANGE AGENT
STRATEGY	PRESCRIPTIVE	LEARNING	EMERGENT	CONFIGURATIONAL	
LEADERSHIP RESPONSE	RIGID	REACTIVE	REACTIVE ADAPTIVE	ADAPTIVE GENERATIVE	GENERATIVE
LEADERSHIP APPROACHES	<b>TRANSACTIONAL</b> -----> <b>TRANSFORMATIONAL</b> -----> <b>NEW - NEW</b> -----> <b>EMERGENT</b> ----->				

**Figure 4: Eras, strategies, and augmented leadership practices for uncertain times**

Figure 4 above consolidates these arguments visually and underlines the relationship between specific eras, prevailing environments, leadership processes, strategy, leadership responses and dominant leadership practices. It illustrates the augmenting nature of leadership approaches with each dominant approach from previous eras, adding onto, and enriching, the approaches which follow.

In order to more fully investigate, develop and integrate the arguments of the seven preceding chapters, this thesis now undertakes a neo-classical grounded theory approach to explore enhanced leadership practices for the present and for likely futures. This is described in the next five chapters which follow.

## **Chapter 8 - Looking ahead from the zeitgeist of Australian businesses: A grounded theory research study of senior leadership practices for the present and for likely futures**

This chapter marks the beginning of the final stage of the research story. The core messages of each of the three preceding chapters (five, six and seven) were highlighted at the conclusion of chapter seven. It is now apt to briefly recapitulate the entire journey in order to situate the chapters to follow in the context of the chapters that have preceded them. After chapter one's introduction, chapters two to four argued against an overemphasis on retrospective data and methods in times of rapid change and uncertainty. While drawing substantially from an interpretive framework, these three chapters also looked at the breakdown of traditional boundaries, such as the for-profit and not-for-profit divide, and explored the potential of more emergent methods, such as action research. While the answers provided alternatives to retrospective quantification as possible guidelines to better practice, there were two recurrent themes: the environment as a prime driving force in organisations' performance; and its deterministic influence on leadership and management's intentionality and choice.

These themes undergirded the thesis' exploration of the evolution of leadership and strategy in relation to environmental change. This exploration was the substance of chapters five to seven, and its findings appeared as summary conclusions at the end of chapter seven. There were three key outcomes from chapters five, six and seven. They had surfaced what appeared to be a generalisable conceptual framework of clustered responses around transitions. They had discovered a set of newly evidenced, and still developing, challenges, which promised to have explicatory power when it came to explaining what "high-velocity change" actually meant to businesses in practice. And, finally, they had signalled a set of emerging leadership practices relevant to prevailing and future environments of high-velocity and complexity.

Such a process, and its clear practical implications, had intrinsic merit but were not sufficient outcomes in and of themselves. Rather, the variegated nature, scale, scope,

and global impact of the prevailing and future change, argued for urgency in theorising its manifestation, because “good theory”(p. 362), as Srivastva and Cooperrider (2008) suggest, “is one of the most powerful means we have for helping social systems evolve, adapt and creatively alter their patterns over time” (p. 362).

While the deliberations of chapters two and three earlier, had underlined the power of emergent methods like action research, for informing better present and future practice; its suitability for purposes of theory building was moot, because theory building “is probably the most challenging aspect of action research” (Huxham, 2003, p. 243) for which “there can be no methodology”(p. 243).

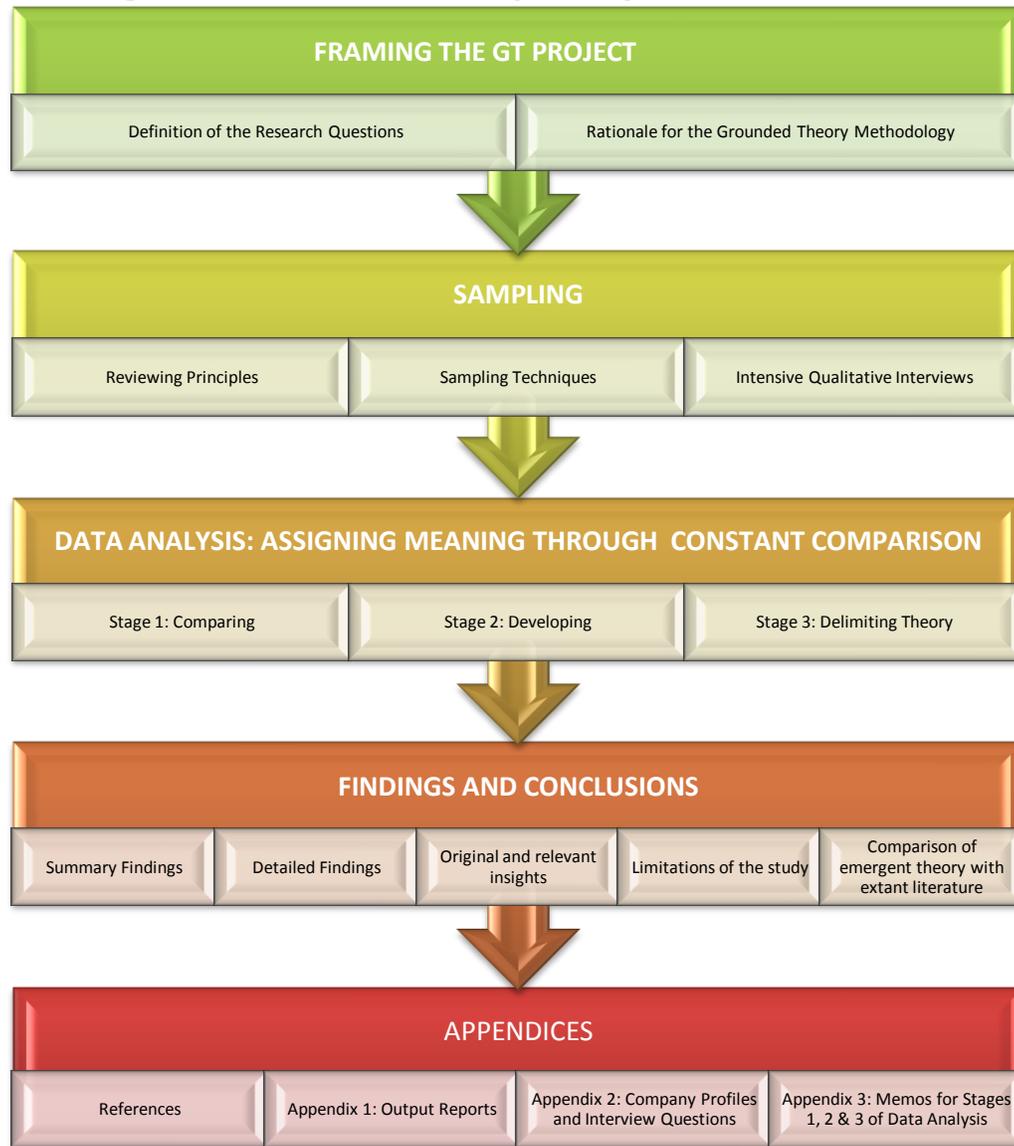
At this stage, the researcher turned to grounded theory. It fitted the situation in that it is explicitly emergent (Dick, 2005), and “seeks people, events, or information to illuminate and define the boundaries and relevance “(Charmaz, 2006, p. 189) of generated theory that is grounded in the data (Glaser, 1978). Further validation of the applicability of grounded theory methodology to this research emerged from its origins in the discipline of sociology where it was used to study the interactional behavioural elements of society and the individual. Because this thesis engages with challenges like ethics, sustainability, and risk management in a globalised world, all of which have significant behavioural implications, the application of grounded theory seemed even more appropriate (Goulding, 2005).

This broad overview of the selection of grounded theory as the emergent methodology of choice is discussed and analysed in much greater detail in the succeeding sections of this chapter. The study itself involved twelve senior leaders of successful Australian-based local, regional, and multinational businesses in two interconnected sets of theorising. The grounded theory research resulted in a set of augmented leadership practices.

The development of the grounded theory is covered in five chapters. The first of these, chapter eight (the present chapter), provides a detailed account of the research methodology along with the rationale for its use. It is followed by four others: chapter nine on sampling (theory and practice); chapter ten on data analysis (assigning meaning through constant comparison); and chapter eleven on findings and chapter twelve on conclusions. In their turn each of these chapters has key sections that

explain the methodologies used and the procedures followed to assist in keeping theory generation as robust and reliable as possible, which can be challenging given the nature of what even leading proponents Bryant and Charmaz (2007b) call the “contested status of grounded theory methods” (p. 3).

## Framing the Grounded Theory Study



**Figure 1: Content Flow of GT Study Chapters**

This chapter details the two research questions that the study is investigating and provides the rationale for the choice of grounded theory for investigation of the

phenomena. It is followed by four more: Sampling; Data Analysis – assigning meaning through constant comparison; findings; and conclusions. Figure 1 above shows the content and flow of the chapters.

### **Questioning research: Interpretive frames, emerging methods, and grounded theory**

This section explains the evolution of the study's two research questions, contextualises some of the methodological choices, and provides a much more detailed rationale for the choice of grounded theory for investigation of the phenomena. The participants developed two interconnected sets of theorising: the first concentrating on existing and likely future challenges facing contemporary Australian businesses; and the second on current and emerging practices that leaders are using to address productive sustainability given the prevailing conditions and anticipated trends.

To this point the thesis has worked mainly in an interpretative framework. Within that broad frame it has, in line with its desire to eschew traditional retrospective quantification, and its preference for the more present-based aspects of action research in earlier chapters, aimed to connect organised action to a contextually embedded set of meanings. It has consistently placed strong emphasis on the present rather than the past, and on emergent phenomena rather than predictable continuities across time. In Geertz's (1980) memorable formulation, it could be said to be "looking less for the sorts of things that connect planets and pendulums and more for the sorts that connect chrysanthemums and swords" (p. 165). In other words, it moves away from Newtonian-influenced philosophy towards discourses that recognise the symbolic and socially constructed nature of the human universe. It seeks to draw from the new legitimacy captured in Srivastva and Cooperrider's (1999) "mounting wave of socio-cognitive and socio-cultural research, converging around one essential and empowering thesis: that there is little about collective action or organization development that is pre-programmed, unilaterally determined, or stimulus bound in any direct physical or material way" (p. 91).

Following Cooperrider and Srivastva's (2008) more recent work, the thesis further accepts that "valid knowledge or social theory is a communal creation" (p. 360) with

meaning made in conversation, reality created in communication, and knowledge generated through social interaction. The clear consequence is that knowledge, therefore, “is a subjective reality – a social artefact resulting from communications among groups of people” (Whitney & Trosten-Bloom, 2003, p. 53).

Such a theoretical perspective helps to further explain the failure of traditional retrospective and quantitative models for high-performance organisations from Peters and Waterman (1984) through Collins (2001a) to Kim & Mauborgne, (2005). This failure, both on a descriptive and on a normative basis (Kirby, 2005), has been because some of the key concepts on which these theories rest are being emptied of descriptive relevance over time. Social theories are tied to historical contexts. If historical contexts change, then sociological theories in general, and organisational theories in particular, have to change (Kaghan, Strauss, Barley, Brannen, & Thomas, 1999, p. 72).

Although, during a period when their research held an ascendancy, positivist quantitative researchers continued, by testing logically deduced hypotheses from an existing theory, to refine extant theory, their research seldom led to new theory construction (Charmaz, 2006, p. 5). Nevertheless, quantitative researchers can argue that such failures as Peters and Waterman (1984) and Collins (2001a) are a result of poor, or incorrect, applications of the scientific method, and make the case that the “severe problem with respect to validation” (Sashkin, 2004, p. 189) can be rectified by ensuring “sound research using well-defined quantitative measures of performance” (p. 189). Nevertheless, their arguments are difficult to substantiate in practice. Part of the problem is because logico-deductive methods generalise – as happens in statistically-oriented research – both in terms of the frequency that something happens, and in the distribution of outcomes of a process. As a result, different fieldwork findings from even one organisation can challenge such generalisability and perhaps even falsify theories that are not based on close observation in natural settings (Kaghan et al., 1999, p. 73).

In the face of such practical and theoretical shortcomings, this thesis continues to adhere to the view that retrospective perspectives can be a misleading guide to effective forward-looking practice. It also opts for a mindful and anticipatory inquiry-based approach as better for generating more useable insight, especially when

systemic uncertainties make the past a less reliable guide to the future than in settled times.

## **Why grounded theory?**

Building on the previous discussion, this section posits that not only can emergent data-driven methods complement more common theory-driven methods, but that grounded theory in particular can limit the pressures of positivism. This is of use since positivism “can lead too easily to theory driving evidence and evidence in turn driving practice: *theory* → *evidence* → *practice*” (Dick, 2007, p. 411). By providing a balance, emergent methodologies can reverse this sequence in the form of evidence gathered in practitioner settings becoming a source of theory generation: *practice* → *evidence* → *theory* (Fox, 2003). Goulding (1999) records how interpretive and postmodern scholars also championed the use of such methodologies in order to provide insights, reveal meaning, and acknowledge the possibility of multiple answers to problems.

Grounded theory is one such methodology. Two particular attractions for this project are contained in the recently published *Handbook of Grounded Theory* (Bryant & Charmaz, 2007a): grounded theory “comprises a systematic, inductive, and comparative approach for conducting inquiry for the purpose of generating theory” (Bryant & Charmaz, 2007b, p. 1); and the “method is designed to encourage researchers’ persistent interaction with their data, while remaining constantly involved with their emerging analyses” (p. 1). Following the path developed over decades of work on chronic illness (Charmaz, 1987; 1990; 1999; 2002), qualitative methods (Charmaz, 2000; 2005), pedagogy (Charmaz, 1991), psychology (Charmaz, 2003), social justice (Charmaz, 2005), and sociology (Charmaz & Olesen, 1997); and its adaptation to management, business, and market researchers (Goulding, 2002; 2005), this thesis will argue that grounded theory satisfies multiple criteria because of the rigour of its approach.

The application of this rigour, it will further be contended, forces the researcher to look beyond the superficial, to apply every possible interpretation before developing final concepts, and to demonstrate these concepts through explication and data supported evidence (Charmaz, 2005; Goulding, 2005). Moreover, because grounded theory has been systematically obtained through social research and is grounded in data, it

bridges the gap between theoretically uninformed empirical research and empirically uninformed theory (Charmaz, 1983, 2004).

It thus has the descriptive adequacy that is the sine qua non of a good theory (Kaghan et al, 1999, p. 72). In addition, as with many other qualitative methodologies, grounded theory is also a systematic study of the individual's experience connected to society and history.

### **Why grounded theory in leadership and management studies in general and in this thesis in particular?**

In another aspect of central importance to this thesis, grounded theory both focuses on, and emphasises, the "discovery of what concepts and hypotheses are relevant for the substantive area being researched" (Glaser & Strauss, 1965, p. 5). Although this thesis's concentration on business organisations working in uncertain common strategic environments differs from the concerns, as referenced above, of the initiators of grounded theory, the methodology still assists in the development of important concepts, basic categories, and significant hypotheses, and, thereby, provides a "central core of theorising" (Glaser & Strauss, 1965, p. 6). Over forty years on, Charmaz (2006b) highlights these advantages well in her succinct description of grounded theory as:

A method of conducting qualitative research that focuses on creating conceptual frameworks or theories through building inductive analysis from the data. Hence the analytic categories are directly "grounded" in the data. The method favours analysis over description, fresh categories over pre-conceived ideas and extant theories, and systematically focused sequential data collection over large initial samples. This method is distinguished from others since it involves the researcher in data analysis while collecting data – we use this data analysis to inform and shape further data collection. Thus the sharp distinction between data collection and analysis phases of traditional research is intentionally blurred in grounded theory studies. (pp. 187-188)

Grounded theory, being particularly suited to situated processes, is a useful research methodology for management and organisational studies in general. It is also theoretically concerned with such relevant and substantive topics as change,

socialisation, and decision-making (Locke, 2001). Because the management domain is concerned with issues around individual, group, and organisational behaviour, grounded theory, with its interactionist basis, is well-suited as a research framework (Glaser, 1992, cited in Locke, 2001).

This aptitude is underlined by its efficacy in a number of key areas: Firstly, grounded theory captures complexity well. Indeed, its ability to provide a multi-faceted account of organisational action in context (Martin & Turner, 1986) has been well demonstrated in, for example, Orlikowski's (1993) use of grounded theory to study adoption of Computer Aided Software Engineering (CASE) tools in organisations. In addition to capturing complexity, grounded theory links well with the desire to improve practice. This was demonstrated in Glaser and Strauss's (1964) application of grounded theory to assist nurses in actually delivering better nursing care. However, as well as capturing complexity and improving practice, grounded theory supports theorising in new substantive areas because of its generative and naturalistic data collection and theory building orientation. This aspect is observable in Brown and Eisenhardt's (1997) deployment of grounded theory to apply the notions of complexity theory and time-paced evolution to organisations in seemingly relentless change.

Finally, of particular relevance to management theory, is how grounded theory "enlivens mature theorising" (Locke, 2001, p. 97) by permitting the use of an inductive qualitative approach to discovering the unanticipated. This has a number of possible applications, including in such areas as managerial work, where, although Mintzberg's (1973) seminal work was published a quarter of a century ago, dramatic workplace changes have occurred in the interim without a comparable theoretical invigoration.

Indeed, the thesis contends that the utility of grounded theory to management and organisations in general, is valuable in bringing new perspectives to a well-tilled research area like leadership in particular. For too long, leadership, despite clear connections to changing contexts and situations, has been strongly influenced theoretically by psychological orientations, traceable in concerns with such features as traits, and behaviours. Glaser (1992) pointed the way in observing how grounded theory is useful to "researchers and practitioners in fields which concern themselves with issues relating to human behaviour in organisations, groups and other social configurations" (p. 13). Parry (2004) picks that up in noting that grounded theory's

contribution to such areas is not the generation of a new concept or pattern, but rather a better conceptual grasp of basic social processes that might be missing. Earlier, Hunt and Ropo (1995) offered another undergirding for grounded theory by suggesting it play a significant role in the study of leadership because of its tendency “to generalise in the direction of theoretical ideas, thus emphasising theory development rather than testing of a theory” (p. 381).

Given the overarching aim of researching an integrative theory of new leadership practices for productive sustainability in uncertain times, this is a good point to summarise grounded theory’s advantages to the project. Firstly, as discussed earlier in the thesis, and in this chapter, quantitative methodologies have not delivered convincing results with a lasting time frame that has accommodated even short term change (e. g., the short life and swift death of the excellent companies identified by Peters and Waterman, 1982). Another reason is that the thesis is investigating a social influence process, which has a complex interplay between the actions of the leader, the reactions of the followers, and the context within which the influence occurs. A further allied reason is temporal. Akin to leadership practices, grounded theory is implicitly longitudinal because of the iterations associated with the constant comparative nature of theoretical coding. This makes grounded theory analysis especially relevant. Finally, grounded theory’s deliberation around the research questions of the thesis must incorporate the variety of variables that impact it and so necessitates theory generation as opposed to theory testing (Yukl, 1996; Locke, Kirkpatrick, Wheeler, Schneider, Niles, Goldstein, Welsh, & Chah, 1991; Parry, 1998).

The value of the grounded theory approach to this study of leadership also lies in how it incorporates the complexities of the organisations under investigation without limiting, discarding, or ignoring, the full flavour of variables under consideration (Kan & Parry, 2004), or neglecting temporal concerns. In the process, it offers the capability of uncovering many patterns that, in the first instance, participants perhaps either don’t understand, or are not aware of (Glaser, 2002, pp. 2-5). Grounded theory has a unique capacity to explain what is going on in their complex world. It facilitates this in starting with substantive areas by the generation of emergent conceptualisations into integrated patterns, which are then denoted by categories and their properties.

## **Creativity versus prescriptive routines: Methodological muddling in grounded theory**

Despite these many advantages, grounded theory researchers are not united in all aspects and certain differences need to be explicitly addressed. Grounded theory applications owe their pragmatic core to its founding approach as “a method that might occupy a pragmatic middle ground between some slippery epistemological boundaries” (Suddaby, 2006, p. 638). As such it has the potential to provide conceptual support to help steady researchers encountering complex social processes. However, one outcome was the emergence of a community of scholars devoted to improving, or formalising, grounded theory methodology. Some scholars attempted to define membership of the community through the enforcement of rigid rules. These rules concerned issues around: saturation – the longevity of the controversy can still be observed in Morse’s (2007) injunction that “saturation is not an end point to the study but a stepwise decision that you are certain of some category or finding before moving forward at each phase” (p. 231); the mechanical application of technique to data; and the clear demarcation of theory and data to the exclusion of all other considerations. These attempts also led to tension between those advocating a purer methodology and those adopting a less pure, but still, at least in their eyes, effective practice.

Those favouring a purist approach worked at streamlining, simplifying, and categorising “true” grounded theory research. Their methods included a proliferation of “how-to” manuals and textbooks. These made attempts to enforce their standards by insisting on such requirements as a visual diagram representing all grounded theories and a minimum sample size of twelve for any grounded theory study. Wells (1995) also observed the growth of what are clearly, in terms of grounded theory’s anti-positivist origins, methodological transgressions. In this growth, the traditional canons of quantitative methods had been modified and applied to grounded theory-generated interview data and/or the outcomes of a grounded study had been described in terms of random sampling, reliability, validity statistics, and dependant/independent variables.

Controversy over grounded theory’s best meta-view – between creativity and openness to unanticipated interpretations of data on the one hand, and mechanical adherence to prescriptive routines and algorithms to produce results on the other –

continues to the present (for a recent account see Bryant and Charmaz, 2007b). It remains a source of fundamental divergence in the field. This thesis concurs with Skodol-Wilson and Ambler-Hutchinson (1996) in finding the application of rigid rules for judging the credibility of grounded theory products as questionable. However, despite the fact that these rules may have been independently invented by academics without direct contact with either Glaser or Strauss, the controversy cannot be settled by an appeal to the founders of grounded theory. As Locke (1996) notes, a philosophical parting of the two original founders also contributed to ongoing generational differences. Strauss, for example, in the Strauss and Corbin (1990) version, incorporates a strict and complex process of systematic coding, which led Glaser (1992) to accuse him of ignoring 90% of the original ideas” (p. 3). Similarly, while Strauss (1991) suggests forcing data into categories, Glaser (1992) insists on dealing only with categories that emerge from the given situation.

Thus, the accusations of methodological muddling (Baker et al., 1992) levelled at grounded theory – because of variations in approach, styles, terminology and application of the methodology – appear well-founded. After having studied these genealogical divergences, this thesis has followed the more creative, and less prescriptive, branch of the grounded theory family. It therefore accepts as a given that grounded theory techniques have an inherent messiness and require researchers to make certain value judgements. In particular, it supports Parkhe’s (1993) idea of grounded theory researchers developing a tacit knowledge, or feel, for situations when more purist admonitions may not be appropriate to the research and may, therefore, be safely dismissed. It takes this stance because creative theory building requires the researcher to manage what Strauss and Corbin (1990) describe as the interplay between “analytic ability, theoretical sensitivity, and the sensitivity to the subtleties of the action/interaction” (p. 19) and the quality of the data collected or analysed. Pandit (1996) confirms the need for researcher initiative in the following way:

Grounded theory research requires certain qualities of the researcher. In particular, confidence, creativity and experience (both of doing research and of the context(s) being researched) are of great benefit. Accordingly, the approach does not favour the novice researcher who may be just beginning to develop these qualities. This is not to say that novice researchers should not embark upon grounded theory studies; rather, I imply that (a) they are likely to find the

approach more difficult than more conventional methodologies; and, (b) the more experienced (probably postdoctoral) researcher is likely to produce better theory. (p. 18)

### **Conclusion: Conducting and reporting GT research while avoiding the six common errors**

In evaluating the advantages of, and requirements for, doing grounded research, this chapter has illustrated some problems involved not just in the historical evolution, but continuing to be present in debates around contemporary practice. In openly highlighting such controversies, it seeks to signal a determination not only to acknowledge them in advance, but to explicitly address its ways of engaging with them. In endeavouring to safeguard the integrity of the process, its primary approach stems from honouring the original tenets of grounded methodology – as articulated in Glaser and Strauss's (1967) *The Discovery of Grounded Theory*.

These tenets have, by and large, remained constant, notwithstanding the diffusion of the methodology across a number of disciplines from sociology and health studies to management. They offer a set of specific principles for analysing and abstracting the information that a study must follow to be recognised as a worthwhile product of the methodology. The principles selected for particular acknowledgement are: the constant comparison method; the search for links through the identification of concepts in terms of their dynamic interrelationships; the construction of a core category; the final stage of writing up of the theory; and its integration with existing theories for relevance, fit and/or extension.

In attempting to stick to these principles, this research has, at all times, and tried to avoid what Suddaby (2006) has usefully identified as the six common errors that researchers make in conducting and presenting grounded theory research (p. 634). It has done so in the following ways. Firstly, it has conducted the project with a clear research question, and a detailed examination of extant literature as well as steering its inquiries to keep to a practical middle-ground between extant theory and unfettered empiricism. Secondly, notwithstanding the fact that interviews are the sole form of this study's data collection, the research has avoided being phenomenological by achieving a "higher level of abstraction – higher than the data itself" (Martin &

Turner, 1983, p. 147) through constant comparison, and by working between data and extant knowledge to find the best fit (Locke, 2001).

Thirdly, while this research has used computer software N.VIVO to provide rudimentary content analysis and formatting, it has not used the software for theory testing, content analysis, or word counts. Instead, it has sought to “discover theory from data” (Glaser & Strauss, 1967, p. 1) by focusing attention on an interesting phenomenon without explanation, even in such a well-established area of empirical inquiry as leadership. Fourthly, creativity in the process of theory building has been energised by ensuring that routines for analysing data are used to abet the development of “relevant categories and properties, and in choosing possible modes of integration” (Glaser & Strauss, 1967, p. 79), and not to overemphasise coding to the exclusion of inventive insight.

Fifthly, while being cognisant of the epistemological and ontological issues surrounding grounded theory methods, this study has been pragmatic about coding, counting, and saturation. This made sense because grounded theory has no clear definitive process. The thesis accepts, for example, that the criteria for determining category saturation depend upon both the empirical context, and the researcher’s experience and expertise, rather than on the number of interviews that have been conducted. In sum, the research has attempted to protect the core procedures and tenets of grounded theory methodology – as detailed at the start of this section – without sacrificing creativity. Nevertheless, the creativity needs to be complemented with attention to process, and to the elements that comprise grounded theory research. The chapters which follow are very cognisant of this need for due process.

## Chapter 9 - Sampling in grounded theory in general and sampling in this leadership research project in particular

From the outset, it is important to establish that, in grounded theory, sampling methods change dynamically with the development of research in ways particularly suited to this research project. One unique feature that distinguishes grounded theory from other forms of qualitatively-generated theory is that theory emerging from grounded theory “has a unique structure” (Morse, 2007, p. 229), which “links the researcher’s developing concepts in stages and phases, as they change over time or appear in different forms” (p. 229). As a result grounded theory researchers have not only to account for development over space, but over time. Indeed, such researchers “must not only develop the pertinent concepts and their relationships to each other, but also describe their actions, roles, and interactions as they respond and adapt within particular situations” (Morse, 2007, p. 229).

While clearly attractive in terms of sensitivity to data, and adaptability to change, such accounts have to handle considerable complexity. Indeed, in surveying the range of disciplinary and methodological territories occupied by grounded theory, the benchmark *Handbook of Grounded Theory* (Bryant & Charmaz, 2007a) acknowledges such complexity. In their introduction, Bryant and Charmaz (2007b) capture this tendency with what they tentatively term the “family of methods claiming the GTM [Grounded Theory Methods] mantle” (p. 11). In an almost fractal relationship, the same family metaphor applies to sampling. This chapter describes the individual types of sampling used in the study: convenience sampling, purposeful sampling, theoretical sampling, and theoretical group interviews; as well as the specific data gathered in each of these mileposts. Notwithstanding variations in the different types of sampling listed above, the description of sampling in grounded theory can be subsumed under the same overarching metaphor of a “family” of theoretical sampling.

Theoretical sampling is the process of data collection for generating theory. The grounded theory analyst uses it not only to collect, code, and analyse his/her data, but also to decide what data to collect next. This can even include where to find further

data in order to develop his/her emerging theory. This process of data collections, as Glaser and Strauss (1967) emphasise, “is *controlled* by the emerging theory, whether substantive or formal” [italics in the original] (p. 45) and Glaser (1978, p. 36) reconfirms this a decade later.

In addition, as with qualitative sampling in general, grounded theory depends on principles of excellence to meet the goals of adequate and appropriate data gathering. The rest of this section will review the three principles of sampling excellence in grounded theory and discuss each of the different types of sampling, including the main features of each, their implementation in this research study, and their resultant outputs.

### **Seeking sources of sampling excellence**

Morse’s (2007) recent survey identifies the three principles of data sampling excellence as: excellent research skills; excellent participants (to obtain excellent data); and targeted and efficient sampling techniques (p. 229). In engaging with the first of these principles – the need for excellent research skills – this thesis underlines the importance of the researcher’s experience, values, and priorities. These matter to the study’s efficacy because, just as the methods chosen influence what is found, what researchers bring to the study also influences what they can see (Charmaz, 1990; 1998; Glaser & Strauss, 1967; Glaser, 1978). In this instance, the researcher’s inclusive perspectives have been built through synthesising over a quarter of a century’s experience of working in organisations. These include a wide range of governance, senior management and functional roles in large multi-national, medium sized, and entrepreneurial businesses in countries across the globe.

These extensive “coal face” experiences have been augmented by a concurrent decade of consultancy and practitioner expertise in advising senior leadership in government, not-for-profit and for-profit sectors in the areas of leadership, change, strategy, and sustainability in three countries. Being able to draw from this rich bank of experiences has contributed to the researcher’s awareness of substantive issues guiding the research questions. Finally, this has been augmented by experience in convening and teaching complete courses in university executive education MBA and International MBA programmes over a number of years. Thus the researcher has certainly embraced

social constructivism and associated concepts that help sensitise his world-view (O'Callaghan, 1996).

In engaging with the second principle, excellent participants, the researcher has endeavoured to meet high criteria. In grounded theory, an excellent participant is one who has been through, or observed, the experience under investigation. As the succeeding parts of this section will demonstrate, this research has been based on participation by senior executive leadership of Australian-based, large multi-national, regional, and local companies representing eight high growth industries which include such sectors as: pharmaceuticals; financial services; utilities; hi-technology research and development; fast moving consumer goods manufacturing and distribution; food services technology research and development and manufacturing; medical devices manufacturing; and scientific accessories manufacturing and distribution. The participants have therefore been drawn from a pool of experts in leading and managing companies in the phenomena under investigation – environments of rapidly accelerating change. Moreover, in already acting as reflective thought-leaders in their fields, these participants have considered viewpoints on the issues of change and leadership practices that they have been willing, as well as able, to share. The expertise and knowledge levels of such participants contributed greatly to the quality (Spradley, 1979, pp. 25-26) of the data gathered.

The third principle of excellence argues for the sampling techniques in grounded theory to be targeted and efficient. Nevertheless, as Morse (2007) notes, the researcher must simultaneously stay cognisant of the fact that the true essence of qualitative analysis is based on investigator insight. This study therefore takes two statements by academic authorities in the grounded theory field as telling recommendations for efficient enactment of the grounded theory method.

The first is Morse's (2006) observation that excessive data is an impediment to analysis and that collecting too much data results in a state of conceptual blindness; and the second is Glaser's (1998) complementary assertion – supported by Stern (1994) – that small samples and limited data do not pose problems because grounded theory methods aim to develop conceptual categories.

## **Justifying alignments: The nature of this neo-classical approach to grounded theory**

Accordingly, from the perspectives presented in the previous section, data collection is directed to illuminate properties of a category and relations between categories, rather than, as in quantitative research, to meet any pre-conception around with sample size. Accordingly, in the tradition of Glaser and Strauss (1967), as the founders of grounded theory, this study uses theoretical sampling as “an active, purposeful, searching way of collecting data” (p. 76) and shares their view in also finding it “exciting, invigorating and vital” (p. 76). The research also accompanies that proactive thrust with intensive interviewing as a technique that directs conversation and permits an in-depth exploration – especially useful for interpretive inquiry (Lofland & Lofland, 1995) – of a particular topic or experience.

In short, therefore, the study’s decisions for theoretical sampling are based only on a sociological perspective and on the general problem area (Glaser, 1978, p. 44). In this particular study, the area is environmental change and emergent leadership practices in Australian businesses. There are several caveats to be aware of at all times when reading this chapter. One is that while individual stages and mileposts are described in sequence for purposes of this report, they were not necessarily sequential in execution. Another is that the choice of the participants to be studied, their numbers, their roles within the companies they worked in, and the industries from which the companies were chosen, were not pre-determined. The only pre-specified parameter was the Australian context. Thereafter, sampling decisions were controlled by the emerging substantive theory and were orchestrated to achieve its desired scope and conceptual generality and to maximise the differences for its developing properties. Detailed breakdowns of the timing provided in the research were also evolving since, in research designed for discovering theory, the temporal open-endedness of theoretical sampling is mandatory (Glaser & Strauss, 1967, p. 74).

Having explained the caveats to the descriptions which follow, this study now describes each of the four types of sampling already referred to in the introduction to this chapter and provides details including; an overview of the sampling methods; the rationale for the choice of companies for each type of sampling; a brief description of the companies and the roles and responsibilities of the individual interviewees who

represented them; the features and appropriateness of the intensive interview techniques employed to gather data; and the interview questions employed at different stages of sampling to gather appropriate data.

### **Types of sampling (1): Convenience**

Grounded theory sampling begins with convenience sampling, a common sense process of talking to those informants who are most likely to provide early information (Coyle, 1997). Accordingly, this research study initially selected four companies (please note that identifiable names, locations, acronyms, etc. have been changed to protect the anonymity of the participants and participating organisations), which were part of an industry innovation think-tank. They were selected primarily on the basis that they were likely candidates for providing up-to-date and diverse information and were accessible to the researcher.

Secondary factors guiding the choice were the fact that, despite operating in diverse industries with different ownership structures, they had important key factors in common: all were large, successful businesses; all were all based in Australia; all operated in dynamic environments; and all had articulate, aware, experienced, and reflective Australian senior leadership.

This starting sample helped the study to better identify the scope, the major components, and the possible trajectory of the overall process. In addition, participants in this sample were used to provide additional snowball or nominated samples used for the next stage of purposive sampling (Richards & Morse, 2007). Table 1 below gives general demographics and financial information for the companies that constitute the convenience sample (wherever it was made available). In order to illustrate the quality, level, and status of the participants, this table includes the role and length of tenure in the role of the senior leadership, from the various companies who participated in the study.

	Company AE	Company B	Company G	Company I
Interviewee Code	PA/EA	PB/EB	PG/EG	PI/EI
Interview Date	13 February	13 February	15 February	15 February
Position/Role	SVP - Quality & Regulatory	Head of Growth, R&D, Strategy	GM & CFO	MD
Tenure in Co.	3 years	7 years	13 years	5.5 years
Tenure in Role	3 years	2 years	4 years	1 year
Industry	Medical Devices	Financial Services	Water	Scientific Instrumentation
Ownership	Australian	Australian	Australian	Australian
Legal Status	ASX Listed	ASX Listed	SOE	Private
Geography	Global	Australia-NZ	Australia	Global
Years: Australia	18 years	10 years	NA	40 years
Years: Global	28 years	150 years	12 years	40 years
People: Global	1655	2800	NA	400
People: Australia	800	2800	470	330
Key Products & Services	Medical Devices	Wealth Mnmgt. , & Protection, Banking & Finance	Utility Services and Products	Consumables, Components and Technology for Scientific Analysis
Number of branches/outlets	1500 clinics world-wide, 30 in Australia	1250	2	NA
Mfring in Australia	1	NA	NA	1
Revenue 2006 – 7	559 million	ND	ND	ND

**Table 1: Summary of Demographics/Financial Information of Convenience Sample**

## **Types of sampling (2): Purposeful**

In the course of their interviews each of the four participants, who took part in the convenience sampling stage above, defined environmental change using specific descriptors. Furthermore, in their interviews, each was using language and logic that suggested a correlation/causal relationship between their leadership practices and the nature of the prevailing environment. The participants selected for the purposeful sample therefore were chosen in order that they could provide assistance in confirming comparisons, while allowing for contrasting observations that, in conjunction, helped inform the scope and trajectory of the phenomena. Furthermore the selection of the purposeful sample was made in the hope that it would also reveal how participants themselves partitioned the emerging insights (Morse, 2007, p. 235).

For purposeful sampling therefore, five participants – again, please note that identifiable names, locations, etc. have been changed to protect anonymity – were selected. Those chosen were in similar and contrasting situations (that is in the same and different industries; and in similar and different functions in the same or different companies). Table 2 below gives general demographics and financial information for the companies that constitute the purposeful sample, including the role and tenure in the role of the senior leadership (wherever it was made available).

	Company C	Company D	Company AE	Company F	Company H
Interviewee Code	PC/EC	PD/ED	PE/EE	PF/EF	PH/EH
Interview Date	28 March	11 March	20 March	12 March	5 March
Position/Role	Group. Mkt. Director	MD & Director	SVP – D & D	Director - Sales & Mkt.	Group MD
Tenure in Co.	3 years	NA/16 years	NA	20 years	NA
Tenure in Role	3 years	2 years/7 years	NA	7 years	NA
Industry	FMCG - Manufacture & Wholesale	R&D Consumer electronics	Medical Devices	Pharma	Financial Services
Ownership	Off-shore	Off-shore and Australian	Australian	Off-shore	Australian
Legal Status	Listed	Private	Listed	Listed	Mutual (Public)
Geography	Asia-Pacific	Global	Global	Global	Australia
Years - Global	> 25 years	75 years	> 15years	100 years	NA
Years - Australia	> 50 years	> 15 years	> 25 years	> 50 years	> 150 years
People - Global	2800	131000	1655	75000	NA
People - Australia	426	300	800	650	1200
Key Products & Services	Food & Coffee Manufacture	In House R&D Service Provider	Medical Devices	Novel Medicines	Health & Personal Financial Services
Branches/outlets	7	NA	Multiple	NA	Multiple
Mfring. Australia	2	NA	1	NA	NA
Revenue '06 –'07	140 million	ND	>500 million	>10 billion	>500M

**Table 2: Summary of Demographics/Financial Information of Purposeful Sample**

### **Types of sampling (3): Theoretical**

From the total of nine interviews conducted – four in the convenience sampling stage and five in the purposeful sampling stage – the researcher observed clearly emerging categories and theory. These emerged for the environment as well for leadership practices (please refer to the Memoing chapter in this thesis for specific details of category conceptualisation). Sampling at this point was therefore singularly directed by the researcher's need to verify the emerging theory (Glaser, 1978). Accordingly, the final two participants for theoretical sampling were deliberately selected because they were both actively confronting conditions of rapid change in their individual organisational environments. In addition, each was leading a variety of revitalisation programs in his/her company.

For instance, Company J, a pharmaceutical major, is in a sector that is facing significant challenges, which will impact pharmaceutical organisations across the board and thus change a competitive landscape that has been relatively familiar for many years. Globally, these challenges include the rising costs of drug development, the increasing regulatory constraints, the end of the blockbuster era, the need to penetrate niche markets, the increasing generic competition, and the tightening of government healthcare budgets and pharmaceutical reimbursements. Additionally, blockbusters are increasingly scarce overall as a pharmaceutical trend.

Locally for Company J, environmental changes include a change in customer demographics – an aging but more knowledgeable population as well as increasing corporatisation and utilisation of technology among the medical fraternity. Certain customer segments, such as pharmacists, are increasing in significance, and competition from generic medicines is on the rise. Locally, the cost constraints of the Pharmaceutical Benefits Scheme also result in challenges in obtaining reimbursement for innovative medicines. There is ever-increasing public and government scrutiny of the pharmaceutical industry (compliance load) and the industry has seen a sharply escalating war for talent.

As Company K's general manager, who participated in the theoretical sampling interview herself, remarked:

The environment for Company K has been absolutely dramatic in its change. Ten, fifteen years ago I would say that this company was a very sleepy organisation, had survived on limited innovation, had relatively poor practices in many areas, but was still able to make a profit. There's been a lot of consolidation in the industry, there's been a lot more competition for our particular markets, and there's been a lot of change in the supply, things like AWB for example, dramatic change in how that's going to affect us from the wheat business, changes in milling consolidation, changes in baking consolidation, meat and dairy consolidation through Australia and that has meant a huge impact on our ability.

The above comments were clear indications to the researcher that the prevailing environmental contexts of both participating Companies J and K, and the roles of the participating interviewees in the organisations, would provide insights and information that would assist in thickening the concepts and categories being researched. Both participants were asked targeted questions (refer to the Intensive Interview section of this chapter for specifics), and the resulting data was used to verify the theory in its entirety. They were also asked to supplement information about the linkages between categories, hence contributing to the emerging theory (Morse, 2007, p. 240). Table 3 below gives general demographics and financial information for the companies that constitute the theoretical sample, including the role and tenure in the role of the senior leadership from the companies in question.

	Company J	Company K
Interviewee Code	PJ/EJ	PK/EK
Interview Date	19 August	22 August
Position/Role	Director – Strategy & Innovation	General Manager R & D
Tenure in Company	24 years	5 years
Tenure in Current Role	3 years	1 year
Industry	Pharmaceuticals	Technical Solutions in Food, Feed, Grain and related industries
Ownership	Overseas	Australian
Legal Status	Australian Registered but publicly listed overseas	Private
Geography	Multiple countries across all continents	Global
Years in Operation - Global	Since 1800s	NA
Years in Operation in Australia	Since 1800s	>30 years
Employees (Global)	80000	NA
Employees (Australia)	1400	1000+
Key Products & Services	Pharmaceuticals compounds for humans and animals	Retail bread products, Near Infrared technology, New Grains & Food Safety Programs
Number of branches/outlets	NA	NA
Number of Manufacturing Facilities in Australia	Multiple	Multiple
Revenue 2006 - 7	1 billion	NA

**Table 3: Summary of Demographics/Financial Information of Theoretical Sample**

## Types of sampling (4): Theoretical group interviews

The convenience, purposeful, and theoretical samples resulted in the emergence of the core categories, and categories using the constant comparison process, which will be discussed in detail in the following chapter on data analysis. However, the researcher needed to independently verify if the categories that emerged represented the total of the categories that could be conceptualised from the data. In addition he needed to confirm that the categories had been theoretically saturated in order to decide if sampling could be stopped. Grounded theory methodology recognises the efficacy of small discussion groups, “deliberately convened to ‘push’ the analysis towards completion” (Morse, 2007, p. 241). Such groups provide the final “any other information” (p. 241) that the researcher requires, by polishing data collection, and thus completing the process of saturation (Morse, 2007, p. 241). In discussions with Participants B and F, they agreed to poll critiques and comments on the emerging categories and their properties from aspiring leaders from each company using the three step process, which the researcher designed in consultation with participants B and F, outlined in figure 1 below.

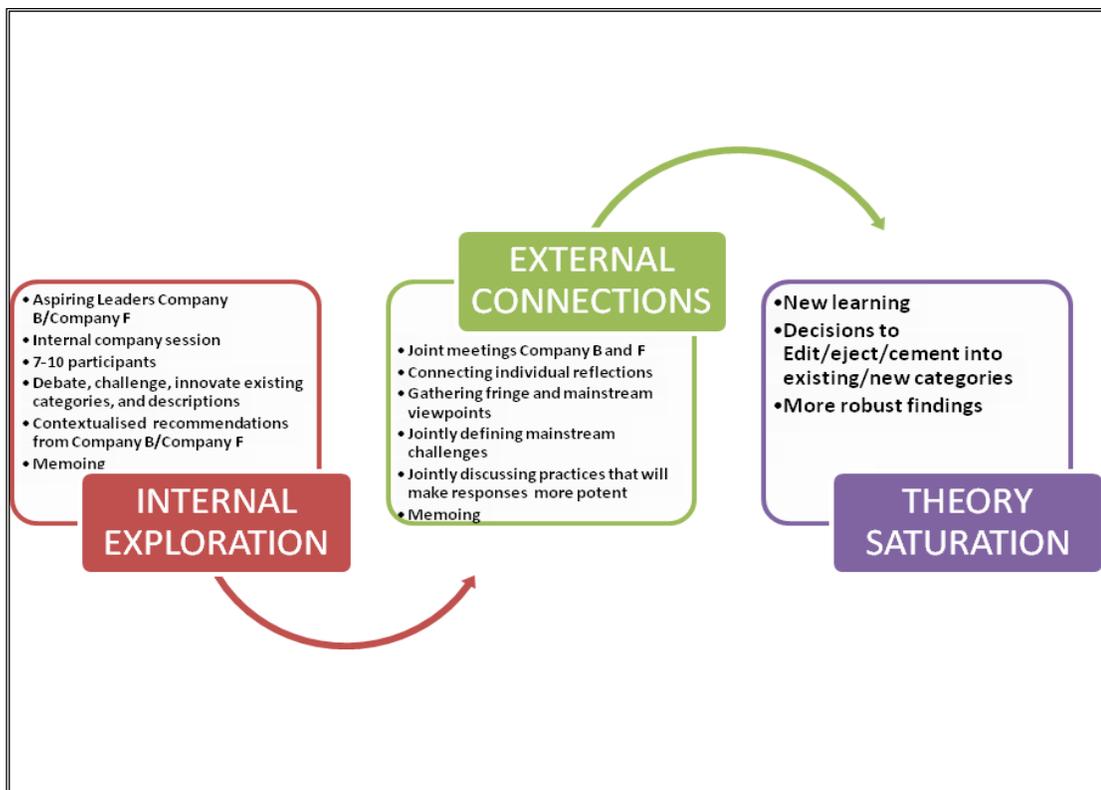


Figure 1: Proposed Theoretical Group Interview process

By using group meetings – initially conducted separately at Company B and Company F – and thereafter as a joint session, the researcher intended to involve a larger group of aspiring leaders (so designated by the companies' Learning and Development Department). Their role was to examine, to reflect on, and to contribute both to the emerging categories and to their properties in both substantive areas of environment and leadership practices. Unfortunately time pressures meant that this process has not thus far been implemented and will, therefore, be the subject of future research.

### **Final stage: Intensive qualitative interviews**

To this point the chapter has described the companies that participated in each of the sampling stages and the roles and functions of the participating interviewees from these companies. The reflections are now rounded-off by providing details of the interviewing techniques used and the nature of the interview questions posed to interviewees at each stage of sampling.

This study used intensive qualitative interviewing as its sole method for gathering data for four main reasons. The first reason was that such interviewing can elicit a person's view of his/her subjective world (Lofland & Lofland, 1995). It is a well-recognised power of qualitative interviewing that makes it a major vehicle for interpretive inquiry (Fontana & Frey, 2005). In this study for example, it provided interviewees, who had substantial experience and expertise in leading organisations in both stable and turbulent times, with the opportunity to engage in open-ended and in-depth exploration that often drew on their considerable insights (Charmaz, 2006, pp. 28-29).

Commenting on the utility of the technique at all stages of the data gathering process in grounded theory, Glaser and Strauss (1967) have similarly endorsed this methodological choice:

At the beginning of the research, interviews usually consist of open-ended conversations during which respondents are allowed to talk with no imposed limitations of time. Often the researcher sits back and listens while the respondents tell their stories. Later when interviews and observations are directed by the emerging theory, he can ask direct questions based on his categories. (pp. 75-76)

The second reason for the use of intensive qualitative interviewing was because it fitted grounded theory methods particularly well. Its approach is open-ended, yet directed; shaped, yet emergent; and paced, yet flexible. All of these fit the characteristics of grounded theory research and resonate with the approach of the thesis as a whole. Grounded theory methods also require researchers to take control of their data collection and analysis. Intensive interviewing methods aid this by providing researchers more analytic control over their materials (Charmaz, 2006, p. 28).

The third reason arose from this study's discovery that, by using interviewing as the core of the data gathering strategy for its research into environmental change and emerging leadership practices, it was able to overcome the potential validity problem of researcher reactivity. In effect, in line with Parry's (1998) work on leadership, by utilising in-depth interviewing as the predominant source of data, the researcher's direct involvement in the phenomenon under investigation was reduced (p. 96). Finally, the study also discovered that face-to-face interviews gave the researcher the ability to gauge first-hand if the respondent was the appropriate person to answer the question. He was, therefore, able to further assess the source, and to an extent, the resulting reliability of the data gathered in the interview (Hague, 1987).

Sample templates of the questions asked in the different stages of sampling described earlier are reproduced below along with the thought-prompts that were provided to each interviewee. Following guidelines in Charmaz (1996, pp. 30-31), these were designed to orient the participants to the substantive context of the interview without biasing their opinions and insights in any way. Table 4 below details the interview questions for the convenience sample participants and Table 5 below details the interview questions for the purposeful sample participants.

**A SAMPLE OF GROUNDED THEORY INTERVIEW QUESTIONS  
ABOUT CHANGE AND NEW LEADERSHIP PRACTICES**

**INITIAL OPEN-ENDED QUESTIONS**

1. What would you define as the company's "traditional" market?
2. Are buying behaviour, and needs changing dramatically in the company's traditional market?
3. Are there new and radically "different" and/or attractive prospective customer segments emerging in the company's business?
4. Do you anticipate that the company will need major product, process and business model innovation to serve these customers?
5. Who is the company's main competitor or competitors?
6. Is the business's competition increasing?
7. Are competitors from other related and non-related industries challenging the business in its traditional and/or its emerging markets?

**INTERMEDIATE QUESTIONS**

8. What do you see as the biggest challenges for the business going forward?
9. What do you see as the biggest opportunities for the business going forward?

**ENDING QUESTIONS**

10. What strategic skills do managers and leaders in the business currently possess?
11. What strategic skills do the business's managers and leaders currently use?
12. From the business's perspective, what are the most desirable strategic skills that they could acquire?
13. What leadership skills do the business's managers and leaders currently possess?
14. What leadership skills do the business's managers and leaders currently use?
15. From the business's perspective what are the most desirable leadership skills they could acquire?
16. Describe the five top skills in an ideal repertoire for the business's managers and leaders to successfully navigate the challenges and opportunities now and in the future
17. What would be the best way of providing them with these skills?

**Table 4: Interview questions for convenience and purposeful sample participants**

**Adapted from: Charmaz, 2006, pp. 30-31**

## LIST OF QUESTIONS FOR THEORETICAL SAMPLING

1. Have your organisational circumstances changed even more than then you had anticipated at the start of the new millennium? Would you agree with people who call this an “exponential economy”? Could you comment on this in multiple dimensions (like for example)?
  1. Velocity of change
  2. Uncertainty
  3. Complexity
  4. Industry Trends
  5. Macro-trends
  
2. Would you consider some of the leadership practices listed below new and important for your managers to demonstrate going forward? What would each of them mean from your company’s context and how would they be enacted out in practice?
  1. Being present and able to anticipate the unexpected, make meaning of new events, and build the resilience necessary to deal with them
  2. Being in touch with each other not just across the organisation, but with customers, and communities...
  3. Being new and different.... Always
  4. Being good not merely in terms of baseline ethical business practice but demonstrating morally altruistic behaviour with all stakeholders
  5. Being global both in terms of economic globalisation opportunities/risks, and social imperatives (base of pyramid markets and people etc.)
  
3. How will the following organisational attributes look in your organisation once the current leadership/structure/strategic cultural change initiative is complete?
  1. Mindset
  2. Leadership
  3. Work

**Table 5: Interview questions for theoretical sample participants**

## Conclusion

This chapter has described the methods of sampling that were used at the three different stages of the data gathering process; convenience, purposeful, and theoretical to gather information from the eleven participants in this study. It has also described the intensive interview techniques used in these sampling stages and provided both the interview templates as well as content of these interview templates for purposes of clarity. It has provided design details of theoretical group interviews, which were intended for effecting theoretical saturation – a stage that enables conceptual thickening in the emerging categories. These theoretical group interviews could not, however, be conducted because of time limitations. Throughout the discussion, links to theory and extant research have been drawn at appropriate points to make methodological choices transparent and, at some points, to seek to justify them in line with the grounded theory literature.

The actions of the leaders sampled in the grounded theory research may partially be a response to the following factors: ongoing discussions in the innovation think-tank, the present and new challenges in their organisations, and their access to management literature and training (academic and popular). Thus their interviews and the ideas and insights expressed therein are not independent of the discursive frames available to them. This rationale applies to the researcher as well. This moment-to-moment awareness, on the part of the leaders and the researcher, resonates both with what this thesis contends about the power of emergent and mindful inquiry and Glaser and Strauss's (1967) assertion that:

The core categories can emerge in the sociologist's mind from his reading, life experiences, research and scholarship; [furthermore] no sociologist can possibly erase from his mind all the theory he knows before he begins his research. Indeed the trick is to line up what one takes as theoretically possible or probable with what one is finding in the field. (p. 253)

The next chapter on data analysis will explain, with a number of individual examples, how this information was analysed to inductively generate Substantive Codes, Theoretical Codes/Concepts, and categories – where appropriate – and Core Categories for the phenomena being researched.

## Chapter 10 - Assigning meaning through constant comparison: Data Analysis for ensemble leadership repertoire

Following on from the previous chapter's account of data collection and sampling, this chapter moves into the analysis phase. Using individual examples, it provides an account of how a set of key grounded theory practices, defined as joint coding and analysis of data, were deployed to assign meaning to the interview data. Rooted in Glaser's (1978) and Strauss's (1987) concept-indicator model of constant comparisons of incidents to incidents and of incidents to the emerging concepts (see figure 1 below), it develops substantive and conceptual codes that earn their relevance in theory because they have been systematically generated from the analysis of data (Glaser & Strauss, 1967, p. 102; Holton, 2007, p. 278).

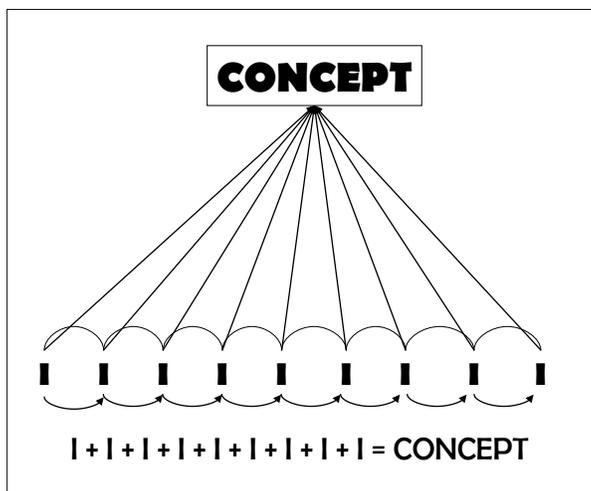


Figure 1: The Indicator- Concept Model, Sources: Glaser, 1978, p. 62; Strauss, 1987, p. 25.

As the constant comparison proceeded, and the substantive and conceptual codes generated as a result of the Indicator-Concept model, were further abstracted, two core categories – one each in the two areas pertinent to the research questions on environment and leadership practices – emerged. The generation of these core categories is significant in light of Glaser's (1978) assertion "that generation of theory

occurs around a *core* category” (p. 93) and that “without a core category, any effort of grounded theory will drift in relevancy and workability” (p. 93). Accordingly, because they have “the prime function of *integrating* the theory and rendering the theory *dense* and *saturated* [italics in original] (Glaser, 1978, p. 93), this chapter focuses on these two core categories.

It starts with a description of how these core categories were realised by enacting the constant comparison method in three stages of analytic work (in sequence with examples). Each of these stages will be described in turn in the sections that follow both with the help of general theoretical constructs from the literature on grounded theory methodology as well as with specific examples pertaining to the data from the present study. Throughout the analysis, the chapter kept in mind Glaser’s (1998) oft quoted dictum, “all is data” (p. 8), which underscores the importance of data as the foundational block of grounded theory.

### **Stage 1 of Constant Comparison**

Stage 1 involves analysing the interviews to identify Key Phrases as the first step for the researcher in getting off the empirical level, and moving to the conceptual code. It makes the move by what Holton (2007) terms the “fracturing of data” (p. 266). The actual process of such fracturing is complicated because, although the founding authors’ original monograph suggests that researchers focus their attention on individual data fragments, they fail to define exactly “what constituted a data fragment” (Locke, 2001, p. 66). This researcher found at least three unit sizes in the literature – each of which is preferred depending on the kind of data, the level of abstraction required, and the purpose for collecting the data (Charmaz, 2006). For example, word-by-word coding is a helpful approach when working with documents or Internet data, whereas line-by-line coding works particularly well with detailed data about fundamental empirical problems, or processes, in which observations of people, actions, and settings reveal telling scenes and actions.

This study opted for a third unit, “a close cousin of line-by-line coding” (Charmaz, 2006, p. 53), called incident-to-incident coding. Incident-to-incident coding fitted best here because the senior leaders’ interviews were already at a higher level of abstraction,

and, at times, had concrete, behaviourist descriptions of contexts, and peoples' actions and interactions.

To illustrate this in action, the tables below provide two examples of Key Phrases (fractured data fragments) from interviewee A’s interview transcript of 13 February, 2008. Table 1 is a partial table of Key Phrases with regard to the firm’s *environment* and Table 2 is a partial table of Key Phrases with regard to *leadership practices*.

Example 1	<p style="text-align: center;"><b>Interview Transcript EA</b></p> <p style="text-align: center;"><b>Date: 13.02.08</b></p>
ID	Fragmented Narrative – Key Phrases
EA1	<p>The regulatory and quality part of our business operates in an environment that is complicated but not complex. In effect you can work your way through how the overall process and the framework is structured, and it takes a very long time for legislation and therefore regulation to change. Notwithstanding this stable platform and superimposed on it, we’ve got the emerging economies like India, China, and most of the countries in Asia. They are beginning to consider regulating medical devices and sometimes like for example in India, they do not wish to wait, wanting to put in place regulation in six months, a precipitous move that resulted in uncertainty that is close to chaos because it wasn’t a well thought out sort of strategy.</p>
EA2	<p>It is not high velocity change. It is not a very rapid change but it is a very persistent change which becomes rapid because we have got a lot of new staff coming into the organisation even as incumbents are learning about a new way of thinking. So there is that sort of instability coming into the organisation through the superimposed growth here and turnover with just a persistent change that’s coming on the regulatory area.</p>

**Table 1: Fracturing interview data into fragments (Key Phrases) for analysis - Environment**

<b>Example 2</b>	<b>Interview Transcript PA</b>  <b>Date: 13.02.08</b>
ID	Fragmented Narrative – Key Phrases
PA3	<p>We have to really work closely with emerging markets for the potential that they bring and recognise that we have a responsibility as members of the various global organisations that are looking at regulation. One of my teams is on the global harmonization task force which comprises the five main regulators; Canada, Japan, America, Europe and Australia. This group is looking at the harmonization of the regulatory environment which is a key part of our endeavour. Staying closely connected to such bodies ensures that we have a voice and can make a contribution . . . .</p>
PA4	<p>I’m also talking with likeminded people in the same profession or I’m going out and training others because that’s a key way of learning. In terms of building a global bridge across our own business, it is not something I can influence day-to-day. Again however, it is more to do with how I present the quality and regulatory group firstly to the leadership group and then to the rest of the company.</p>

**Table 2: Fracturing interview data into fragments (Key Phrases) for analysis - Leadership**

The full suite of Key Phrases for interviewee A as well as all other interviewees can be found, in Appendix 1 to this study. The contents of Appendix 1 (comprising of Appendix 1A, 1B, and 1C) represent the full analysis of the grounded theory research study for the categories and core categories describing the Environment and Leadership, on the basis of the data obtained from all the participants. Appendix 1A provides an overview summary of the data analysis, including the number of key phrases which referred to substantive codes, from which the Theoretical Codes and the Core Categories for both Environment, and Leadership have been abstracted. The tables in Appendix 1A in turn are constructed from Appendices 1B and 1C. Appendix 1B contains the Key Phrases abstracted from the participants’ interview transcripts, which have then been analysed and coded to inductively obtain the core category for the Environment. Appendix 1C

contains the Key Phrases abstracted from the participants’ interview transcripts, which have then been analysed and coded to inductively obtain the three categories which collectively comprise the core category for Leadership. Chapter eleven will discuss these categories and core categories in much greater detail.

As the second and final step in Stage 1, once the Key Phrases have been identified using the incident-to-incident coding method described in the write-up and examples above, the study moves to a higher level of abstraction called Substantive Coding. This is the process of conceptualising the Key Phrases, which are the empirical substance of the area under study and the data in which the theory is grounded (Holton, 2007, p. 275). The first step in generating such an emergent set of categories – with properties that fit, work, and are relevant – is the act of coding the data in every way possible. Glaser (1978) calls this “running the data open” (p. 56). In order to sustain theoretical sensitivity, to transcend the descriptive details in Key Phrases, and to encourage a focus on patterns among incidents that yield codes, this study uses a set of generative and neutral questions, (see Table 3 below) in conjunction with constant comparison (Glaser, 1998, p. 140; Locke, 2001, p. 69).

Question 1	What is happening?
Answer 1	
Question 2	What is the basic problem faced by the actors here?
Answer 2	
Question 3	What category or what aspect of a category, does this incident suggest?
Answer 3	
Question 4	What does this incident suggest this is a theory of (Glaser, 1978)?
Answer 4	

**Table 3: Generative questions to support conceptual naming of Substantive Codes**

Sources: Adapted from Locke, 2001, p. 69 and Charmaz, 2006, p. 47.

The use of these questions to creatively generate Substantive Codes is shown in four sets of examples using the Key Phrases that were introduced in the previous section

(two each regarding environment and leadership respectively). Table 4, Table 5, Table 6, and Table 7 below describe the outputs of the interrogation process.

ID	EA Interview 13.02.08
EA1	Key Phrase: The regulatory and quality part of our business operates in an environment that is complicated but not complex. In effect you can work your way through how the overall process and the framework is structured, and it takes a very long time for legislation and therefore regulation to change. Notwithstanding this stable platform and superimposed on it, we've got the emerging economies like India, China, and most of the countries in Asia. They are beginning to consider regulating medical devices and sometimes like for example in India, they do not wish to wait, wanting to put in place regulation in six months, a precipitous move that resulted in uncertainty that is close to chaos because it wasn't a well thought out sort of strategy.
Question 1	What is happening?
Answer 1	Actor A is trying to define the context in which she is operating as a senior leader responsible for regulatory affairs in her globally active company
Question 2	What is the basic problem faced by the actors here?
Answer 2	Actor A is articulating the issues that medical devices regulatory departments face in a global marketplace. She is highlighting the contradictory challenges that she faces in her job. On the one hand her work involves working through well-documented and structured processes, which are not ambiguous. On the other hand she is dealing with emerging markets like China and India that are only beginning the regulatory journey and, because of their market imperfections and their desire for speed, are creating chaotic situations
Question 3	What category or what aspect of a category, does this incident suggest?
Answer 3	Actor A is highlighting that in her job she is moving from developed economies with established regimes to emerging economies with largely organic processes and a catch-up mentality. This is resulting in her team and her having to deal with varying market needs and challenges
Question 4	What does the incident suggest this is a theory of (Glaser, 1978)?
Answer 4	Actor A is signalling that the environment of her medical devices firm is complicated because markets are dynamic and interconnected, and culturally layered and that perhaps this is the category under which to discuss her predicament
Substantive Code suggested	VARYING NEEDS AND CHALLENGES

Table 4: Example 1- Naming substantive code through key phrase questioning - Environment

ID	EA Interview 13.02.08
EA2	Key Phrase: It is not high velocity change. It is not a very rapid change but it is a very persistent change that becomes rapid because we have got a lot of new staff coming into the organisation even as incumbents are learning about a new way of thinking. So there is that sort of instability coming into the organisation through the superimposed growth here and turnover with just [sic] a persistent change that's coming on the regulatory area.
Question 1	What is happening?
Answer 1	Actor A is reflecting on the nature of the change and its potential causes. Some of these are common to the high-tech global industry that her company operates within. Others maybe specific to her context
Question 2	What is the basic problem faced by the actors here?
Answer 2	Actor A has over 66 nationalities working in her department across multiple countries. They are very highly skilled and scientifically trained people whose motivations are not necessarily commercial. In addition because of the need to deliver on very ambitious growth targets, the number and frequency of new recruits is causing a level of flux that is an issue.
Question 3	What category or what aspect of a category, does this incident suggest?
Answer 3	Actor A, her team, and the organisation as a whole, need to understand and constantly redefine the working environment that they are providing and that their existing and new employees are shaping based on their personal world-views and expectations. This in turn affects communication requirements, work-flow, people motivation, and structure
Question 4	What does the incident suggest this is a theory of (Glaser, 1978)?
Answer 4	Here Actor A is signalling that her company's internal environment is nuanced and it therefore needs to foster strong connections between its members and build a culture of interdependence.
Substantive Code suggested	RECALIBRATING CONTEXT

**Table 5: Example 2: - Naming substantive code through key phrase questioning – Environment**

ID	PA Interview 13.02.08
PA3	Key Phrase: We have to really work closely with emerging markets for the potential that they bring and recognize that we have a responsibility as members of the various global organisations that are looking at regulation. One of my teams is on the global harmonization task force which comprises the five main regulators; Canada, Japan, America, Europe and Australia. This group is looking at the harmonization of the regulatory environment which is a key part of our endeavour. Staying closely connected to such bodies ensures that we have a voice and can make a contribution...
Question 1	What is happening?
Answer 1	Actor A is recognising that globalisation provides the opportunities that emerging markets like China and India bring for market growth, market share and profit augmentation. While pursuing these opportunities, the company also needs to continue to be active in all its markets
Question 2	What is the basic problem faced by the actors here?
Answer 2	Actor A needs to define what “having a voice and making a contribution” in international markets entails. She will then need to understand how to leverage existing mechanisms to achieve this
Question 3	What category or what aspect of a category, does this incident suggest?
Answer 3	Actor A is looking at participating and contributing to a larger community of stakeholders across all markets in order to foster an enriched sense of community
Question 4	What does this incident suggest this is a theory of (Glaser, 1978)?
Answer 4	It suggests that a very significant and emerging part of Actor’s A leadership practice is about staying connected within and without her organisation
Substantive Code suggested	ENRICHED SENSE OF COMMUNITY

**Table 6: Example 1- Naming substantive code through key phrase questioning - Leadership**

ID	PA Interview 13.02.08
PA4	Key Phrase: I'm also talking with likeminded people in the same profession or I'm going out and training others because that's a key way of learning. In terms of building a global bridge across our own business, it is not something I can influence day-to-day. Again however, it is more to do with how I present the quality and regulatory group firstly to the leadership group and then to the rest of the company.
Question 1	What is happening?
Answer 1	Actor A is identifying collaboration as a vital part of learning in a company that is based in Australia but serves North American, European, and Asian markets.
Question 2	What is the basic problem faced by the actors here?
Answer 2	Actor A recognises that, as a leader, one of her roles is to profile her team both within the head office and to the company's offices world-wide. To do so she realises that she must be conversing with likeminded people in the regulatory area to get new ideas. And she must also be sharing her knowledge with her people
Question 3	What category or what aspect of a category, does this incident suggest?
Answer 3	This incident clearly highlights Actor A's keen interest in pursuing dialogue with stakeholders inside and outside her team
Question 4	What does the incident suggest this is a theory of (Glaser, 1978)?
Answer 4	Once again, as in the previous example, this incident suggests the aspect of reaching out, and across, various constituents within the organisations and the industry is vital to building organisational effectiveness
Substantive Code suggested	DIALOGUE WITH MULTIPLE STAKEHOLDERS

**Table 7: Example 2 - Naming substantive code through key phrase questioning - Leadership**

Table 8 and Table 9 below provide examples of a consolidated diagram of progress at the end of Stage 1.

ID	Key Phrases - Environment	Substantive Codes
EA1	<p>The regulatory and quality part of our business operates in an environment that is complicated but not complex. In effect you can work your way through how the overall process and the framework is structured, and it takes a very long time for legislation and therefore regulation to change. Notwithstanding this stable platform and superimposed on it, we've got the emerging economies like India, China, and most of the countries in Asia. They are beginning to consider regulating medical devices and sometimes like for example in India, they do not wish to wait, wanting to put in place regulation in six months, a precipitous move that resulted in uncertainty that is close to chaos because it wasn't a well thought out sort of strategy.</p>	Varying needs and challenges
EA2	<p>It is not high velocity change. It is not a very rapid change but it is a very persistent change which becomes rapid because we have got a lot of new staff coming into the organisation even as incumbents are learning about a new way of thinking. So there is that sort of instability coming into the organisation through the superimposed growth here and turnover with just a persistent change that's coming on the regulatory area.</p>	Recalibrating context

**Table 8: Example 1 and 2 - Environment**

ID	Key Phrases - Leadership	Substantive Codes
PA3	We have to really work closely with emerging markets for the potential that they bring and recognize that we have a responsibility as members of the various global organisations that are looking at regulation. One of my teams is on the global harmonization task force which comprises the five main regulators; Canada, Japan, America, Europe and Australia. This group is looking at the harmonization of the regulatory environment which is a key part of our endeavour. Staying closely connected to such bodies ensures that we have a voice and can make a contribution...	Enriched sense of community
PA4	I'm also talking with likeminded people in the same profession or I'm going out and training others because that's a key way of learning. In terms of building a global bridge across our own business, it is not something I can influence day-to-day. Again however, it is more to do with how I present the quality and regulatory group firstly to the leadership group and then to the rest of the company.	Dialogue with multiple stakeholders

**Table 9: Example 3 and 4 – Leadership**

### **Stage 1 - Summary**

In summary, in Stage 1 of the study's analytic activity, the researcher engaged with the interview data. This was done through a number of processes. These included fracturing the data into Key Phrases by a process of incident-to-incident comparison, and, thereafter, naming, and comparing the Key Phrases as described in the preceding sections. In addition Memoing, as described later in this document, was used at all points. From these processes, a set of Substantive Codes and their properties were composed and these begin to form the conceptual elements of the study's in-process theory. The full suite of Substantive Codes to which incidents were coded for interviewee A, as well as for all other interviewees, can be found, in Appendix 1.

During this stage, the focus of the study has been the data and its conceptualisation. Its outputs have been Identification Numbers, Key Phrases, and Substantive Codes. With these outputs from Stage 1 as the basis, Stage 2 focuses on abstracting higher levels of

conceptualisation called Theoretical Codes/Concepts by applying the same basic practice of comparing and naming, as followed in Stage 1.

## **Stage 2: Abstracting Theoretical Codes and Concepts**

Stage 2 focuses on the more general and abstract level of Theoretical Codes/Concepts. This involves applying the same basic practice of comparing and naming, as followed in Stage 1, to the generation of higher levels of conceptual abstraction – the Theoretical Codes/Concepts, through a ***process of developing and integrating Substantive Codes into Theoretical Codes/Concepts using Coding Paradigms***. The exact mileposts in the process are now described with examples.

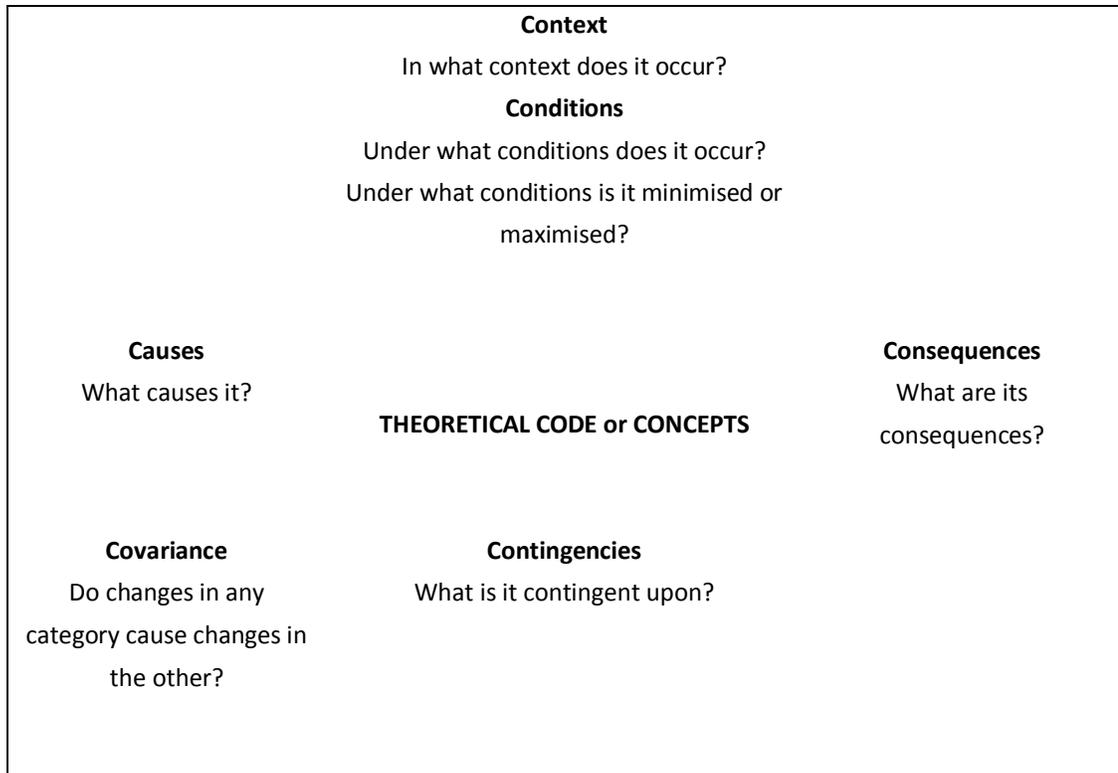
Following Locke (2001), the researcher created a list of Substantive Codes for both areas of interest (environment and leadership) see Table 10 and Table 11 below. These lists were then clustered on the basis of similarities. In order to find possible Theoretical Codes/Concepts to determine what these individual clusters of Substantive Codes would signal, the study again drew from Glaser (1978) for the choice of a framework. It selected his “6C” Coding Paradigm; causes, contexts, contingencies, consequences, co-variances, and conditions. In Glaser’s (1978) own words this recommendation “is the bread and butter” (Glaser, 1978, p. 74) to keep in mind when coding data. Figure 2 represents the 6C Coding Paradigm template and Figures 3, and 4 show its deployment in the two areas of interest – environment and leadership – to generate Theoretical Codes/Concepts.

<b>List of Substantive Codes: Environment</b>	
<b>Source: This list has been generated as an outcome of Stage 1</b>	
Wider global reach and transferability of concepts	Rapid adaptation
Varying needs and challenges	Market consolidation
Concurrent changes in internal and external conditions	Finely tuned customer segments
High frequency and size of change	Migration to low cost alternatives
Geo-political issues and security concerns	Loss of control over product design and associated factors
Establishment of support services in-house	Lifestyle changes
Aligning global activity with local needs	Driving forces - people and technology
Ebb and Flow of periods of growth and stability	Establishing alignment across diverse stakeholder needs
Recalibrating context	Vastly changing expectations from workforce
Greater consumer awareness	Changes in natural environment
Natural calamities and disasters	Volatility in money markets
Significant economic and social challenges	Intense and demanding
Wide range of options for consumers	Increased pace
Conflicting signals from different markets	Repeating cycles of similar yet different challenges
	Change in company's ownership/leadership

**Table 10: Example 1- List of Substantive Codes for Environment**

<b>List of Substantive Codes: Leadership</b>	
<b>Source: This list has been generated as an outcome of Stage 1</b>	
Fostering autonomy	Challenging the status quo
Merit based approach	Developing solutions for under-privileged people
Formal and Informal processes to craft strategy and design	Creating empowering opportunities
Leveraging different capabilities and backgrounds	Understanding and accepting need for change
Caring for the planet	Fresh approach, New ideas
Crafting solutions to address varying needs and situations	Examining and learning from mistakes
Enriched sense of community	Seeing the world in a new way
Recognizing accomplishments	Respecting expertise
Encouraging individual ability	Being interested and involved
Search for answers globally	Awareness and appreciation of context
Integrating global trends to serve local communities	Base of pyramid initiative
Creating global partnerships and forums	Open and transparent HR framework
Outsider perspective and Insider knowledge	Robust induction and orientation processes
Changing organisational context-culture	Challenging and rewarding work
Doing ethical business	Showing environmental responsibility
Willingness to experiment	Leading with directness and candour
Unconventional behaviour	Changing structure and internal networks
Cross fertilization of ideas	Attracting and retaining talent
Flat organisational structure	Social and morally responsible behaviour
Lowering risk of failure	Genuine and open style
Awareness of local market trends and opportunities	Instilling Trust
Local ideas, global application	Celebrating diversity – ethnic, cultural, gender et al
Playing a part in an inter-connected world	Positive emotions
Understanding each other	Creating global sustainable enterprise models
Instilling trust	Sense of service
	Individuals working together for common good
	Dialogue with multiple stakeholders
	Changing organisational context-culture
	Working together for organisational effectiveness

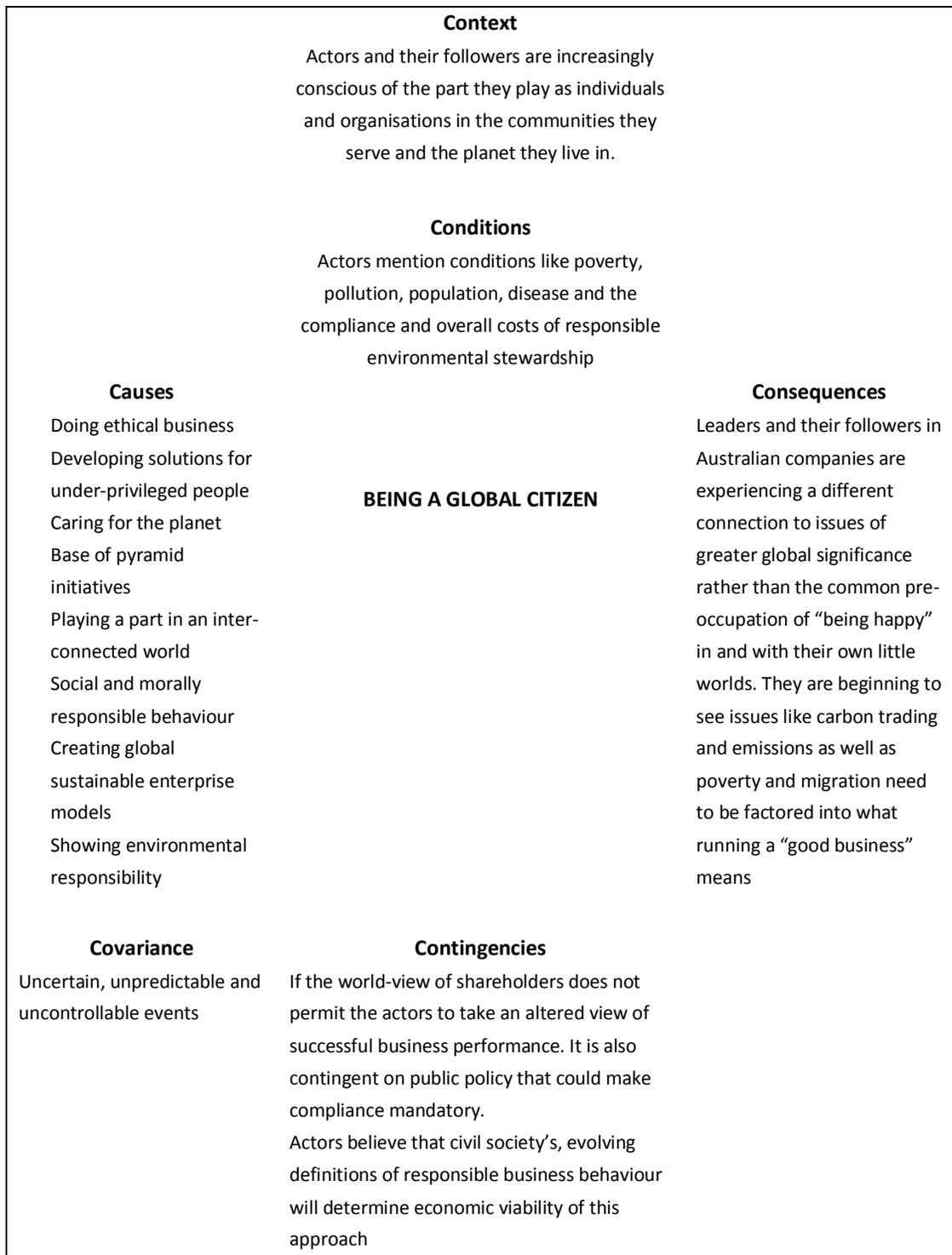
**Table 11: List of Substantive Codes for leadership**



**Figure 2: The 6 C Coding Paradigm. Source: Locke, 2001, p. 75.**



**Figure 3: Example: The 6C Coding Paradigm for a Theoretical Code (Concept) for Environment**



**Figure 4: Example of the 6C Coding Paradigm for a Theoretical Code (Concept) for Leadership**

## **Stage 2 - Conclusion**

Stage 2 of this grounded theory research set out to abstract higher levels of conceptualization, the Theoretical Codes/Concepts using the same basic practice of comparing and naming, followed in Stage 1. This analytic activity described earlier has brought a level of integration and format to the conceptual categories that Stage 1 had generated, thus assisting the researcher to conceptualise the data into a framework that accounts for his observations in the research setting. This framework is now presented as Table 12 below which provides an example of the consolidated diagram of progress at the end of Stage 2. This table shows the generation of five Theoretical Codes/Concepts for leadership from Substantive Codes. The full suite of Theoretical Codes/Concepts for Environment and Leadership to which Substantive Codes were coded can be found in Appendix 1 of this study. The research study now progresses to Stage 3 where the theory is delimited by bounding the Theoretical Codes/Concepts developed and enriched in Stage 2, with a view to bring the analysis part of the grounded research study to a close.

No.	ID	Substantive Codes	Theoretical Codes or "Concepts"
21	PA17;PA18;PC7; PC8; PC9;PE5; PE6; PE7;PF9; PF10; PF13;PG6;PI12; PI13; PI14; PJ8; PJ9; PJ10; PJ11; PK4; PK 5	Understanding and accepting need for change; 7 Fresh approach, New ideas; 5 Willingness to experiment; 2 Cross Fertilization of ideas; 3 Outsider perspective and Insider knowledge; 2 Changing organisational context-culture; 2	Being Creative
30	PA21;PA22;PA23;PB3 ; PB4; PB5;PB6; PB7;PC10;PC11;PD12 ;PD13; PE10; PE11; PE12; PE13; PF14; PF15; PF 16; PH6; PH7; PH8; PH9; PH10; PJ 12; PJ 13; PK 6; PK 7; PK 8; PK 9	Respecting expertise; 2 Being interested and involved; 5 Seeing the world in a new way; 6 Examining and learning from mistakes; 9 Awareness & Appreciation of context; 8	Being Present
28	PA3;PA4;PA5;PA6;PC 1;PC2;PD1; PD3; PD4;PE1; PE2;PF1; PF2;PH1;PH2;PI3; PI14; PI15; PJ 1; PJ 2; PJ 3; PJ 4; PJ5; PJ6; PJ7; PK1; PK2; PK3	Enriched sense of community; 3 Dialogue with multiple stakeholders; 8 Working together for organisational effectiveness; 11 Understanding diverse perspectives; 3 Formal and Informal processes to craft strategy and design; 3	Being in Touch
24	PA24;PA25;PB8; PB9; PB10; PB11; PB12; PD14; PD15;PE15; PE16; PE17;PF17; PF18;PG9;PH11; PH12;PI19; PI20; PJ 14; PJ15; PK10; PK11; PK12	Positive emotions; 3 Sense of service; 11 Individuals working together for common good; 6 Instilling trust; 4	Being Good
20	PA26;PA27;PA28;PA2 9; PB13; PB14; PC 12; PD16; PD17; PD18;PE18; PE19; PE20;PH13; PH14;PI21; PI22; PJ 16; PJ 17; PJ 18	Caring for the planet; 4 Social and morally responsible behaviour; 5 Showing environmental responsibility; 2 Doing ethical business; 2 Developing solutions for under-privileged people; 4 Creating global sustainable enterprise models; 1 Playing a part in an inter-connected world; 4	Being a Global Citizen

**Table 12: Consolidated table of number, key phrase IDs', Substantive Codes, and theoretical codes**

### **Stage 3: Delimiting the theory**

Stage 2 has provided a set of Theoretical Codes/Concepts with theoretical formulations. In Stage 3 the aim is to delimit the theory that requires the researcher to “settle on the framework’s theoretical components” (Locke, 2001, p. 52) and thereafter describe how they detail the phenomena of environmental change and leadership practices that the researcher set out to study. The analysis is thus bounded and brought to a close. This study found that the constant comparison method itself leads to delimiting the theory development at two levels.

On the one hand at the level of the framework the theory solidified and major modifications became fewer as succeeding incidents were compared to the properties of the category to which it was coded (Glaser & Strauss, 1967, p. 110). Please refer to Figure 5 for an example of category development in leadership using the 6C Coding Paradigm (Locke, 2001, p. 75). On the other hand, the interviews with leaders F, E, and C and the memo M040408 in Appendix 3 of this thesis, which was written subsequently, demonstrates the reduction and modification in categories as succeeding incidents were compared to the properties of the category.

This was in complete consonance with Locke’s (2001) observation that the categories developed to the point where their “properties and dimensions reasonably accounted for the data incidents indicating the concept” (p. 52) and a point was reached where decisions could be made on conceptual reduction, because as theoretical categories began integrating, and the nature of the “particular kind of story” became clear, the focus of the study moved away from “immaterial categories” to “more relevant and robust categories” (pp. 52-53). The memo “M\_0206 in Appendix 3 of this thesis describing the conceptualising of grounded theory on the core category of “complex environment,” illustrates how the core category and its informing concepts – Substantive Codes and foundational phrases and incidents – were conceptualised into Grounded Theory.



**Figure 5: an example of a Leadership Category arrived at using the 6C Coding Paradigm**

## **Conclusion of Data Analysis**

Finally, a point was reached where data incidents from the last two interviews resulted in no new naming activity regarding the categories. This study stops short of labelling this as theoretical saturation because as other parts of this study describe, a paucity of time and thesis submission deadlines prevented a theoretical group interview milestone, which would have been used to properly “modify and saturate” the model (Morse, 2007, p. 235). Memo reference M\_2508 in Appendix 3 of this thesis is a memo that describes this situation of possible theoretical saturation.

The next chapter on “Findings of the Grounded Theory Research Study” will explicate the developed theoretical codes that this chapter on analysis has generated. In keeping with expert academic advice that the two objectives of the written findings should be achieving authenticity, and a solid data theory coupling, the next chapter will use a format that alternates between taking the reader analytically forward to the developed theoretical elements, while circling back and connecting to the data fragments that instance the theory (Golden-Biddle & Locke, 1997).

# Chapter 11 - Findings of the Grounded Theory Research Study

This chapter follows chapter ten’s description of data with an evaluation of the results of examining the two related research questions: “What existing and likely future challenges face contemporary Australian businesses and what current and emerging practices are leaders using to address productive sustainability?” These questions followed from the overall approach of the whole thesis that businesses face an uncertain and volatile environment that is very different to anything that they have experienced before, and that the uncertainty and volatility is likely to continue into the foreseeable future.

## Summary of Findings

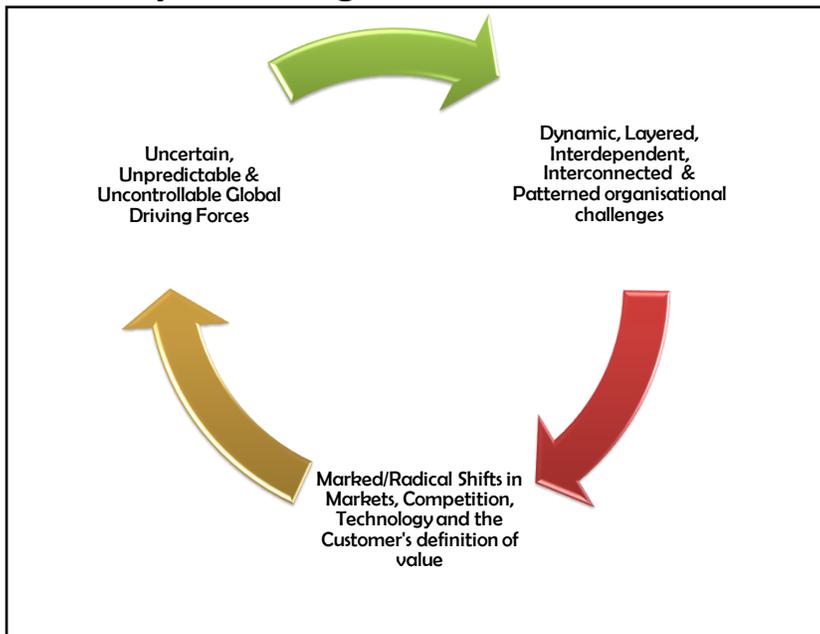


Figure 1: The Core Category of Complex Environment

The data from the grounded theory research revealed that this environment is described as complex. For the participants, this is evident in the display of one, or more, of the following three key characteristics: dynamic, layered, interdependent,

interconnected, and patterned organisational challenges; marked/radical shifts in markets, competition, technology and customers' definition of value; and uncertain, unpredictable, and uncontrollable global driving forces (see figure 1 above).

This research further developed theories that leadership's successful response to this complex environment is the Ensemble Leadership Repertoire. The name has been chosen to provide "vivid imagery" (Locke, 2001, p. 72) to three practices taken together and working in harmony: Firstly, sharing fates and interdependence; secondly, exploring deeper meaning; and finally the emerging practice of "Zeitgeist" (i.e., integrating cognition, conscience and collective spirit). As the name "Ensemble" suggests, these three practices are not manifested individually in exclusion to each other, and/or as a paradigmatic shift from one practice to the other. Rather, successful leadership demonstrates all three practices, as appropriate, as an Ensemble Repertoire in the pursuit of sustainable organisational productivity (see figure 2 below).

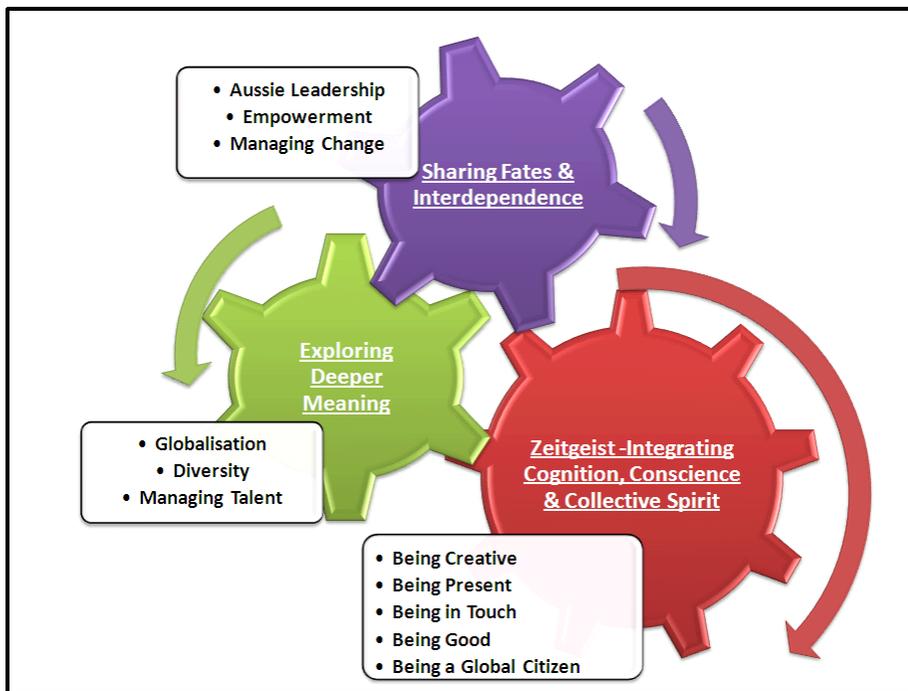


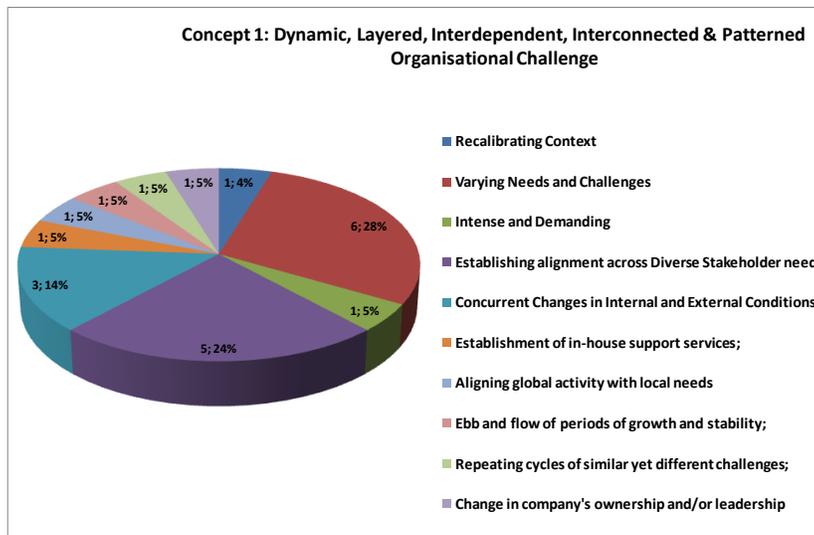
Figure 2: The Ensemble Leadership Repertoire

## Detailed findings

### The core category of Complex Environment

The GT process resulted in the emergence of a very tight and robust group of concepts that collectively define the core category of Complex Environment. This group of three environmental complexity concepts assumes theoretical richness and properties specifically because of the elements – the Substantive Codes and in vivo comments derived from the interviews – that go to define them. The Substantive Codes from which these concepts have been generated are illustrated in the figures that follow. In these figures the numeric values in each wedge of the pie diagrams denote the number of Key Phrases coded to the respective substantive code and the percentage indicates the contribution of the particular substantive code to the overall concept.

The first concept making up this core category of complex environment – dynamic layered, interdependent, interconnected, and patterned organisational challenges – can arguably be said to describe the nature of the organisation’s internal environment. This argument is well supported by the Substantive Codes that constitute this concept (see figure 3 below).



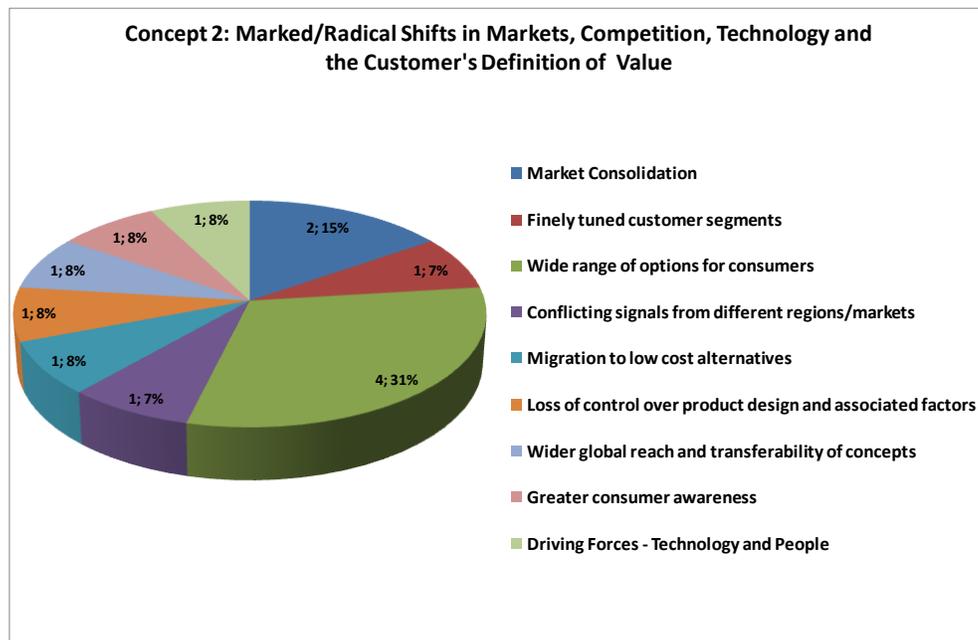
**Figure 3: The Concept of Dynamic, Layered, Interdependent, Interconnected and Patterned Organisational Challenges**

The following examples of in vivo comments substantiate the contextual roots that anchor this concept. Participant H, the managing director of a leading financial services organisation confirmed the insight in observing in his own words how; “Fast-

forwarding to the highly regulated, intertwined, and “world is flat”, “everything is connected” world [of] today . . . the set of services, that we are providing have been completely transformed by the complexity of the current world.”

Similarly, reflecting on her challenges as the general manager of a food services technology provider, Participant K, said, “It is particularly the last five years that have been the most dramatic. We were working in a very different set-up prior to this time. It is during this current period of time that we have had the most significant management change, and I think that has been facilitated by the need for change.”

Speaking of the challenges of dispersed organisational structures in a globalised world, participant D, the managing director of a consumer electronics’ research and development unit made further congruent remarks, “what that meant . . . was that our HQ had to take on significant responsibility for overseeing common aspects of all business units. This meant that each business unit needed to collaborate with HQ which is one example of extra complexity” (NB full details of all Key Phrases related to this concept are contained in Appendix 1 of this study).



**Figure 4: The Concept of Marked/Radical Shifts in Markets, Competition, Technology, and the Customers’ Definition of Value**

The second concept – marked/radical shifts in markets, competition, technology, and the customer’s definition of value – arguably describes the nature of the organisation’s task environment. Once again as in the previous concept, this argument is well supported by the Substantive Codes that constitute this concept (see figure 4 above).

The following examples of in vivo comments substantiate the contextual roots that anchor this concept. Participant C, the marketing director of an FMCG, underlined this challenge with regard to customer awareness when he stated that, “As the world gets smaller, and there is more global media coverage, you need to track issues, like food source, and country of origin, that have been the subject of hot debate in Australia and New Zealand.”

Quite independently, participant J, the director of strategy and innovation at a pharmaceuticals major, summarised this challenge as, “You know exactly what is happening all over the world and you are seeing what your competitors are doing. You have regulators talking to each other, payers talking to each other. Pricing of pharmaceuticals is now transparent across the world. This has been enabled by technology and with the new generation that is coming on stream who are very technology savvy. This is an incredible change in the business landscape.”

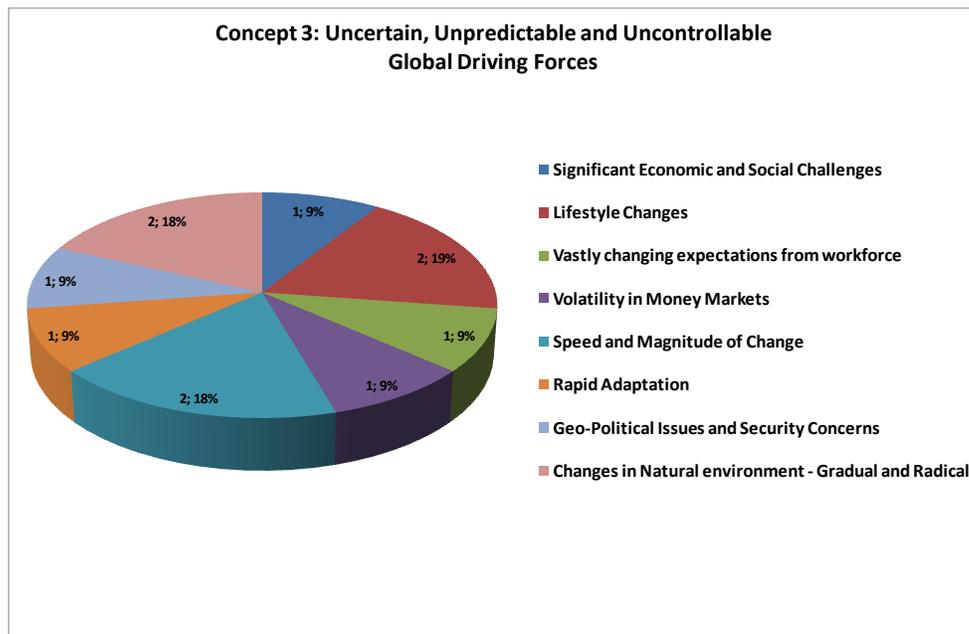


Figure 5: The Concept of Uncertain, Unpredictable, and Uncontrollable Global Driving Forces

The third concept – uncertain, unpredictable, and uncontrollable global driving forces – arguably describes the nature of the organisation’s macro-environment. As with the two preceding concepts, this argument is well supported by the Substantive Codes that constitute this concept (see figure 5 above).

The following examples of in vivo comments substantiate the contextual roots that anchor this concept. Participant I, the managing director of an Australian manufacturer of scientific accessories highlighted how these driving forces impact his firm’s macro-environment when he observed, “If we look at the enormous devaluation of the US Dollar over the last five to six years, the effects of globalisation seamlessly shunts the detrimental impact of that on to us, because a lot of major corporations demand standardised global pricing in US Dollars.” Participant E, the design and development SVP of a medical devices company also underlined the power that unforeseen events have to derail business when he commented, “A few years ago when there was the SARS epidemic breaking out, it had a sudden and dire impact on sales . . . because people just stay out of hospitals because they think that ‘I am going to go into the hospital to get this medical device, but now I am going to get sick with some other disease.’”

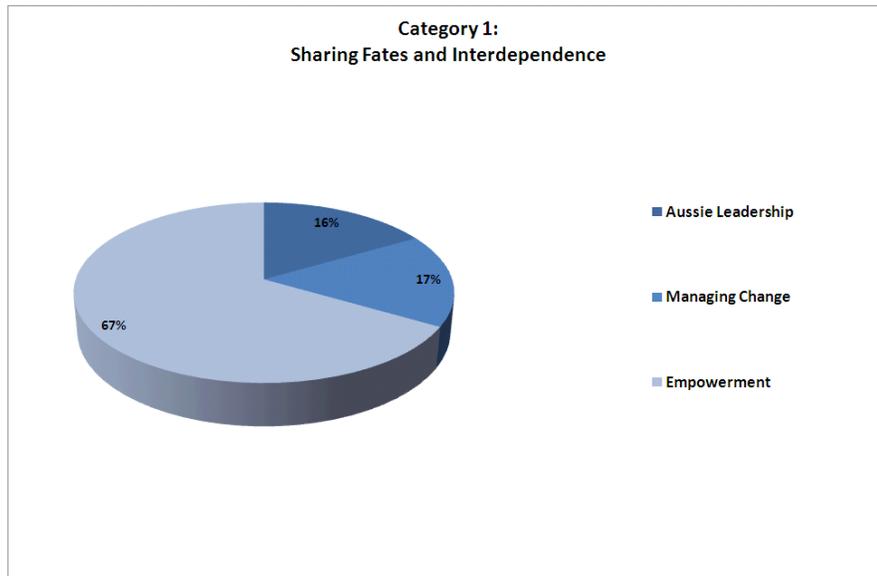
### **The core category of Ensemble Leadership Repertoire**

This grounded theory research study has established that leadership’s successful response to this complex environment is the Ensemble Leadership Repertoire, a set of leadership practices that is best described by the three categories that comprise it: Firstly, sharing fates and interdependence; secondly exploring deeper meaning; and finally, Zeitgeist practice, a term used to gather together integrating cognition, conscience, and collective spirit. Each of these three leadership practice categories is conceptualised in specific ways. Sharing fates and interdependence emerges as Aussie leadership, managing change, and empowerment. Exploring deeper meaning, is expressed as globalisation, diversity, and managing talent. Zeitgeist practice is given voice to, by being creative, being present, being in touch, being good, and being a global citizen.

### **Sharing fates and interdependence**

The concepts that make up the first category – sharing fates and interdependence – are Aussie leadership, managing change and empowerment (Figure 6). These were

conceptualised from Substantive Codes that were based on Key Phrases derived from the leaders' interviews.



**Figure 6: Category 1 and its Concepts**

The following examples of in vivo Key Phrases substantiate the contextual roots that anchor each of these three concepts:

*Aussie leadership:* Participant A, the senior vice president of regulatory of a medical devices company observed, "I think there is certainly an Australian flavour about this style of leadership and part of it is directness . . . there is not as much crafting the whole message."

*Managing change:* Participant I, the managing director of a scientific instruments' accessories manufacturer noted that, "The challenge is how do we bring our next level of management and sales executives . . . and part of what we have tried to do is to capture and communicate to them the framework, themes, and common language of business."

*Empowerment:* Participant F, the sales and marketing director of a major pharmaceutical company stated, "We consider the individual to be the driver of their own career. We might provide training and support but ultimately our expectation is that people should make their own choices."

For a more complete picture of the number of Key Phrases that generated the Substantive Codes, which were then coded to the three concepts that make up Category 1, (see figure 7 below).

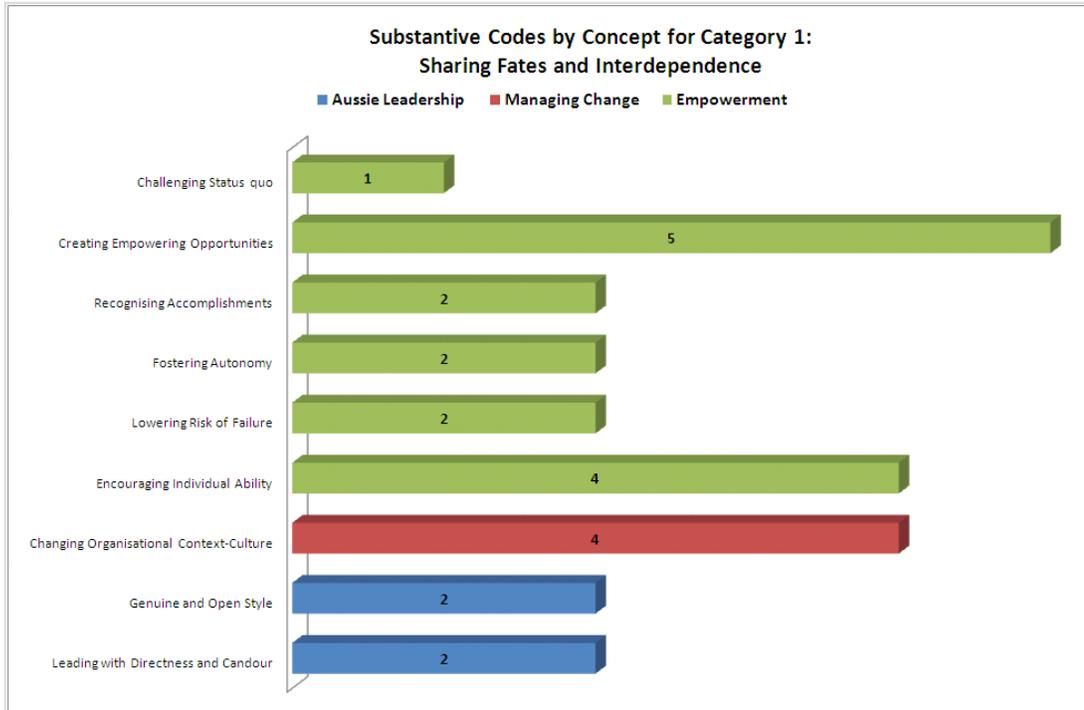


Figure 7: Substantive Codes by concept for Category 1 – Sharing Fates and Interdependence

### Exploring deeper meaning

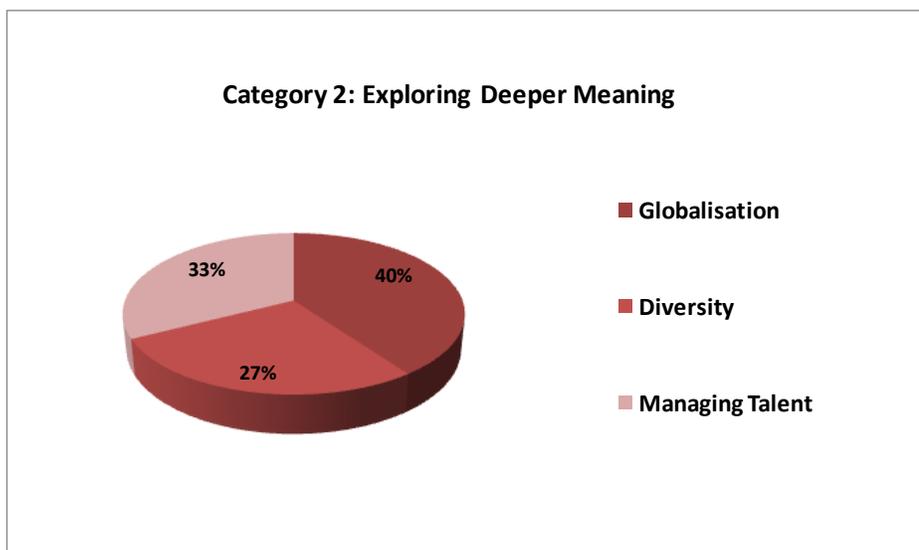


Figure 8: Category 2 and its concepts

The concepts that make up the second category – exploring deeper meaning – are globalisation, diversity, and managing talent (figure 8 above). These were conceptualised from Substantive Codes that were based on Key Phrases derived from the leaders’ interviews.

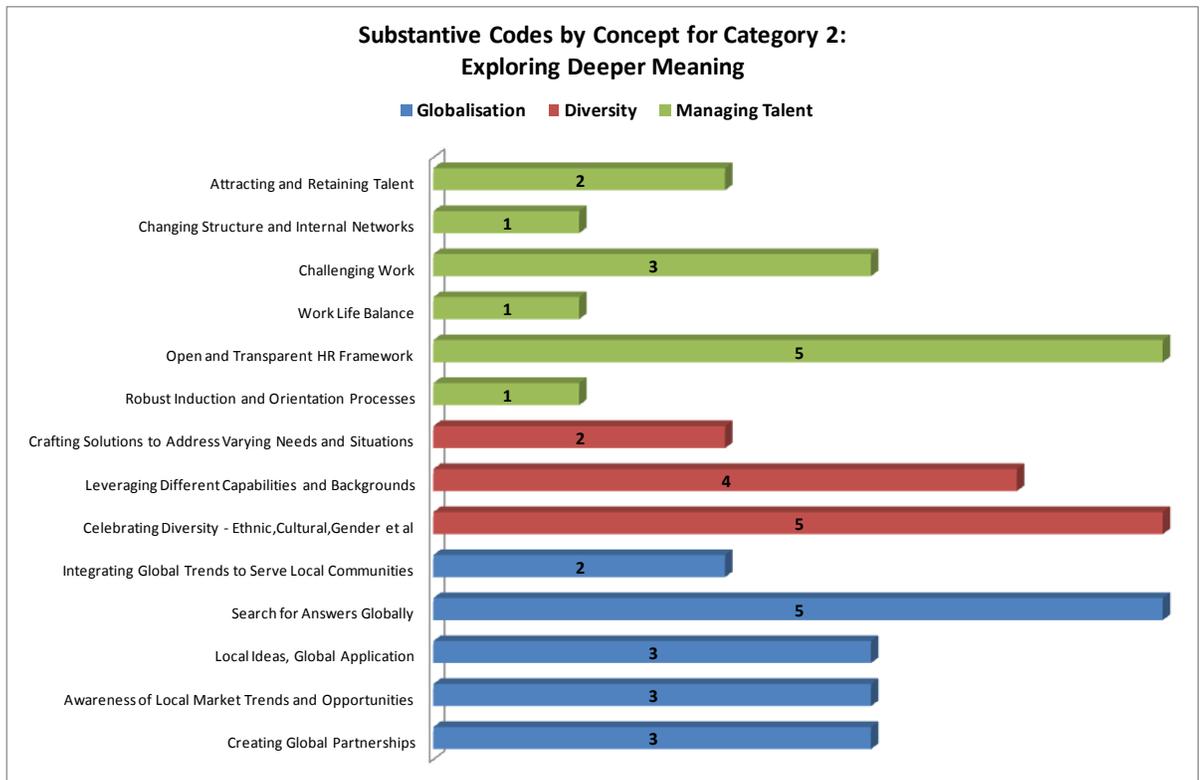
The following examples of in vivo Key Phrases substantiate the contextual roots that anchor each of these concepts:

*Globalisation:* Participant D, the managing director of consumer electronics in-house research and development unit, asserts, “For most young engineers when they are thinking about “global” they will be thinking about the aspect of global production . . . the other aspect would be the opportunity to see their work distributed throughout the world.”

*Diversity:* Participant H, the group managing director of a financial services company, states, “Things that have traditionally been associated with male stereotypes of leadership are less relevant today . . . There should be more opportunity for more balance between the genders.”

*Managing Talent:* Participant C, the group marketing director of an FMCG company, remarked how “Our people are probably more concerned about other things, like work-life balance, which is a key area of endeavour that our employees want us to do more about.”

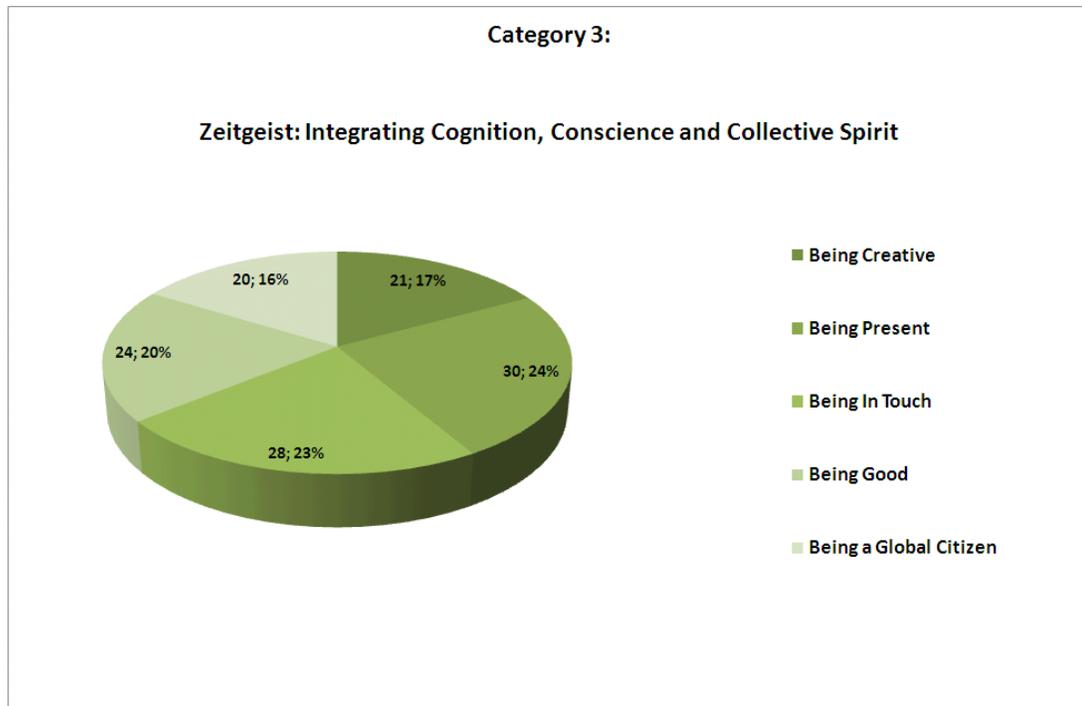
For a more complete picture of the number of Key Phrases that generated the Substantive Codes, which then were coded to the three concepts that make up Category 2, (see figure 9 below).



**Figure 9: The Substantive Codes by Concept for Category 2 – Exploring Deeper Meaning**

**Zeitgeist: Integrating cognition, conscience, and collective spirit**

The concepts that make up the third category – Zeitgeist-integrating cognition, conscience, and collective spirit – are being creative, being present, being in touch, being good, and being a global citizen (see figure 10 below). These were conceptualised from Substantive Codes that were based on Key Phrases derived from the leaders’ interviews.



**Figure 10: Category 3 and its concepts**

The following examples of in vivo Key Phrases substantiate the contextual roots that anchor each of these concepts:

*Being creative:* Participant E, the senior vice president of design and development of a medical devices company, observed, “It is certainly easier for the research and development entities that we have at the fringes . . . . We have a group in Australia, one in the USA, and one in Europe . . . since they have more freedom . . . they reap the innovation advantages of being at the fringes rather than the core.”

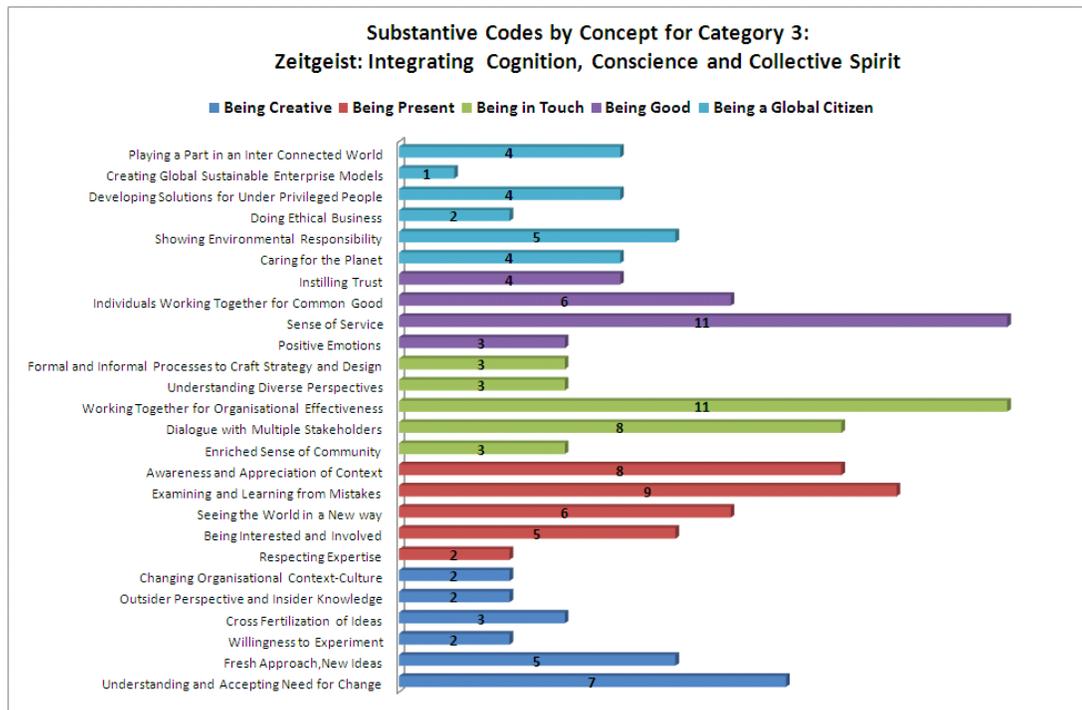
*Being present:* Participant B, the head of growth and innovation strategy for a financial services company remarked, “I think mindful leadership knows where you create value, knows how to run the business, and stay focused . . . . And the funny thing is that this is about confronting reality for me.”

*Being in touch:* Participant K, the general manager of research and technology for a food services technologies company stated, “Staying connected is absolutely vital for what we do, and something that we are actively engaged in . . . . Our connectedness with our supply chain partners is very vital for us, as is our connectedness with the research community and research providers.”

*Being good:* Participant J, the director of strategy and innovation at a major pharmaceutical company, remarks, “Company J has a reputation of looking after its people and doing the right thing by them . . . .We have been through a couple of transformational changes over the years and people have always been treated with respect.”

*Being a global citizen:* Participant C, the group marketing director of an FMCG company, remarks: “We are however involved with Habitat for Humanity . . . . Our efforts in this area have linked us with “bottom of pyramid” initiatives.”

For a more complete picture of the number of Key Phrases that generated the Substantive Codes, which were then coded to the five concepts that make up Category 3, (see figure 11 below).



**Figure 11: The Substantive Codes by Concept for Category 3 – Zeitgeist: Integrating cognition, conscience and collective spirit**

This study has applied grounded theory to the study of the phenomenon of environmental complexity and the actions/interactions of actors – in this case senior leadership – in responding to the phenomenon. The GT process is daunting at times because of the lack of established protocol compounded by the methodological muddling referred to in an earlier chapter, which means a call to the researcher’s initiative and judgement in a variety of situations and stages in the research.

High quality incident-to-incident coding raises a few procedural challenges. The first is the need for the researcher to do his own coding. While conventional wisdom may suggest the use of multiple coders both as a time saving ploy and for improved reliability, Glaser (1978) has categorically ruled this out as an option for grounded theory. His instructions for the researcher to do his own coding and his reasons for such instructions are explicit:

*It is painstaking and timetaking to code carefully, but the analyst must do his own coding* [italics in the original]. Being very busy and having other things to think about, tempts analysts to hire a coder. This works when data is coded for pre-set coded type studies which need quantitative totals for description. IT DOES NOT WORK WITH GROUNDED THEORY STUDIES [capitals in original]. A coder has to have a list of codes. We have none in the beginning and a list emerges only as categories emerge and saturate. Obviously the coder cannot code for categories until they have been emerged by an analyst, and even then he should not use the codes until they are sufficiently verified by the analyst. (p. 58)

As a result, while the thesis takes cognisance of these difficulties, it has consciously aligned with Glaser’s (1978) position. A related challenge concerns the decision about when to stop creating new substantive codes for the Key Phrases. Capping the number was a decision by the researcher that was made on the basis that the list of generated substantive codes appeared sufficient for the Key Phrases being coded across the sample. The final related issue concerned the choice of the substantive code to which specific Key Phrases were coded. In all cases these decisions were similarly decided by taking into account the organisation context, the researcher’s personal knowledge of the interviewees, and the data. The third and final issue has to do with different and

personal interpretations of a coding chunk, leading to a specific set of codes being assigned by the researcher that may describe the same ideas, but in different ways to what some other reader (or another coder for that matter) may choose to describe them. For example, the reader may ignore concepts that appear important to the researcher and vice versa. In providing the rationale for such divergence Foster, Urquhart, and Turner (2008) also proffer the validation for it in grounded theory on the basis that:

The coder may be operating, subconsciously, with a reduced set of codes and may prefer to use particular codes, rather than exploring the whole set of possible codes. There is likely to be an interaction between the coder and the text and assignment of new codes can be influenced by codes already assigned to the entire transcript, for example. (p. 3)

The quality of the generated theory is predicated on these subjective calls, beginning from the initial data fracturing, including category conceptualisation, and through to theoretical saturation. Adding to this complexity is the paradoxical notion of the researcher having a perspective of reality while still, in order to generate good quality conceptual categories, maintaining a *tabula rasa* mental frame with regards to the substantive area. This researcher partially resolved the conundrum by studying extant work in the substantive area. On the premise that there can be “no sensations unimpregnated with expectations” (Lakatos, 1978, p. 15), he found reconciling this mind-set with an *ab ovo* search for new conceptual categories posed quite a challenge.

## Chapter 12 - Conclusions

### Limitations of the study

Accordingly, the study acknowledges that the general issues in the implementation process referred above could have impacted the overall quality of the study. It further suggests that awareness of, and attention to, the following six limitations in the study will assist future studies generate even better quality theory:

*Sample Size:* This study has used eleven interviews and twelve interviewees to generate the core categories of complex environment and ensemble leadership repertoire. It has claimed in M\_2508 (included in Appendix 3), that these numbers of interviews have been sufficient for the emergence of all relevant categories and the elaboration and refinement of these categories. It cites the use of constant comparison and theoretical sampling to strengthen that assertion.

It draws support from Glaser and Strauss' (1967) instruction to stop when there is theoretical saturation and "no additional data are being found whereby the [analyst] can develop the properties of the category" (p. 61), and their statement that in "theoretical sampling the data collected are not extensive enough, and because of theoretical saturation . . . are coded only enough to generate, hence to suggest theory" (Glaser & Strauss, 1967, p. 103). Notwithstanding the above, this study concedes the possibility that it may be claiming saturation without being able to prove that it has indeed saturated the definition, and exhausted the number of categories (Charmaz, 2006).

*Theoretical Group Interview:* As has been explained in the chapter on sampling, because of time constraints, the study did not undertake this phase of data collection and analysis as a process for effecting saturation. As a result, participants were not used to facilitate the researcher's analysis by adding information, "resolving conundrums, or ambiguities . . . about the emerging model" (Morse, 2007, p. 241). Unfortunately, therefore, this theoretical model could not benefit from additional participant insights into the application of the emerging model from "their perspective, context and daily life" (Morse, 2007, p. 241).

*Levels and seniority of leadership interviews:* This study has limited itself to senior leadership within the organisations being sampled for data. The choice was made because senior leadership was perceived to be the most likely cohort to have experienced the challenges of phenomena like high-velocity environmental change, and, therefore, the group best able to provide excellent examples of concepts of interest. However, the study acknowledges that by not working at all levels of leadership within the organisation, it may have ignored variation within the experience, misrepresented the boundaries of the phenomena, and may have triggered premature closure of the sampling process (refer 1 and 2 above)(Richards & Morse, 2007).

*The lack of negative cases:* This research study acknowledges that none of its participants responded in unanticipated fashion, or in a manner that was opposite to the majority reaction. Anecdotally, the researcher's awareness of the substantive context, viz. large businesses in Australia, would suggest that there would be senior leadership that would not have the Zeitgeist leadership practices reflected as a category in the core category of Ensemble Leadership Repertoire. As such no negative cases have been integrated into the emerging theory.

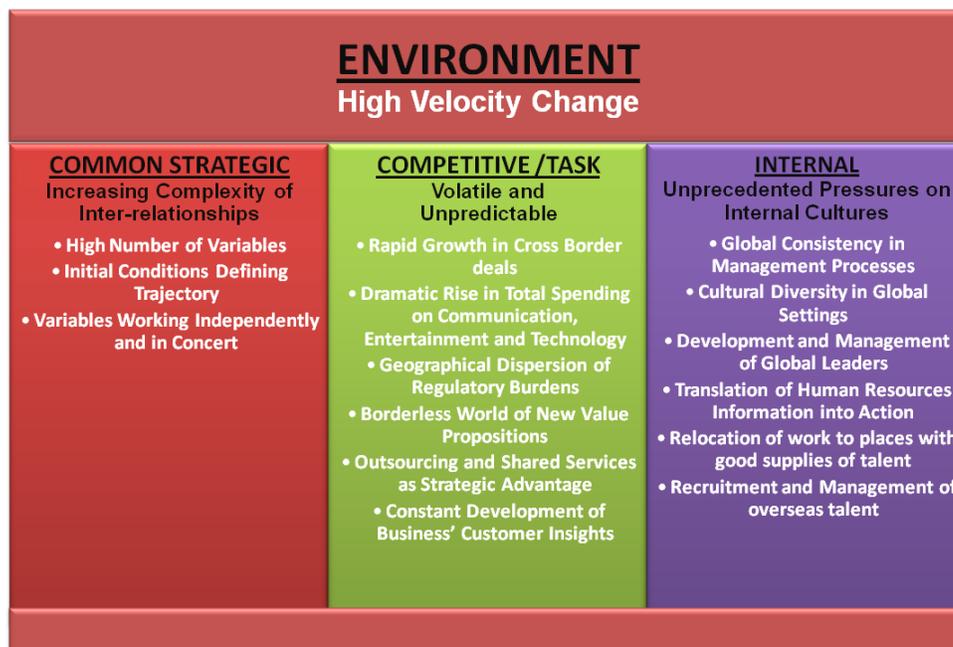
*Incident-to-incident coding:* Because senior leadership's interviews were already at a higher level of abstraction, this study used incident-to-incident coding (Charmaz, 2006) to generate Key Phrases that were then used to abstract Substantive Codes as explained in the chapter on data analysis and recorded in Appendix 1, which has the output reports. As explained and demonstrated therein, the incident-to-incident method of fracturing data yielded good results. However this thesis is cognisant of the fact that other experts including Strauss (1987) and Locke (2001) suggest that it is line-by-line examination of data as a process which will deliver what Glaser and Strauss (1967) recommended as open coding.

*Data gathering:* This study has depended exclusively on intensive interview techniques to gather data. It did recognise the importance of the "all is data" dictum referred to in an earlier chapter of this study with the associated suggestion of including archival data. However, the nature of the confidentiality strictures that the participating companies enforced excluded the use of internal documentation and even data from web sites that provided too strong a clue to participants' identities. The study

understands the significance of different perspectives that alternate data sources bring to the understanding of potential conceptual categories and believes that the study would have benefitted from gathering such “slices of data” (Glaser & Strauss, 1967, p. 65).

## Comparing emergent theory with extant literature

On the basis of one popular and prevalent categorisation in the strategy literature (Pitkethly, 2003), chapter six had analysed a firm's prevailing and plausible future environments from three distinct, but interrelated and interdependent vantage points. These were its common strategic (mega) environment; its competitive (task) environment; and its internal environment. Chapter six also readily acknowledged that there was significant specificity in the precise nature, composition and strength/severity (amongst other qualifications) of the constituent dimensions of the environment, within which individual firms operate. Notwithstanding these differences, however, it argued that there were some present and emerging driving forces that were common to all firms and were the sources of critical uncertainties.



**Figure12: High Velocity Change and its effects on the firm's three environments - Literature**

At the common strategic, or mega-environment, level, these driving forces created and shaped the fragility and turbulence of the contemporary world, and business' associated vulnerability to exogenous risks. At the firm's competitive environment level, they had fundamentally altered the boundaries and definition of markets, industries, and the means of competing successfully in them. Finally at the internal environment (culture) level of the firm, the chapter illustrated how the forces had radically changed the very foundations of a firm's engagement with its people.

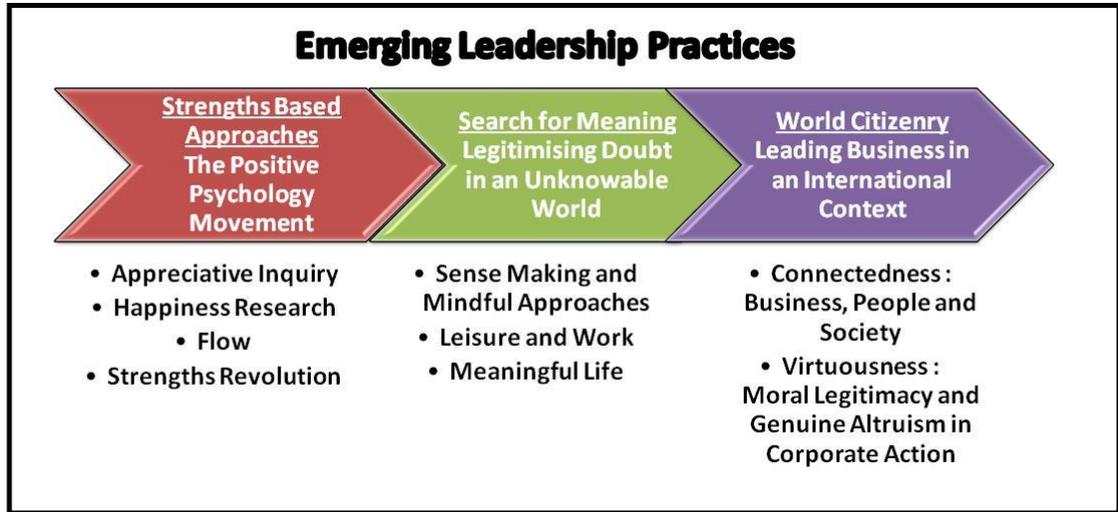
Figure 12, above, summarises these findings from extant literature by providing an overarching descriptor for each of the three environments and a bulleted list of the dynamical and nonlinear effects of driving forces as manifested in each of the three arenas.

Further, the review, analysis and insights from extant literature in chapters five and seven, had underlined how theories of leadership styles have emerged as a consequence of environmental changes, and have contributed to understanding contextually related trends. The chapters also suggested how these cluster round three main approaches: transactional leadership; transformational (or new-leadership); and new-new leadership. More importantly they had underlined the clear thread in the extant research that such leadership approaches were neither mutually exclusive nor irreconcilable paradigm shifts.

Rather, the chapters suggested that each era, with its attendant environmental distinctiveness, necessitated a leadership response that was an augmentation of existing leadership practices from preceding eras with new leadership practices that were particularly aligned with the emergent challenges in a subsequent era.

Finally, the literature review argued that new leadership practices – positive psychology and strength-based approaches; the search for meaning; and world citizenry – were the three strongly emerging and conceptually appropriate leadership responses to the currently prevailing, environmental complexity. It situated these, as necessary augmentation to the combinations of the three main approaches listed earlier (see figure 13 below).

The findings of the extant literature research resonate well with the core theoretical categories for environment and leadership and the conceptual and substantive codes that describe them.



**Figure 13: Three emerging leadership practices for prevailing environmental context – Literature**

More specifically, the GT research clearly identified a core category of complex environment that mirrors the description in the literature of an environment demonstrating high-velocity change. Further, and possibly more significantly, the three theoretical codes (concepts) generated in the GT research to add dimensions to this complex environment, are very similar in content and description to the three constituent dimensions of a firm’s environment identified in the literature (see figure 14 below).

In the area of leadership the GT research once again tends not only to validate, but also to extend, the key findings of the extant literature review. For the core category of the Ensemble Leadership Repertoire, the research has generated three categories; sharing fates and interdependence; exploring deeper meaning; and integrating cognition, conscience and collective spirit. It is significant that the GT research findings align at a conceptual level with the findings from the extant literature research. As a result they both underline its validity and signal its extension.

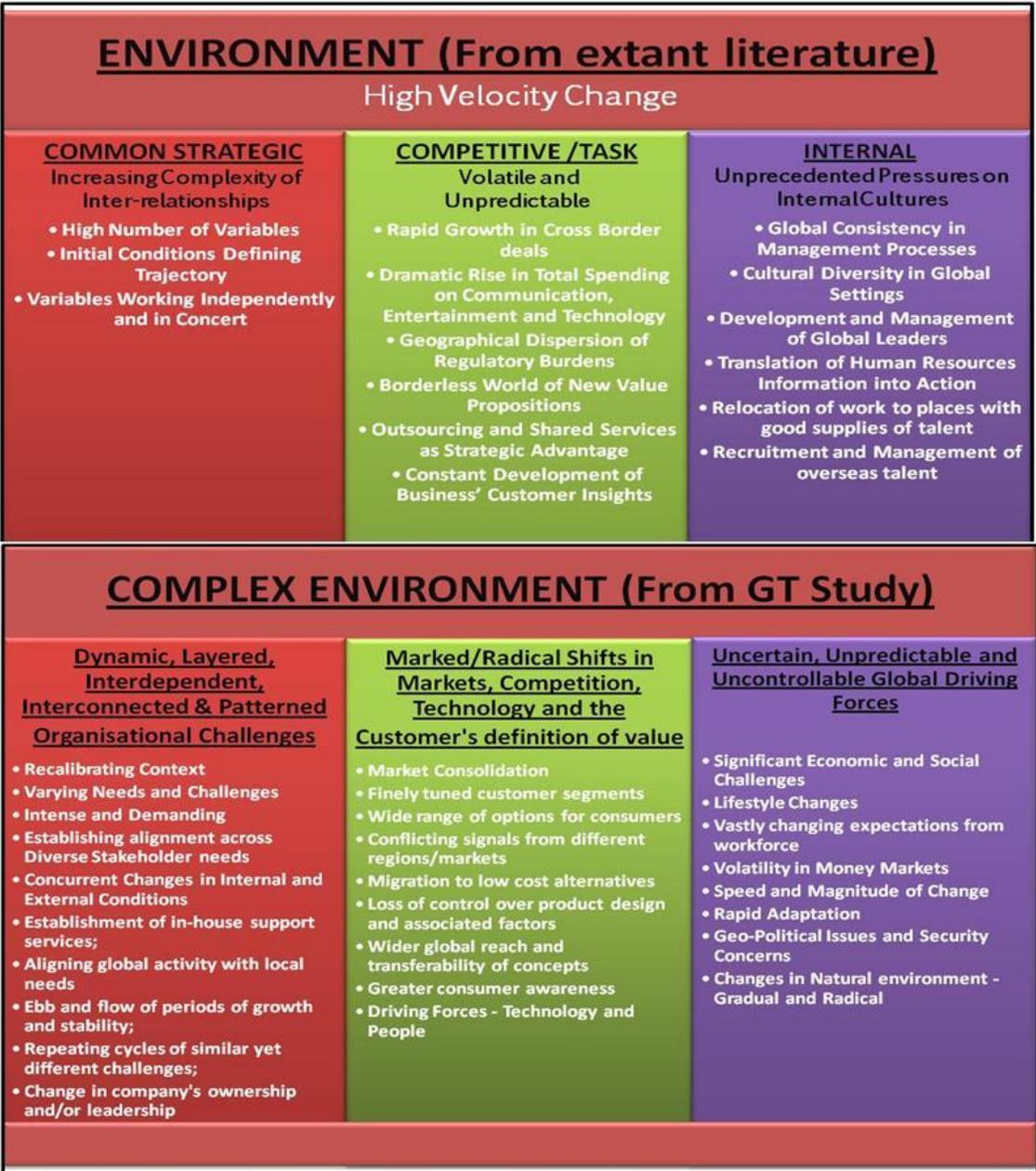


Figure 14: Comparison of environment from extant literature with the GT Study

The first assertion of validation of extant literature is confirmed on an examination of the theoretical codes (concepts) and substantive codes of each of these categories. They demonstrate that these are indeed an augmented repertoire of existing and new leadership practices. For example, the category of Sharing Fates and Interdependence has Aussie Leadership, Managing Change and Empowerment, as its three theoretical codes (concepts). These theoretical codes (concepts) have, in turn, been inducted from such substantive codes as: creating empowering opportunities, fostering autonomy, and genuine and open style. These are clearly aspects of a Transformational Leadership approach as described in chapter five's coverage of the extant research literature. Similarly, the category of Exploring Deeper Meaning has Globalisation, Diversity, and Managing Talent as its three theoretical codes (concepts). These theoretical codes (concepts) have been inducted from such substantive codes such as: work-life balance, celebrating diversity, and creating global partnerships. These are clearly aspects of New-New Leadership described in the extant research literature (chapter 5).

The second assertion of extension of extant research is vividly exemplified in the third Category of Zeitgeist: Integrating cognition, conscience and collective spirit from the GT research. It aligns with the Emerging Leadership Practices of strengths-based approaches, search for meaning, and world citizenry, identified in the extant research literature, and so offers some validation of them.

It however goes much farther by generating five new theoretical codes (concepts): being creative, being present; being in touch; being good; and being a global citizen. Each of these theoretical codes (concepts) is, in turn, much more nuanced and more sharply delineated by the substantive codes and the key phrases from which they have been generated. For example the theoretical code (concept) of being creative has been inducted from the following substantive codes: changing organisational context-culture; outsider perspective and insider knowledge; cross-fertilisation of ideas; willingness to experiment; fresh approach, new ideas; and understanding and accepting need for change. As such the process of constant comparison, an integral part of the GT research process, has resulted in the generation of a far more detailed description of the Category undergirded by participants' activist and experientially oriented contributions. Figure 15 below illustrates this aspect.

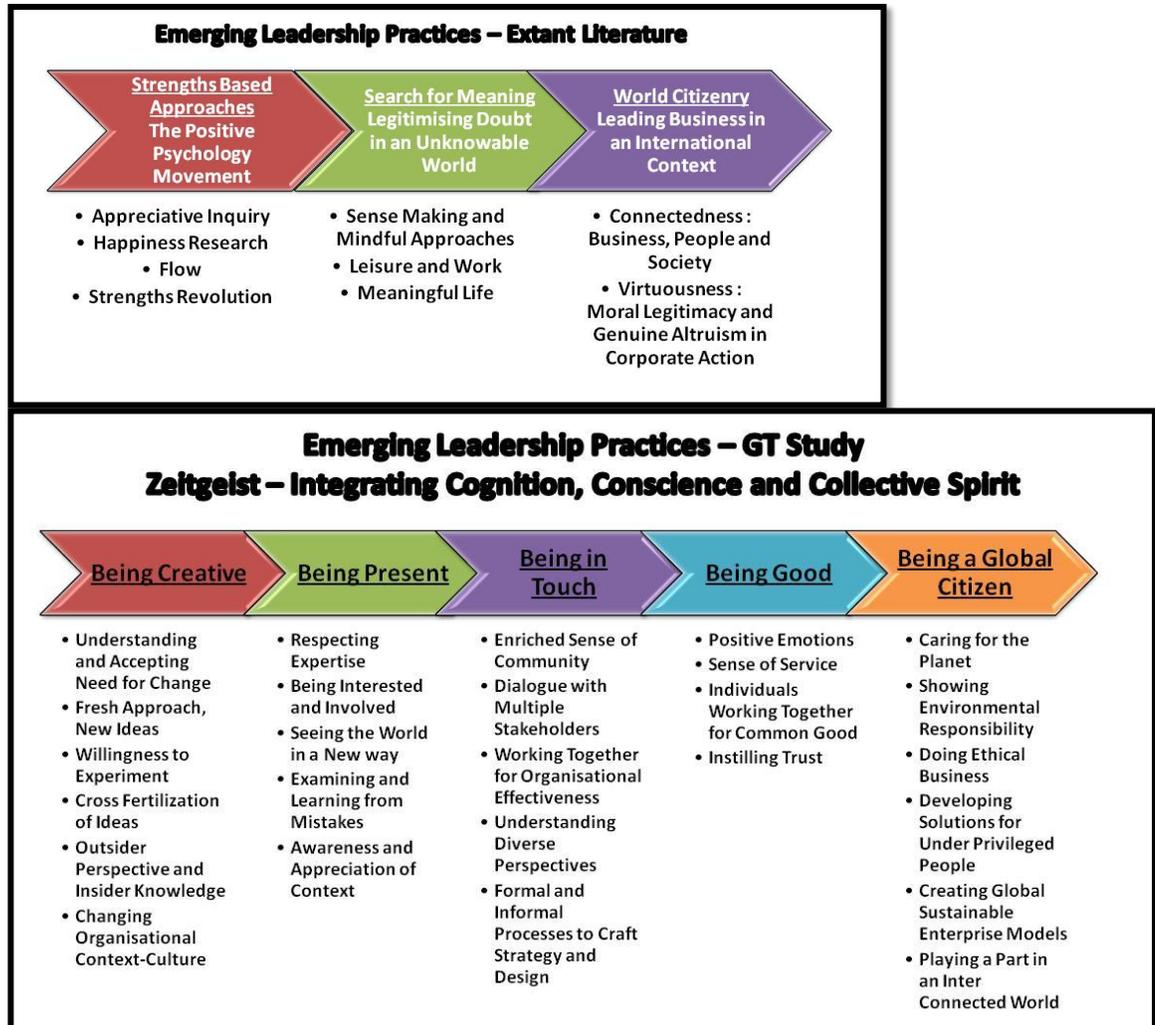


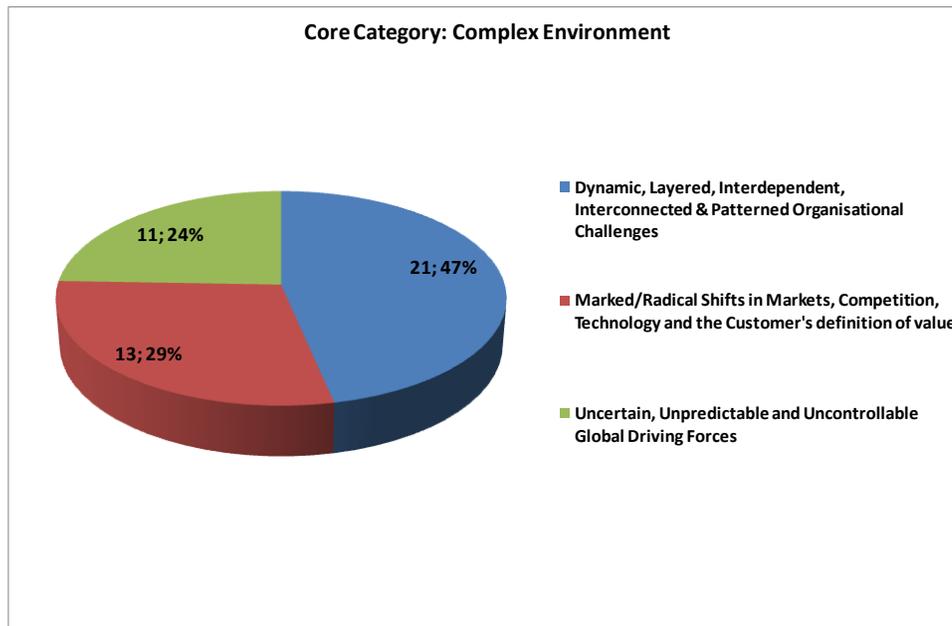
Figure 15: Comparison of emerging leadership practices from extant literature with the GT Study demonstrating extension

The above examples confirm that the GT research findings do indeed contribute to theory through validation and extension of extant research in the literature. However, the one notable exception is the absence of any transactional leadership practices, in the core category of Ensemble Leadership Repertoire generated by the GT research. This is possibly a limitation of sampling and data analysis rather than shortcomings in the research method itself.

## Original and relevant insights from the study

The GT research findings demonstrate how the individual concepts of what constitutes the core category emerged from categories, concepts, Substantive Codes and in vivo phrases. These helped the two core categories of Complex Environment, and Ensemble Leadership Repertoire, to emerge in a hitherto new and insightful way. It now underscores how this research informs and extends theoretical understanding in the two areas.

Firstly, in relation to the environment, this research asserts that there is a definitive and dramatic difference in the current environment making it unique when compared to anything that preceded it. This is strongly evidenced from the fact that each of the three concepts that have emerged from senior leaders' substantive descriptions have been founded on incidents that are a product of post-millennial issues and concerns not been experienced at any time in the recent past. Secondly, it distils what generally presents as amorphous and multiple descriptors of the current and likely future environment into three internally consistent, but mutually differentiated, concepts.

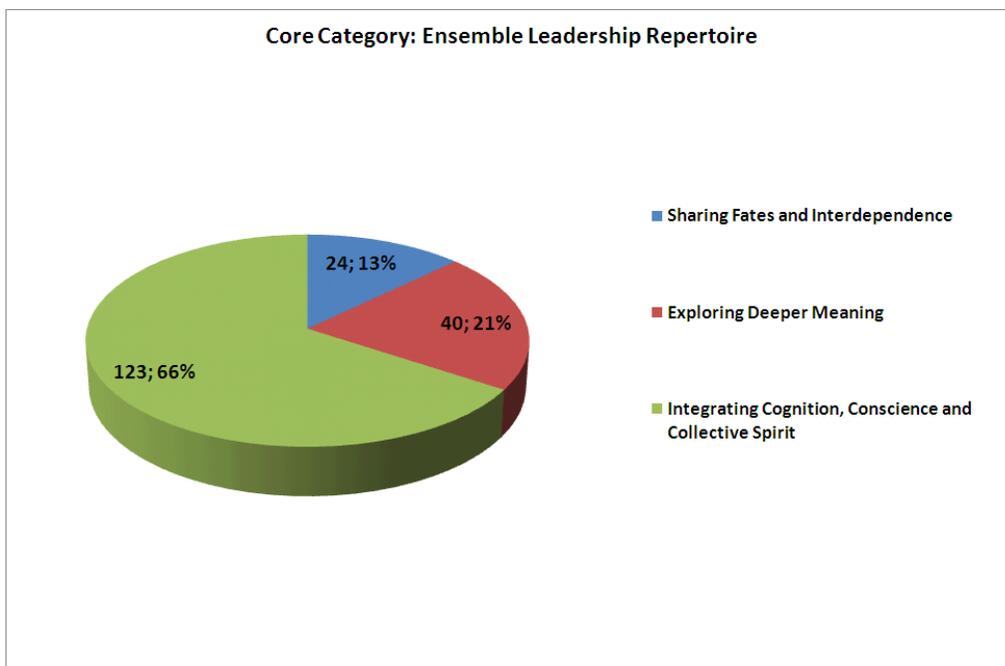


**Figure 12: The Complex Environment and its dimensionalised concepts**

Thirdly it adds clear dimensions to each of these three concepts by weighting them based on the relative importance assigned to them in leaders' interviews. As figure 6 above indicates, each of these three concepts is extremely significant because of their

dynamic balance: with 47% of the complexity arising from the internal environment; 29% coming from the industry in which they participate; and 24% resulting from global driving forces. Lastly, and as a consequence of the above, the grounded theory research provides a robust and reliable basis for leaders and their organisations to develop practices and frameworks that are targeted to address and overcome the environmental complexity detailed in this study.

Similar results were found in the area of leadership. Firstly, the research study generated an augmented leadership repertoire of existing and emergent practices to successfully navigate the current and future challenges of a Complex Environment as described above. In addition, because the Ensemble Leadership Repertoire is generated from rich data, densely conceptualised and delineated into clear categories, it provides a robust and reliable theory for use in this post-millennial world.



**Figure 13: The Ensemble Leadership Repertoire and its dimensionalised categories**

Secondly, it adds clear dimensions to each of the three categories by weighting them based on the relative importance assigned to them in leaders’ interviews (see Figure 13 above). In doing so it highlights “Zeitgeist – integrating cognition, conscience and collective spirit” – as a new and emergent category that existing leaders recognise as highly significant.

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PRODUCTIVE SUSTAINABILITY:  
AN EMERGENT METHODS APPROACH TO  
CREATING, COMMUNICATING, AND  
EXPLORING LEADERSHIP AND MANAGEMENT  
PRACTICES FOR  
CONTEMPORARY CHALLENGES

**Volume 2**  
**Appendices**

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# Appendix 1

## Summary of data analysis - Environment

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Core Category (Glaser, 2002)
16	EA1;EA2;EB1;ED1;ED2;ED3;EF1;EF2;EH1;EH2;EJ1;EJ2;EJ3;EJ4;EK1;EK2	Recalibrating context; Varying needs and challenges; Intense and demanding; Establishing alignment across diverse stakeholder needs; Concurrent changes in internal and external conditions	Dynamic, Layered, Interdependent & Interconnected organisational challenges	<b>Complex Environment</b>
5	ED4;ED5;EF3;EH6;EK3	Establishment of in-house support services; Aligning global activity with local needs; Ebb and flow of periods of growth and stability; Repeating cycles of similar yet different challenges; Change in company's ownership and/or leadership	Distinct Time Periods where environmental change has a discernible pattern	
11	EB2;EC1;EE1;EE2;EG1;EH3;EH4;EI1;EI2;EJ5;EK4	Market consolidation; Finely tuned customer segments; Wide range of options for consumers; Conflicting signals from different regions/markets; Migration to low cost alternatives; Loss of control over product design and associated factors; Driving forces - technology and people	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value	
10	EB3;EB4;EC2;EC3;EE3;EE4;EE5;EH5;EI3;EJ6	Wider global reach and transferability of concepts; Greater consumer awareness; Significant Economic and Social challenges; Lifestyle changes; Vastly changing expectations from workforce; Volatility in money markets; Increased pace; Rapid Adaptation; High frequency and size of change;	Exponential change in global driving forces	
3	EE6;EG2;EH7	Natural calamities and disasters; Geo-political issues and security concerns; Changes in natural environment	Uncertain, Unpredictable & Uncontrollable Events	

## Summary of data analysis – Leadership

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories	Core Category
4	PA1;PA2;PI1; PI2	Leading with directness and candour; Genuine and open style	Aussie Leadership	Shared Fates & Interdependence	Ensemble Leadership Repertoire
4	PG7; PG8;PI15;PI16	Changing organisational context-culture	Managing Change		
16	PA10;PA11;PA12;PA13;PB1;PC3; PC4;PD7;PE14;PF5; PF6;PG3; PG4; PG5;PI8;PI9	Encouraging individual ability; Flat organisational structure; Lowering risk of failure; Fostering autonomy; Recognizing accomplishments; Creating empowering opportunities; Challenging the status quo	Empowerment		
16	PA14;PA15;A16;PC5;PC6;PD2;PD8;PD9;PD10;PE3;PE4;PF3; PF7;PF8;PI10;PI11	Creating global partnerships; Awareness of local market trends and opportunities; Local ideas, global application;Search for answers globally; Integrating global trends to serve local communities	Globalisation	Exploring Deeper Meaning	
11	PA7;PA8;PA9;PD5;PD6;PF4;PG1;PG2;PH3;PI6;PI7	Celebrating diversity – ethnic, cultural, gender et al; Leveraging different capabilities and backgrounds; Crafting solutions to address varying needs and situations	Diversity		
12	PA19;PA20;PB2;PC12;PD11;PE8; PE9;PF11;PF12;PH4;PH5;PI17;PI18	Robust induction and orientation processes; Open and transparent HR framework; Work-Life balance; Challenging work; Changing structure and internal networks;Attracting and retaining talent	Managing Talent		
21	PA17;PA18;PC7; PC8; PC9;PE5; PE6; PE7;PF9; PF10; PF13;PG6;PI12; PI13; PI14;PJ8;PJ9;PJ10;PJ11;PK4;PK5	Understanding and accepting need for change; Fresh approach, New ideas; Willingness to experiment; Cross Fertilization of ideas; Need for change; Unconventional behaviour; Outsider perspective and Insider knowledge; Changing organisational context-culture	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit	
30	PA21;PA22;PA23;PB3; PB4; PB5;PB6; PB7;PC10;PC11;PD12;PD13;PE10; PE11; PE12; PE13;PF14; PF15;PF16;PH6; PH7; PH8; PH9; PH10;PJ12;PJ13;PK6;PK7;PK8;PK9	Respecting expertise; Being interested and involved; Seeing the world in a new way; Examining and learning from mistakes; Awareness & Appreciation of context	Being Present		
28	PA3;PA4;PA5;PA6;PC1:PC2;PD1; PD3; PD4;PE1; PE2;PF1; PF2;PH1;PH2;PI3; PI4; PI5;PJ1;PJ2;PJ3;PJ4;PJ5;PJ6;PJ7;PK1;PK2;PK3	Enriched sense of community; Dialogue with multiple stakeholders; Working together for organisational effectiveness; Understanding diverse perspectives; Formal and Informal processes to craft strategy and design; Understanding each other	Being in Touch		
24	PA24;PA25;PB8; PB9; PB10; PB11; PB12; PD14; PD15;PE15; PE16; PE17;PF17; PF18;PG9;PH11; PH12;PI19; PI20;PJ14;PJ15;PK10;PK11;PK12	Positive emotions; Sense of service; Individuals working together for common good;Instilling trust	Being Good		
20	PA26;PA27;PA28;PA29; PB13; PB14; PC12;PD16; PD17; PD18;PE18; PE19; PE20;PH13; PH14;PI21; PI22;PJ16;PJ17;PJ18	Caring for the planet; Social and morally responsible behaviour; Showing environmental responsibility; Base of Pyramid initiatives; Doing ethical business;Developing solutions for under-privileged people; Creating global sustainable enterprise models; Playing a part in an inter-connected world	Being a Global Citizen		

## Analysis and Coding of Participants' Interviews for Environment (EX) Parts 1 and 2

### Interview 13 February 2008 – EA (Part 1)

ID	Key Phrases	Substantive Codes
EA1	<p>The regulatory and quality part of our business operates in an environment that is complicated but not complex. In effect you can work your way through how the overall process and the framework is structured, and it takes a very long time for legislation and therefore regulation to change. Notwithstanding this stable platform and superimposed on it, we've got the emerging economies like India, China, and most of the countries in Asia. They are beginning to consider regulating medical devices and sometimes like for example in India, they do not wish to wait, wanting to put in place regulation in six months, a precipitous move that resulted in uncertainty that is close to chaos because it wasn't a well thought out sort of strategy.</p>	Varying needs and challenges
EA2	<p>It is not high velocity change. It is not a very rapid change but it is a very persistent change which becomes rapid because we have got a lot of new staff coming into the organization even as incumbents are learning about a new way of thinking. So there is that sort of instability coming into the organization through the superimposed growth here and turnover with just a persistent change that's coming on the regulatory area.</p>	Recalibrating context

**Interview 13 February 2008 – EA (Part 2)**

ID		Substantive Codes	Theoretical Codes or Concepts
2	EA1	Varying needs and challenges	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	EA2	Recalibrating context	

### Interview 13 February 2008 – EB (Part 1)

ID	Key Phrases	Substantive Codes
EB1	The environment is a lot more complex, a lot more demanding and a lot more intense. And Australian companies who are for the most part in fairly mature industries tend to get more competitive as they move down their life cycle. So I would guess a fair view for Australia is that it's going to be more intense going forward	Intense and demanding
EB2	The environment is shifting, without doubt and the financial services industry is adapting quickly using two driving forces; technology and people. On the technology front, companies are making huge investments in contemporary technology to aid and enable changes processes and efficiencies. On the people front, it is about understanding people at a behavioural level and helping them realise their true potential	Driving forces - technology and people
EB3	In one sense the forces for change are always there, but the ability for those companies to respond effectively has left them with a larger gap than they needed. To resolve some of the company issues, they need to catch up very quickly or else have systemic issues. The rate of change in the industry and the organisation is probably operating at two-fold. I think the pace of change is radically different from two years ago	Increased pace

ID	Key Phrases	Substantive Codes
EB4	<p>You look at players like (Competitor), who have taken some really aggressive stances in terms of their growth profile. This is a good example of somebody saying, “Look, we were a merchant bank many years ago”. They changed their model into taking assets, packaging them up into funds, taking margins and it moved well beyond a traditional merchant bank model. They started growing really quickly and given some tailwinds with the markets they did extremely well.</p>	Rapid adaptation

**Interview 13 February 2008 – EB (Part 2)**

ID		Substantive Codes	Theoretical Codes or Concepts
1	EB1	Intense and demanding	Dynamic, Layered, Interdependent & Interconnected organisational challenges
1	EB2	Driving forces - technology and people	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
2	EB3	Increased pace	Exponential change in global driving forces
	EB4	Rapid adaptation	

### Interview 15 February 2008 – EG (Part 1)

ID	Key Phrases	Substantive Codes
EG1	<p>The world's dynamics are changing. Communities are expecting more, customers are expecting more; even in terms of putting pipes in the ground now. While before we would just come in and say we need to put a pipe in from A to B, now one has to factor in the community impacts of doing that which are actually quite significant. Our strategic response around meeting our customer's needs in a supply constrained world is to examine how we can have a "solutions mindset" that makes us pro-actively capable of offering our customers enabling advice and recommendations.</p>	<p>Wide range of options for consumers</p>
EG2	<p>Well the environment is certainly changing. Taking the whole premise of climate change as an example; if one agrees with that premise and concurs that the way that the climate environment is operating today is a permanent shift then we are in the midst of some big challenges for organisations and [company's product] is one challenge which is pretty top of mind.</p>	<p>Changes in natural environment</p>

**Interview 15 February 2008 – EG (Part 2)**

ID		Substantive Codes	Theoretical Codes or Concepts
1	EG1	Wide range of options for consumers	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
1	EG2	Changes in natural environment	Uncertain, Unpredictable & Uncontrollable Events

## Interview 15 February 2008 – EI (Part 1)

ID	Key Phrases	Substantive Codes
EI1	<p>What we're seeing in our industry is that the major companies, publicly listed companies driven by this incessant demand to increase the perception of shareholder value. They continue to look for ways to reduce their head-count by outsourcing activities. They look to optimise manufacturing operations by such efficiencies. Many of them are relocating their manufacturing operations to places like Shanghai, China and the impact for us is therefore that we would have to look at cost effective ways of continuing to supply product made in Australia that measures up to the price-performance profiles of products and supplies made at their manufacturing operations based in China.</p>	Migration to low cost alternatives
EI2	<p>The paradoxical twist however, that we see emerging right now is a realisation within some of those large corporations that their single-minded outsourcing model has left them with less control than they had in the past over their own processes for design, development, manufacture of product when all those activities are actually being performed by a third party.</p>	Loss of control over product design and associated factors
EI3	<p>Well a key environmental trend, a dramatic one is the impact of currency variations. If we look at the enormous devaluation of the US dollar over the last five to six years, and the effects of globalisation that seamlessly shunts the detrimental impact of that onto us because a lot of major corporations demand standardised global pricing based in US dollars. In a scenario where you are an Australian manufacturer supplying a customer in Germany on US dollar based pricing, while at the same time dealing with your own euro-based cost structure, the wild swings in currency rates, particularly between the US dollar and the euro is a very, very significant challenge for us.</p>	Volatility in money markets

**Interview 15 February 2008 – EI (Part 2)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts
2	EI1	Migration to low cost alternatives	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
	EI2	Loss of control over product design and associated factors	
1	EI3	Volatility in money markets	Exponential change in global driving forces

### Interview 6 March 2008 – EH (Part 1)

ID	Key Phrases	Substantive Codes
EH1	<p>I'm one of the many observers of the company's more than [X-years] history. My strong sense is that the organisation's endeavour has become exceedingly complex, largely in sympathy with the external environment. Back in its infancy this organisation, had a very limited set of services, as a proxy to state services that were still developing with a back-drop of World War I; the state models of government and particularly the post Second World War development in the nation's welfare-state mentality. Historically therefore, the company was providing a small slice of those services, along with other entities, back in a colonial Australian era when the sickness benefit funds, death benefit funds, and burial funds, helped the social system</p>	Varying needs and challenges
EH2	<p>Fast-forwarding to the highly regulated, intertwined, "world is flat", "everything is connected" world today, on the one hand, the set of services that we're providing, have been completely transformed by the complexity of the current world. On the other hand ironically under the pressure of aging demographics and other factors at work in modern industrialised countries, the organisation is probably providing a recognisable set of services again that are somehow consistent with its colonial products and services history. Then as now, we are involved in society's housing for the aged, retirement saving and sickness and health benefits.</p>	Establishing alignment across diverse stakeholder needs

ID	Key Phrases	Substantive Codes
EH3	<p>The fact that capital can move around the globe on a 24-hour basis, can take positions on non-existent outcomes sometimes give rise to contagion like the sub-prime melt-down which is as much an exported problem as a domestic problem in some ways for certain countries. In addition, certain things move quite fast in terms of investment attitudes. I think the ubiquity of data and the amount of information are actually more telling factors than just speed per se. But I think even more difficult is the question regarding the piece of information one is reacting to; knowing that one is drowning in a sea of data, without a clue of where the information framed by this data exists? And I think that whole circumstance has to be properly examined.</p>	<p>Wide range of options for consumers</p>

ID	Key Phrases	Substantive Codes
EH4	<p>We watch as markets writhe around in response to micro-points of data, hypothetically for example, the producer price index for pork bellies is out this morning, and a chain of events unfolds across global finance, and tomorrow a counterpoint is put by the chiller-index from Europe, and we watch markets writhe in the other direction. And I just think that under these circumstances there is real danger for people who are in the business of building firms with sustainable cultures to be distracted and derailed.</p>	<p>Conflicting signals from different markets</p>
EH5	<p>I think you're dealing in quite a different world where any archaic attitudes about command and control structures within corporations, have much more limited efficacy than they had in the past. Theoretically it is possible today for example, that any employee can get up in the morning and log onto their email and tell every other employee via email that the boss is a bastard, and provide the reasons. That's not the experience of someone who was working for the East India Company, for example, in a different era. I think that the acceleration of communication, and its ubiquity, argues that whoever persists with an unsympathetic, inflexible, non-transparent managerial culture, is potentially in much more difficult territory today than they would have been in say the '70s.</p>	<p>Vastly changing expectations from workforce</p>

ID	Key Phrases	Substantive Codes
EH6	<p>While everything has changed, everything is the same, and again I think even for this company the appropriate way to perhaps summarise history is to use that often-used phrase, “the waltz of history”. While it might not repeat, we are treading some of the same waters.</p>	<p>Repeating cycles of similar yet different challenges</p>
EH7	<p>It is a very fluid environment, so it is a complex international scene with fewer certainties. From that set of uncertainties new and sometimes positive and sometimes frightening forces have emerged - the democratization of for example, terrorism, beginning the late '70s is an example of the latter assertion.</p>	<p>Geo-political issues and security concerns</p>

## Interview 6 March 2008 – EH (Part 2)

No.	ID	Substantive Codes	Theoretical Codes or Concepts
2	EH1	Varying needs and challenges	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	EH2	Establishing alignment across diverse stakeholder needs	
2	EH3	Wide range of options for consumers	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
	EH4	Conflicting signals from different regions/markets	
1	EH5	Vastly changing expectations from workforce	Exponential change in global driving forces
1	EH6	Repeating cycles of similar yet different challenges	Distinct Time Periods where environmental change has a discernible pattern
1	EH7	Geo-political issues and security concerns	Uncertain, Unpredictable & Uncontrollable Events

### Interview 11 March 2008 – ED (Part 1)

ID	Key Phrases	Substantive Codes
ED1	<p>I can give you two example of complexity. Company D’s parent has five or six business operations units. But when Mr. M who is now the Chairman of Company D’s Parent Group first became Company D’s parent’s President in 1996, he started lots of innovation programs. One of the key slogans he used was “from individual optimisation to total optimisation”. This meant that while prior to his becoming President, each business unit was following its own blue-print for product development and production, henceforth “total optimisation of skills” would be the watch-word. What that meant in terms of R&amp;D for example, was that Company D’s R &amp; D headquarters needed to take on significant responsibility for overseeing the common aspects of all business units. This means each business unit needed to collaborate with Company D’s R &amp; D headquarters, so that is one example of extra complexity.</p>	<p>Establishing alignment across diverse stakeholder needs</p>
ED2	<p>In 2006 Company D was facing two challenges: firstly the general globalisation trend world-wide; and secondly Company D’s own internal innovation imperative. This environment would generally be called complex. Tellingly however the complexity was compounding because the global R &amp; D environment was changing, while at the same time at Company D, the whole “digital shift” was taking place.</p>	<p>Concurrent changes in internal and external conditions</p>
ED3	<p>Company D’s parent is an unusual company in that we have consumer electronics and also office equipment – they are two quite different markets. But, particularly in the office area, the shift from analogue to digital resulted in a huge increase in complexity because Company D’s parent was basically set up for mechanical systems, and changing to digital meant a completely different type of skill was required, as well as a completely different mindset and exponentially increasing complexity because it was no longer a standalone box anymore. It is now connected to networks and digital</p>	<p>Varying needs and challenges</p>

ID	Key Phrases	Substantive Codes
	systems. So when you combine those things you kind of get an N2 effect, so that complexity would be the single word that characterised our environment.	
ED4	<p>The first five years of Company D was characterised by learning – we were a brand new company, learning about Company D’s parent, learning what it wanted from us and trying to establish the areas of technology we would be able to contribute to it. The next five to ten years there were a lot of changes in Company D’s parent as well. Firstly, Company D’s parent which has always been a fairly outward looking company in terms of globalisation changed because they needed to operate overseas R &amp; D Centres and secondly in that period of time Company D was really starting to contribute to HQ’s mainstream business.</p>	Establishment of in-house support services
ED5	<p>Our focus in the last three years, and really our focus for the next five years going forward has been the globalisation of R &amp; D. That’s really our main environmental challenge that is changing what we need to do locally. In particular, HQ has R &amp; D Centres established throughout the world now including low-cost centres in India, China and the Philippines.</p> <p>Our main challenge now is to integrate with those groups and further integrate with</p>	Aligning global activity with local needs

ID	Key Phrases	Substantive Codes
	the R & D Centres in Company D's parent to get an optimum solution at a global scale. Reflecting in retrospect, era boundaries are clearer. Typically we have gone through successive periods of growth and then stabilisation.	

**Interview 11 March 2008 – ED (Part 2)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts
3	ED1	Establishing alignment across diverse stakeholder needs	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	ED2	Concurrent changes in internal and external conditions	
	ED3	Varying needs and challenges	
2	ED4	Establishment of in-house support services	Distinct Time Periods where environmental change has a discernible pattern

## Interview 12 March 2008 – EF (Part 1)

ID	Key Phrases	Substantive Codes
EF1	<p>Almost without exception, with each passing year over the past twenty years that I have been at Company F, the pharmaceuticals industry environment seems to get tougher. We have higher hurdles in terms of getting our products to market in regulatory and reimbursement hurdles. We also have more competition; it's a more saturated market as it's harder to discover new molecules to meet needs.</p>	<p>Establishing alignment across diverse stakeholder needs</p>
EF2	<p>There is also the complexity with regards to stakeholders; till recently our main stakeholders would have been just doctors and perhaps the government as the payer. Now we need to involve formalised patient groups, other patient groups, media, private insurers, and different sorts of payers, state government, and federal government. There are just so many more stakeholders in the environment and all the inter-relationships between them have to be understood. Every year the pace of change seems to increase. For example, the technology that we use in terms of communication with emails has changed dramatically!</p>	<p>Varying needs and challenges</p>
EF3	<p>At Company F we have had periods of intense activity launching new products where the total focus is on growing the business and expanding as rapidly as possible. These periods are often followed by a period where the growth is less and where we have a focus on profit and efficiencies and improving our business practices which have usually gone by the wayside while we're in the period of intense growth. Very few companies grow in a static line, you have those high growth periods and low growth periods and the business needs in these are quite different</p>	<p>Ebb and Flow of periods of growth and stability</p>

**Interview 12 March 2008 – EF (Part 2)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts
2	EF1	Establishing alignment across diverse stakeholder needs	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	EF2	Varying needs and challenges	
1	EF3	Ebb and Flow of periods of growth and stability	Distinct Time Periods where environmental change has a discernible pattern

### Interview 20 March 2008 – EE (Part 1)

ID	Key Phrases	Substantive Codes
EE1	So far we have a product that is a “one size fits all” paradigm. We are seeing in tiered markets and in private pay markets like China or India, that there is the obvious opportunity to differentiate downwards with a good price. Interestingly in a developing country I think there’s probably enough opportunity to differentiate upwards with tiered product offerings as well.	Finely tuned customer segments
EE2	The [medical devices] are being engineered to be more [surgically applied]. So far there’s [X]million [of these medical devices] sold a year, of which a very small percentage is [applied] and where there’s surgery involved. There’s also a trend now over the last five years to go for bilateral [surgical application]. And in the US about 15% of the people who actually decide get a Company AE [medical devices] will actually get two Company AE [medical devices].	Wide range of options for consumers
EE3	A global evolution is that the cost of health care is rising. In the US percentage of GDP spent on health care is now 16% or 17%, which is similar to Europe. In Australia this figure is probably around 9% or 10%. There is a concern that this exploding health-care cost may put pressure on the sale of our products. What can we do to make sure that we can grow - that we can continue to meet huge unmet needs? According to our estimates, and that’s also based on research that we’ve done, or commissioned, less than 10% of people who need a Company AE [medical device] get a Company AE [device]. And that is in the developed world. You know, in developing countries it is like one in a hundred probably, or much lower. There are certainly trends there for the company to explore, understand and leverage.	Significant Economic and Social challenges

**Interview 20 March 2008 – EE (Part 2)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts
2	EE1	Finely tuned customer segments	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
	EE2	Wide range of options for consumers	
3	EE3	Significant Economic and Social challenges	Exponential change in global driving forces
	EE4	Lifestyle changes	
	EE5	High frequency and size of change	
1	EE6	Natural calamities and disasters	Uncertain, Unpredictable & Uncontrollable Events

### Interview 28 March 2008 – EC (Part 1)

ID	Key Phrases	Substantive Codes
EC1	<p>The environment has been sort of trending, and some things have accelerated. When we talked about globalisation we are seeing consolidation, as a big trend that you see coming through. So there are manufacturers consolidating. You are seeing retailers consolidating. So the power is shifting to fewer players which obviously can make it more difficult to deal with. This phenomenon has probably accelerated over the last few years. A good example for us is Woolworths Australia buying Progressive in New Zealand. You then begin to see that you are dealing on a trans-Tasman basis with one business entity. So those things have certainly accelerated</p>	Market Consolidation
EC2	<p>Things have certainly accelerated because people are more aware and informed of what is going on globally. You have to almost try and move faster than you had to before. Whereas in the past you had a longer window of opportunity, it is now easier for people to copy you much quicker because they can source product manufacture globally. We are seeing a lot of products coming out of China. Competitors can take products and go to China and say, "Give us this." And the Chinese are very adept at doing just that</p>	Wider global reach and transferability of concepts
EC3	<p>From a consumer point of view, again as the world gets smaller, as there's more global media coverage you need to track issues like for example food source and country of origin that have been the subject of hot debate in Australia and New Zealand.</p>	Greater consumer awareness

**Interview 28 March 2008 – EC (Part 2)**

ID	Substantive Codes	Theoretical Codes or Concepts
1	EC1 Market Consolidation	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
2	EC2 Wider global reach and transferability of concepts	Exponential change in global driving forces
	EC3 Greater consumer awareness	

### Interview 19 August 2008 – EJ (Part 1)

ID	Key Phrases	Codes
EJ1	Globalisation is obviously a big issue for everybody regardless of the industry that they are in. Having a connected world has really changed the dynamic enormously. When businesses were relatively isolated you had to run your business autonomously and headquarters merely consolidated financial performances and everyone hoped that it would all add up and somehow miraculously you were succeeding.	Varying needs and challenges
EJ2	It is a complex environment because we are an affiliate of a global organisation. The relationship of an affiliate to the global organisation is a bit like a pendulum's arc. We have been an instrument of the global organisation in the past. With the change in CEO in the affiliate, the shackles have been taken off a little bit and we are able to be more independent, both in mapping and executing our own strategy.	Establishing alignment across diverse stakeholder needs
EJ3	There may be a shift coming again, simply because of the failing products pipeline for all multi-nationals and the focus on margins, shareholder return and increasing profits to keep Wall Street happy. Potentially this can mean that the pendulum maybe shifting back towards the headquarters having more control on affiliate's fortunes	Concurrent changes in internal and external conditions
EJ4	It is a complex world and I think there are a lot of unanswered questions if you look at other companies. Everyone is trying different things or trying things that others have tried to try to maximise shareholder return. I think there's a lot of stress in the pharmaceutical industry at the moment.	Establishing alignment across diverse stakeholder needs

ID	Key Phrases	Codes
EJ5	You know exactly what is happening all around the world in real time and you are seeing what your competitors are doing. You have regulators talking to each other, payers talking to each other. Pricing of pharmaceuticals is now transparent across the world. This has all been enabled by technology and with the new generation that is coming on stream who are very technology savvy. This is an incredible change in the business landscape	Wide range of options for consumers
EJ6	The way people now use social media has just taken off in the last five years. Companies need to be aware that it is happening and “they” are talking about you “out there”. They are playing games in a virtual world with your organisation as an entity and unless you are aware of it and actively participating to influence, leverage, and engage with what is being said then you are out of step with where society is at today.	Lifestyle changes

**Interview 19 August 2008 – EJ (Part 2)**

	ID	Codes	Concepts
4	EJ1	Varying needs and challenges	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	EJ2	Establishing alignment across diverse stakeholder needs	
	EJ3	Concurrent changes in internal and external conditions	
	EJ4	Establishing alignment across diverse stakeholder needs	
1	EJ5	Wide range of options for consumers	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value
1	EJ6	Lifestyle changes	Exponential change in global driving forces

### Interview 22 August 2008 – EK (Part 1)

ID	Key Phrases	Substantive Codes
EK1	It is our changing and rapidly evolving perspectives and awareness of what customers' need that has been one of the key drivers of the need for change in the way we do business. There are obviously significant changes to, and growth in the need to address nutritional issues in the market place and we are key in that field because we take that ground in a lot of our products. There has been increased customer awareness and consumer and they are letting us know more of those things. But more particularly we have taken much more of a customer focus in our approach to innovation.	Varying needs and challenges
EK2	There has virtually been a sweep through the organisation in terms of leadership to address these issues and a subsequent cultural change right through the organisation to try and build up that innovative practice and make us faster and more efficient in delivering the profit the organisation is looking for.	Concurrent changes in internal and external conditions
EK3	I would say that for us it is particularly the last 5 years that have been the most dramatic change. Prior to that, we worked in a very different set-up. It's during this period of time that we have had the most significant management change, and I think that's been facilitated by the need for change.	Change in company's ownership/leadership
EK4	Well the environment for Company K has been absolutely dramatic in its change. Ten or fifteen years ago I would say that this company was a very sleepy organisation, had survived on limited innovation, had relatively poor practices in many areas but was still able to make a profit. There's been a lot of consolidation in the industry. There has been a lot more competition for our particular markets, and there has been a lot of change in the supply, the AWB for example. These are dramatic changes and they are going to affect us from the wheat business,	Market consolidation

ID	Key Phrases	Substantive Codes
	changes in milling consolidation, changes in baking consolidation, meat and dairy consolidation through Australia. This has had a huge impact on our ability to deliver profit and lent urgency to finding new ways of doing that.	

**Interview 22 August 2008 – EK (Part 2)**

ID		Substantive Codes	Theoretical Codes or Concepts
2	EK1	Varying needs and challenges	Dynamic, Layered, Interdependent & Interconnected organisational challenges
	EK2	Concurrent changes in internal and external conditions	
1	EK3	Change in company's ownership/leadership	Distinct Time Periods where environmental change has a discernible pattern
1	EK4	Market consolidation	Marked/Radical Shifts in Markets, Competition, Technology and the Customer's definition of value

## Analysis and Coding of Participants' Interviews for Leadership (P) Parts 1 and 2

### Interview 13 February 2008 -PA (Part 1)

ID	Key Phrases	Substantive Codes
PA1	I think there is certainly an Australian flavour about this style of leadership and part of it is directness. Australian leaders are not quite as careful in how they present themselves. There is not as much crafting the whole message. People who have gone through the American education system were very articulate. They can be really very persuasive in their communication.	Leading with directness and candour
PA2	I do not see that same polished performance from Australian leaders. There is however a bit of a charm to this "take me as you see me" persona. It is an openness that is more concerned with substance possibly and less with appearances and form.	Genuine and open style
PA3	We have to really work closely with emerging markets for the potential that they bring and recognize that we have a responsibility as members of the various global organizations that are looking at regulation. One of my teams is on the global harmonization task force which comprises the five main regulators; Canada, Japan, America, Europe and Australia. This group is looking at the harmonization of the regulatory environment which is a key part of our endeavour. Staying closely connected to such bodies ensures that we have a voice and can make a contribution...	Enriched sense of community
PA4	I'm also talking with likeminded people in the same profession or I'm going out and training others because that's a key way of learning. In terms of building a global bridge across our own business, it is not something I can influence day-to-day. Again however, it is more to do with how I present the quality and regulatory group firstly to the leadership group and then to the rest of the company.	Dialogue with multiple stakeholders
PA5	One goal is to demonstrate local leadership and ensure alignment with the local business, but a second and arguably more important goal, is to recognize that our connections with other parts of the Company AE organization world-wide is very central to the company's success across the globe...	Working together for organisational effectiveness

ID	Key Phrases	Substantive Codes
PA6	There are 64 people from 64 different counties in our department here for example, and work ethics, and communication differ across countries and cultures because of different life experiences, but we stay connected because it is a respectful environment which fosters integrity. We wish to reproduce these connections across the globe in Company AE.	Understanding diverse perspectives; Enriched sense of community
PA7	We need to really acknowledge that while people are different they bring good things to the business. And I think that's where diversity and, again, gender comes in. I think disrespectful organizations and approaches propagate the sentiment that "If you're slightly different to me I'm not even going to start listening".	Celebrating diversity – ethnic, cultural, gender et al
PA8	What we have found at Company AE is that people from a broad range of backgrounds, whether culture, education, or engineering disciplines, bring fresh ideas to the table and there is innovation. Markets are different, customers are different, individual people are different, and consequently what is important in the environment at a given time is different...	Leveraging different capabilities and backgrounds
PA9	In Company AE there is individuality in flavour in our global operations whether it is Company AE America, Company AE Europe, or Company AE Asia Pacific. That sort of diversity is something that we have kept within Company AE and I think one of the things that make it quite charming is that there isn't that same footprint wherever you go...	Celebrating diversity – ethnic, cultural, gender et al
PA10	[Our CEO] said when I was interviewing for the job that "I just want really brilliant people under me. They'll work out what to do". We have people in our leadership team who've come from quite different businesses: farmer, medical devices, cement, steel, power. I think however, that there is still an opportunity here at Company AE to think a little bit differently about women in leadership.	Encouraging individual ability
PA11	Empowerment of our people is paramount and that is why Company AE does not have strong hierarchies. Our leadership is quite unstructured without a large set of rules and this provides an opportunity for the individual to be the kind of leader that made sense to the profession you belonged to, the group that you were part of and the kind of individual you were or aspired to be.	Flat organisational structure ; Encouraging individual ability

ID	Key Phrases	Substantive Codes
PA12	So in that way it was an opportunity to be quite reflective about what is appropriate for one's context. I think this makes sense for two reasons: Firstly, when young graduates come into the organization they need to sense that they have autonomy to take initiative; and secondly, because it is a highly technical and scientific area, and one cannot therefore assume that any one person will have all the knowledge on the subject or indeed that seniority or tenure will necessarily proffer advantage in solving issues...	Lowering risk of failure;
PA13	And I think at an individual leader level you are always looking to support your team to make sure that they're able to position themselves the best they possibly can and really enhance their professionalism through how they communicate, how they present, and how they deliver on their commitments.	Recognizing accomplishments
PA14	Company AE was born global, and that's where our destiny is. We should not look to what we call our regions as our commercial outposts. If we cannot work effectively, globally together, for a company that exports 97% of its products, then we might as well pack up and go home...	Creating global partnerships
PA15	You need to be aware of how the market is different, how the customers are different how the individual people are different and what is important in that environment at the time. So what's important in Tokyo could be quite different to what is important in Sydney...And because global issues and opportunities are layered and complex, they need to be tackled differently as well.	Awareness of local market trends and opportunities
PA16	For example take the attempts to what the Indians call indigenize Company AE's [medical device]systems. Because of the obviously huge need in the developing world, both in India and China, they are looking to develop a very cheap Company AE [medical device] system.	Local ideas, global application
PA17	Our product is the hallmark of our innovation and it's very visible, it's fun, it is something we can all buy into. So it is a really key part. We have been very good also at innovating the business model. So sometimes, and pretty quickly, we have needed to go, 'Well, the industry is changing, we cannot get as many [medical technologists], the infrastructure doesn't exist in some countries	Fresh approach, New ideas

ID	Key Phrases	Substantive Codes
PA18	We cannot always put the same business model in everywhere and we have been creative. We do have people from a broad range of backgrounds here, whether it's cultural, whether it's education, whether it is different engineering disciplines, and so it is easier to bring new ideas to the table.	Willingness to experiment;
PA19	We do have high turnover so what is important are processes that are sustainable and a framework that makes sense so that you can have people coming into it and you've got an overall framework that works.	Robust induction and orientation processes
PA20	So if you rely on personality and people then certainly this is going to be a difficult area but if you are relying more on that process on having a clear framework and structure to how you work and it and how you build a sense of ownership for the process throughout the organization.	Open and transparent HR framework
PA21	You need people that have the ability to be excited by what's happening in their environment at any time. Senior leaders need to model that excitement for life-long learning for their people. They can do this by being curious and interested in what their people are doing and respecting their peoples' expertise in their areas of excellence and asking them for their help in understanding issues prior to making decisions.	Respecting expertise;
PA22	It is all about being really tapped into the bigger picture of the Company AE [medical device] solutions and also other solutions and modelling the Company AE leader as a very positive leader having a lot of pride in what we do ...but at the same time being willing to listen and not being shy about saying, "look, sometimes we don't get it right".	Examining and learning from mistakes;
PA23	In fact that was some feedback we got in America when our engineers went across just recently to talk about some changes we were making, and customers said, "One of the things we really value about Company AE is your openness".	Awareness & Appreciation of context
PA24	When you walk around in Company AE there is something about the buzz, the atmosphere, that tells you that people are feeling engaged, and that there is a strong sense of purpose; a strong sense that, "what we do makes a difference".	Positive emotions

ID	Key Phrases	Substantive Codes
PA25	It is not just that it is one of the most satisfying engineering environments to work in because you are intellectually engaged all the time. More importantly it is emotionally and spiritually nourishing for most people at Company AE when they meet a recipient and hear of the life-transforming aspects of what our device does.	Sense of service
PA26	Environmental sustainability efforts in Company AE are actually driven from the grass-roots. For example, there is a group called Green Fever in the company that was set up by concerned staff across the business. Green Fever has canvassed to make all coffee cups in the office of porcelain and have signs put up urging staff to “Adopt a Cup – Don’t Use the Polystyrene Cups”.	Caring for the planet
PA27	They have also successfully persuaded the facilities group to get specialist recyclers to reuse and recycle people’s old household appliances. I think the jury is out on the commercial impact of some of these initiatives. I think the reality is that we are acknowledging and recognising the fact that young people under 25 are going to want to work for us only if they see that we are seriously considering the environmental aspect...	Caring for the planet
PA28	As a company we have embraced the sustainability imperative as well. We are moving to a new facility in about 3 years time and as we design that facility we are looking at things like passive energy design, in order to best reduce our footprint with minimal energy consumption. I think quite frankly all of us want a planet that is still here in hundred years and so I think there’s that self interest as well.	Caring for the planet
PA29	Company AE also engages seriously with the “bottom of the pyramid” demography in the developing world. For example, we have worked collaboratively with a Taiwanese philanthropist who donated 15,000 Company AE [medical devices] for children in China. Our belief has been that by curing [medical condition] in children in a developing country we would be able to help them have a more fulfilling life.	Base of pyramid initiatives

### Interview 13 February 2008 -PA (Part 2)

	ID	Substantive Codes	Theoretical Codes or Concepts
2	PA1;PA2;	Leading with directness and candour; Genuine and open style	Aussie Leadership
4	PA3;PA4;PA5;PA6	Enriched sense of community; Dialogue with multiple stakeholders; Working together for organisational effectiveness; Understanding diverse perspectives	Being in Touch
3	PA7;PA8;PA9	Celebrating diversity – ethnic, cultural, gender et al Leveraging different capabilities and backgrounds	Diversity
4	PA10;PA11;PA12;PA13	Encouraging individual ability; Flat organisational structure; Lowering risk of failure; Fostering autonomy; Recognizing accomplishments	Empowerment
3	PA14;PA15;PA16	Creating global partnerships; Awareness of local market trends and opportunities; Local ideas, global application	Globalisation
2	PA17;PA18	Understanding and accepting need for change; Fresh approach, New ideas; Willingness to experiment; Cross Fertilization of ideas	Being Creative
2	PA19;PA20	Robust induction and orientation processes; Open and transparent HR framework	Managing Talent

	<b>ID</b>	<b>Substantive Codes</b>	<b>Theoretical Codes or Concepts</b>
3	PA21;PA22;PA23	Respecting expertise; Being interested and involved; Seeing the world in a new way; Examining and learning from mistakes; Appreciation of context	Being Present
2	PA24;PA25	Positive emotions; Sense of service	Being Good
4	PA26;PA27;PA28;PA29	Caring for the planet; Social and morally responsible behaviour; Showing environmental responsibility; Base of Pyramid initiatives	Being a Global Citizen

**Interview 13 February 2008 -PA (Part 3)**

ID	Substantive Codes	Theoretical Codes or Concepts	Categories
PA1;PA2;	Leading with directness and candour; Genuine and open style	Aussie Leadership	Shared Fates & Interdependence
PA10;PA11;PA12;PA13	Encouraging individual ability; Flat organisational structure; Lowering risk of failure; Fostering autonomy; Recognizing accomplishments	Empowerment	
PA7;PA8;PA9	Creating global partnerships; Awareness of local market trends and opportunities; Local ideas, global application	Globalisation	Exploring Deeper Meaning
PA14;PA15;PA16	Celebrating diversity – ethnic, cultural, gender et al; Leveraging different capabilities and backgrounds	Diversity	
PA19;PA20	Robust induction and orientation processes; Open and transparent HR framework	Managing Talent	

ID	Substantive Codes	Theoretical Codes or Concepts	Categories
PA17;PA18	Understanding and accepting need for change; Fresh approach, New ideas; Willingness to experiment; Cross Fertilization of ideas	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
PA21;PA22;PA23	Respecting expertise; Being interested and involved; Seeing the world in a new way; Examining and learning from mistakes; Appreciation of context	Being Present	
PA3;PA4;PA5;PA6	Enriched sense of community; Dialogue with multiple stakeholders; Working together for organisational effectiveness; Understanding diverse perspectives	Being in Touch	
PA24;PA25	Positive emotions; Sense of service	Being Good	
PA26;PA27;PA28;PA29	Caring for the planet; Social and morally responsible behaviour; Showing environmental responsibility; Base of Pyramid initiatives	Being a Global Citizen	

### Interview 13 February 2008 -PB (Part 1)

ID	Key Phrases	Substantive Codes
PB1	We are doing a lot of delegation, a lot of empowerment. For example, recent decisions were taken that delegated investment decisions to two levels below where they are currently residing. In my opinion this is a practical way of saying, "Well, you guys better think pretty carefully about this, because now you're being empowered to do things where largely you had to come and ask permission before". It is the organisation's way of saying as well that, "Well, we want to do this, we've got no idea how, help us figure it out together" and that's the opportunity for people to get involved. This approach is not yet systemic but it's probably halfway through moving from sporadic to systemic.	Creating empowering opportunities
PB2	We call it sustainable leadership and that's the program we have in that space. And there are eight characteristics that we think are critical in terms of that leader's development and acumen and we benchmark that internally, externally and within those characteristics to identify where people are at	Open and transparent HR framework
PB3	As an organisation when we encountered our burning platform, we confronted those realities, largely rebuilt the whole portfolio to a product/process/business level, and we worked through a lot of those before the current economic challenges started to arise. I think mindful-leadership knows where you create value, knows how to run the business and stay focused. And the funny thing is that this is about confronting reality for me. We have a process we called 'honest conversations' and it is exactly what it sounds like -"Let's have an honest conversation".	Awareness and appreciation of context
PB4	Most corporations do not have honest conversations. They don't have the forums to do it, culturally it will be confrontational and yet a lot of the value is predicated on having honest conversations around differences of opinion. Now our leaders are being set up to have these conversations: training, coaching, mentoring skills, because a lot of the time people were too afraid to actually say what they thought. And if you can't say what you think you do not end up creating much value. And when they do all the issues are coming out.	Examining and learning from mistakes
PB5	When issues come out you confront them, when you confront them you address some of them and others you say, well, we'll work on those. That's at the heart of a sustainable renewable process. People need to believe in the fact that they can express themselves in a way that is valued and valuable.	Examining and learning from mistakes
PB6	And being valued is such a powerful force, because it creates a mechanism where people want to tell you what they're thinking. That lifts the whole value of the engagement but not only do they feel valued but then the type of issues they work on, you realise that these people actually see things	Being interested and involved

ID	Key Phrases	Substantive Codes
PB7	The conversations they are having create value because, as you start seeing that play out across the organisation, the opportunities are there for the company to address these issues, to build new things, to package those insights, to see new things. That awakening or awareness starts building momentum and the ability to manage uncertainty while learning continuously, through insight, recognition, application, trialling new things, and heeding getting feedback loops in a systemic way.	Seeing the world in a new way
PB8	Company B has had a community connection from its inception. We have a Company B Foundation, whose only purpose is to work with communities, and community groups, assisting them in practical and real ways. We do massive fundraising in this space, we channel it back into communities, and we work with all of our financial planning practices to align how they're working with the community with these support programs.	Individuals working together for common good
PB9	Within the company itself we have massive volunteering programs for example raising money for a cause or helping communities paint halls etc. A number of our executives wish to and are encouraged to sit on either the board and/or the leadership team of not-for-profit organisations and explore ways and means of feeding back practical work into the community...	Sense of service
PB10	Company B and the community have thus been very closely linked for a long time and will continue to be so because it is one of the relationships that define us. Company B's social purpose is actually around setting people up for sustainable retirement; it is around education, awareness, and community involvement. We believe that this will also ultimately help people in the community realise that with the type of work Company B does it can actually help people in the community have a better future.	Sense of service
PB11	People are searching for meaning outside work because it often does not exist inside work. And meaning for individuals obviously varies but that must, by definition, include a spiritual element, a personal element, a transformation element and the feeling that life is meaningful and worthwhile. And it creates natural momentum to shift, and that is the heart of change and transformation at the personal level as well as at the level of the organisation, and country.	Individuals working together for common good

ID	Key Phrases	Substantive Codes
PB12	And if those basic beliefs and values are not expressed and exercised, people feel content with doing nothing and remaining static. There is no momentum in them as individuals. Corporate Australia and Company B, I think however are in the early exploratory stages of this spiritual development space.	Positive emotions
PB13	Company B formally ties sustainability into our strategic planning process. We have formal processes that we set up across the company, across all divisions, all functions, and tie that together with our sustainability approach. We are formally involved in measures like the Dow Jones Sustainability Index, FTSE for Good, and a range of industry forums in which our views are viewed as fairly contemporary	Playing a part in an inter-connected world
PB14	I think however that similar to a number of other Australian companies in this space, it is a journey of discovery for Company B. I think we have started this journey, and while we are doing fairly well, it will take many years of continuous awareness and development to embed that culture into daily practice. In terms of practical things however, we have applied a lot of things, from water savings, power savings across our buildings.	Playing a part in an inter-connected world

**Interview 13 February 2008 -PB (Part 2)**

ID	Substantive Codes	Theoretical Codes or Concepts
PB1	Creating empowering opportunities	Empowerment
PB2	Open and transparent HR framework	Managing Talent
PB3; PB4; PB5; PB6; PB7	Awareness and appreciation of context; Examining and learning from mistakes; Being interested and involved; Seeing the world in a new way	Being Present
PB8; PB9; PB10; PB11; PB12	Individuals working together for common good; Sense of service; Positive emotions	Being Good
PB13; PB14	Playing a part in an inter-connected world	Being a Global Citizen

**Interview 13 February 2008 -PB (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
1	PB1	Creating empowering opportunities	Empowerment	Shared Fates & Interdependence
1	PB2	Open and transparent HR framework	Managing Talent	Exploring Deeper Meaning
5	PB3; PB4; PB5; PB6; PB7	Awareness and appreciation of context; Examining and learning from mistakes; Being interested and involved; Seeing the world in a new way	Being Present	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
5	PB8; PB9; PB10; PB11; PB12	Individuals working together for common good; Sense of service; Positive emotions	Being Good	
2	PB13; PB14	Playing a part in an inter-connected world	Being a Global Citizen	

### Interview 13 February 2008 -PG (Part 1)

ID	Key Phrases	Substantive Codes
PG1	Organisations need a deep appreciation that people bring their whole selves to work and that they actually have different backgrounds and different interests. How you tap into that organisationally is the challenge. We have started to focus on the whole diversity issue recently and we consider it the third side of a triangle along with culture and capabilities.	Leveraging different capabilities and backgrounds
PG2	We had a cultural diversity day towards the end of 2007 where everyone got dressed in different clothing and brought food to share that reflected their ethnic and geographic origins and heritages. These are small informal steps, but reflect our serious desire to engage and leverage the diversity in our workforce	Celebrating diversity – ethnic, cultural, gender et al
PG3	How do you get people to make that discretionary effort? People want to do a good job when they come to work. And if they are passionate enough about it and if they think that what they are here to do will be supported, and that ideas they put up will be listened to and will get implemented if the ideas are really worthwhile, then people get engaged for the satisfaction of contributing rather than just monetary recognition and reward. To achieve this, we've been working on making sure that we have challenge and debate, so that people are not just doing things because the boss has told them to do it. We want to let them know and understand that they have the opportunity to speak up and have their say.	Encouraging individual ability
PG4	I've spoken to every person who comes into the corporate services team, a month after they've been here and without exception, they have commented on the supportive and helpful nature of the environment and the people. Trying to hard-wire some of these cultural programs into business performance going forward, is always nebulous.	Creating empowering opportunities
PG5	But you would have to say that on the whole, when you look at the results of our innovation and culture programs from a business perspective, that unless it is pure coincidence, there is a direct correlation between business results and these empowering programs that we are running.	Recognizing accomplishments
PG6	We know that our number one strategy is solutions for customers. So we needed to be a bit more creative and needed to be more innovative in terms of what those solutions might look like. Our second strategy is growing the business with utility services, and also business efficiency.	Fresh approach, New ideas

ID	Key Phrases	Substantive Codes
PG7	And our third strategy is bettering environmental and social decision making. Innovation has a space to play everywhere and we had to make it okay for people to take the time to do creative thinking and innovation or to at least have the time to think about it. This is necessary because we have found culturally over the past few years that people focus their efforts on whatever they are formally measured on by their organization.	Changing organisational context-culture
PG8	Trying to hard wire some of these cultural programs into business performance is always nebulous. But you would have to say that on the whole, when you look at the results of our innovation program, the results of our culture program, and look at the things that we are delivering on the ground from a business perspective, unless it's just coincidental, that there is a direct connection between business results and those other programs that we're running.	Changing organisational context-culture
PG9	We have a strong sense of community and environment, and they are values that people do hold strongly and are attracted to. One of our strategic objectives is social responsibility. What we have implemented is a really strong volunteering program in this social space. We have such an active volunteering program that we have achieved our full year's targets in just six months! It is about matching our people's skills to volunteering opportunities so that our people experience personal development and fulfilment by using their skills to help the community.	Sense of service

**Interview 13 February 2008 -PG (Part 2)**

ID	Substantive Codes	Theoretical Codes or Concepts
PG1; PG2	Leveraging different capabilities and backgrounds; Celebrating diversity – ethnic, cultural, gender et al	Diversity
PG3; PG4; PG5	Encouraging individual ability; Creating empowering opportunities; Recognizing accomplishments	Empowerment
PG6	Fresh approach, New ideas	Being Creative
PG7; PG8	Changing organisational context-culture	Managing Change
PG9	Sense of service	Being Good

**Interview 13 February 2008 -PG (Part 3)**

<b>No.</b>	<b>ID</b>	<b>Substantive Codes</b>	<b>Theoretical Codes or Concepts</b>	<b>Categories</b>
3	PG3; PG4; PG5	Encouraging individual ability; Creating empowering opportunities; Recognizing accomplishments	Empowerment	Shared Fates & Interdependence
2	PG7; PG8	Changing organisational context-culture	Managing Change	
2	PG1; PG2	Leveraging different capabilities and backgrounds; Celebrating diversity – ethnic, cultural, gender et al	Diversity	Exploring Deeper Meaning
1	PG6	Fresh approach, New ideas	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
1	PG9	Sense of service	Being Good	

### Interview 15 February 2008 -PI (Part 1)

ID	Key Phrases	Substantive Codes
PI1	Informality and practicality is apparent in the way Americans execute. They are not particularly political either. If I looked at a quintessential American leader there would be a degree of respect simply because of rank. If you look at the quintessential Australian leader he's going to be your mate, even if you are three levels below him and act and behave in that fashion	Genuine and open style
PI2	Sometimes Australians can be more frank rather than sensitive. I have seen Australian leaders in situations where they will tell it like it is when it is completely inappropriate to do so. American leaders can be far more crafted in the way they'll give you a very subtle meaning which is no less serious than what the Australian was trying to say.	Leading with directness and candour
PI3	Connecting within the company and across its stakeholders is something we need to do very well. I think our most important challenge is our ability to communicate with diverse people because human nature is such that we tend to communicate with the people that we see every day and are most familiar to us.	Understanding each other
PI4	One of the marked effects of the "internal globalisation" of our business is that our teams travel to many sites across the world and communication tends to be out-of-hours, and more significantly, it is asynchronous, and/or impersonal. If we are to leverage our global expertise it is vital that we confront this challenge of staying closely connected to each other in this global world...	Working together for organisational effectiveness
PI5	Considering connectedness on a larger canvas, as building an eco-system of support, I think in Australia in particular we still have a long way to go to find productive ways for government, academia and industry working together. It's been an ongoing issue, particularly in technical industries of how you bring those things together. And we don't have a great record of it. Making connectedness work in this context; executing it is the issue	Dialogue with multiple stakeholders
PI6	I do not find women represented well in senior leadership in Australia, at least not in the circles that I move in. In the circles I move in the US however, there is a great representation, almost equal I would say of female leaders. I find them a pleasure to deal with because they are far more focused and objective about issues.	Celebrating diversity – ethnic, cultural, gender et al

ID	Key Phrases	Substantive Codes
PI7	Do I affirmatively look for them? I think the answer is probably no. Am I biased against them? I don't think so. When I am looking for a candidate, I don't particularly choose one or the other. It is just that our world is populated far more with male candidates than it is with female candidates.	Leveraging different capabilities and backgrounds
PI8	I'm at the social change end of the empowerment issue. I believe that leadership is not about sitting in an office and hiring and firing people. Leadership is about being out there with people and believing in them and helping them to achieve their potential. Sometimes if you do not have the right people in the right jobs you have got to make a decision – you have got to make a call.	Creating empowering opportunities
PI9	I mean at the end of the day you have got to move forward, you have got to get stuff done so in terms of engaging and arriving at directions through consultation and involvement I'm a great believer in that because it's the only way I find to instil ownership of a direction. However you need to be able to move forward if you are too far down the consultative approach then you can spend years doing nothing.	Fostering autonomy
PI10	For us one of the most significant driving forces is globalisation. That is where we have tried to use our medium size as an advantage because it is easier for us to think and act global than it is for our very large customers to do so. We are trying to get ahead of our industry by contemplating and crafting plausible futures and seeing if we can use our relatively small size as a strategic advantage.	Awareness of local market trends and opportunities
PI11	We need to be able to demonstrate our abilities in this area initially as proof-of-concept and this we are trying to do with some of our larger customers, by making improvements on simpler processes like logistics – by understanding where a product is made and where it is ultimately going to be used and using this knowledge quickly to deliver advantages to the ultimate end-customers.	Search for answers globally

ID	Key Phrases	Substantive Codes
PI12	I still think we've got a long way to go as an organisation in terms of bringing in better and new ideas from outside. Maybe that also relates back to overcoming some of the Australian culture about trying to do everything ourselves, prizing independence and backing ourselves to invent everything.	Understanding and accepting need for change
PI13	Whereas I tend to think the more that you can understand the inputs of people from the outside whether it is the customer, the customer's customer, and/or just smart people that simply have great ideas from the outside looking in. We as an organisation have a long way to go before we can claim to do that effectively...	Cross fertilization of ideas
PI14	And yet because of the way we've reinvented ourselves from being their competitor to being their indispensable partner our major customers would see us as innovative. Some of the internal people that are looking at our future product development and some of the people that they partner with and look at us in terms of the technologies that we're working on would also see us as quite innovative so I think there's probably the full spectrum of answers that you would get to that question based on whether they were considering us from a technology product point of view or from a global business point of view	Outsider perspective and Insider knowledge
PI15	A lot of challenges have been put to my executive leadership team and me, as we have gone through the significant and strategic task of building a very focused sales model by creating a global organisation from a geographically based organisation and from trying to transition from retail catalogue seller to high value project-based vendor.	Changing organisational context-culture
PI16	I want to step back from that and be working on even bigger picture issues. The challenge is how we bring our next level of management and sales executives to function to succeed us. And part of what we have tried to do is to capture and communicate to them the framework, themes, and common language of business behind some of those successes.	Changing organisational context-culture

ID	Key Phrases	Substantive Codes
PI17	Whereas once upon a time it was the employer looking to see how suitable the employee was for the organisation, these days it is the prospective employee who is far more proactive in the way he/she manages his/her career path. This is because they are looking beyond just money to values fit, culture-match, and the prospects of building new inventories of skills that make them more marketable.	Challenging and rewarding work
PI18	This is a very significant issue and for some of our key positions where we look globally as well as in Australia, we have had some positions where we have been struggling to find the right candidate that we want. From an Australian point of view a further challenge for us is that relocating to Australia may not be an option for a prospective candidate	Attracting and retaining talent
PI19	People are looking to identify with their employer as having a soul. As having a substance, “spirituality” if you like beyond just the commerciality of what they do. And what I have seen is that by acknowledging this and taking action on this front one builds people’s connections with the business. For example, we have installed about 80,000 litres of water storage capacity on this site. This stored water now waters our grounds, and feeds some of our factory processes.	Sense of service
PI20	We got an award from the EPA for water conservation. People love it. People I think see that and feel that you know Company I has a soul beyond just the company’s profit and loss. Being good is about honesty and integrity. When we are working with a customer or employee we do not manipulate numbers, and we do not manipulate the truth. We believe in telling it like it is	Instilling trust
PI21	We have participated in a project with the United Nations where we have provided our products to a United Nations mission that was setting up and establishing environmental monitoring in some of the poorer areas throughout South East Asia, Vietnam to monitor some of the persistent pollutants in that region. Our participation had a great and favourable impact on the organisation	Showing environmental responsibility
PI22	We were more than happy to be involved in supplying product to the developing world but then clearly we are very cognizant of the commercial upsides to these initiatives as well. When places like Vietnam and Fiji for example, are establishing laboratories for water monitor and are using Company I’s products, in the first instance, chances are they will continue to remain our clients over long periods of time thereafter.	Doing ethical business

**Interview 15 February 2008 -PI (Part 2)**

ID	Substantive Codes	Theoretical Codes or Concepts
PI1; PI2	Genuine and open style; Leading with directness and candour	Aussie Leadership
PI3; PI4; PI5	Understanding each other; Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch
PI6; PI7	Celebrating diversity – ethnic, cultural, gender et al; Leveraging different capabilities and backgrounds	Diversity
PI8; PI9	Creating empowering opportunities; Fostering autonomy	Empowerment
PI10; PI11	Awareness of local market trends and opportunities; Search for answers globally	Globalisation
PI12; PI13; PI14	Understanding and accepting need for change; Cross fertilization of ideas; Outsider perspective and Insider knowledge	Being Creative
PI15; PI16	Changing organisational context-culture	Managing Change

ID	Substantive Codes	Theoretical Codes or Concepts
PI17; PI18	Challenging and rewarding work; Attracting and retaining talent	Managing Talent
PI19; PI20	Sense of service; Instilling trust	Being Good
PI21; PI22	Showing environmental responsibility; Doing ethical business	Being a Global Citizen

**Interview 15 February 2008 -PI (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes/ Concepts	Categories
2	PI1; PI2	Genuine and open style; Leading with directness and candour	Aussie Leadership	Shared Fates & Interdependence
2	PI15; PI16	Changing organisational context-culture	Managing Change	
2	PI8; PI9	Creating empowering opportunities; Fostering autonomy	Empowerment	
2	PI6; PI7	Celebrating diversity – ethnic, cultural, gender et al; Leveraging different capabilities and backgrounds	Diversity	Exploring Deeper Meaning
2	PI10; PI11	Awareness of local market trends and opportunities; Search for answers globally	Globalisation	
2	PI17; PI18	Challenging and rewarding work; Attracting and retaining talent	Managing Talent	

No.	ID	Substantive Codes	Theoretical Codes/ Concepts	Categories
3	PI12; PI13; PI14	Understanding and accepting need for change; Cross fertilization of ideas; Outsider perspective and Insider knowledge	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
3	PI3; PI4; PI5	Understanding each other; Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch	
2	PI19; PI20	Sense of service; Instilling trust	Being Good	
2	PI21; PI22	Showing environmental responsibility; Doing ethical business	Being a Global Citizen	

### Interview 6 March 2008 -PH (Part 1)

ID	Key Phrases	Substantive Codes
PH1	We have constant and fluid conversations about having joint venture partners. Because of the nature of the security space and the nature of funds management professionals, we are convinced about the business sense of those relationships, but we acknowledge that to make them actually successful, there is the human quotient which requires that the principals of those organisations have a relationship with the principals of Company H...	Dialogue with multiple stakeholders
PH2	In relation to certain managers and certain executives, I would also expect that would include explicit community connections which make sure that we do not for a second lose reference points about the nature of the community's experience and opinions about corporations, and any other issues of the day.	Enriched sense of community
PH3	Things that have traditionally been associated with male stereotypes of leadership are less relevant today than they have been in the past, and therefore theoretically there should be more opportunity for more balance between the genders.	Crafting solutions to address varying needs and situations
PH4	It's recruitment, and we all know that no matter how well we might seek to do those things in terms of managerial systems, we don't get 100% hit rates – no organisation has ever achieved it, and I wouldn't suggest I hold ourselves out as a shining example of an organisation that gets it 100% right.	Attracting and retaining talent
PH5	I suppose what you don't want though is a selection process that leaves people who don't fit with the organisation and with whom the organisation doesn't fit in any doubt for too long. I suppose there's a sort of a self-selection issue.	Open and transparent HR framework
PH6	I think to be effective, the organisation, the individual at whatever level within it, needs to be able to make sense of and handle the necessary complexity around them. And to that end I think it is the company's job to interpret, make sense of, provide tools for, provide resources and support for the processes, for dealing with external/internal complexity that's thrust upon the individual or the company, by reaching out or having the capacity to reach out and influence that complexity in terms of providing a needed service or identifying a logical area for product development and so on.	Awareness and appreciation of context

ID	Key Phrases	Substantive Codes
PH7	So for me it comes back to a capacity for learning, it comes back to a capacity for flexibility; a calcified organisation is one in real danger I think in today's environment, and it might not know it from day to day, but then the world might change.	Seeing the world in a new way
PH8	I think certainly what I am seeking is a reflective culture; one that actually is actively thinking about itself, and is not just operating on generally received wisdom, whatever it might be. And so I think Company H's Business School is an attempt to make sure that we culturally authorise people to develop critical appreciation of what it is that's around them, and either demand or encourage or solicit change around the place. Because the world does keep changing, and therefore the way in which we operate will change, and therefore we need to constantly invent, how we are going to be in the world...	Being interested and involved
PH9	I think probably confessing one's own ignorance often is probably part of that. I've tried to make sure it is very clear to people that it is absolutely okay to have, in respectful terms, absolutely ding-dong disagreements and actually live through them, and not have a situation where people are subsequently punished in some ways organisationally, whether that be overtly or covertly; hopefully a safe environment for constructive disagreements.	Examining and learning from mistakes
PH10	I would expect that managers are very open and make themselves open to the wash of information by research, alertness, awareness, plus participation in industry forums and/or other general forums...You not only need all of that stuff, but you also have to make sense of it. And you have to make sense of it for yourself and you have to make sense of it for others, whether they are people who are looking to you to make sense of it from a managerial perspective, or are looking to you to make sense of it from a business agenda perspective	Awareness and appreciation of context
PH11	We are saying to the outside world that wellbeing is at the heart of everything we do. And what that actually means for us is that we need to contribute in positive and significant ways to all those factors that are constituents of people's wellbeing.	Positive emotions

ID	Key Phrases	Substantive Codes
PH12	We are absolutely aware therefore that the only way that we can conduct ourselves is as an organisation that is worthy of a high degree of trust. Perhaps the right answer to what is “being good”, is ensuring that our customers and members continue to trust us, and that we continue to remain trustworthy in relation to the services we provide them, because these services have a high trust component to them.	Instilling trust
PH13	I think for me being a global citizen means contributing to the conversation and conduct of the modern corporation and its role as part of the profit making sector, vis-à-vis environmental concerns; which till recently were considered as externalities. Corporations are suddenly being asked to price these into their activities. I think being a company that responds to all of these new challenges sensibly, but not in a faddish or fashionable sense is important.	Playing a part in an inter-connected world
PH14	I am an absolute fan of “think global, act local”. I understand that corporations cannot sit back and abrogate total responsibility to government and/or civil society. I do think however that national government has an important and lead role and commercial corporations have a role and responsibility in being part of any relevant discussion and informing regulators and governments about sensible but meaningful reform.	Showing environmental responsibility

### Interview 6 March 2008 -PH (Part 2)

No.	ID	Substantive Codes	Theoretical Codes or Concepts
2	PH1; PH2	Dialogue with multiple stakeholders; Enriched sense of community	Being in Touch
1	PH3	Crafting solutions to address varying needs and situations	Diversity
1	PH4;PH5	Attracting and retaining talent; Open and transparent HR framework	Managing Talent
5	PH6; PH7; PH8; PH9; PH10	Awareness and appreciation of context; Seeing the world in a new way; Being interested and involved; Examining and learning from mistakes; Awareness and appreciation of context	Being Present
2	PH11; PH12	Positive emotions; Instilling trust	Being Good
2	PH13; PH14	Playing a part in an inter-connected world; Showing environmental responsibility	Being a Global Citizen

**Interview 6 March 2008 -PH (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
1	PH3	Crafting solutions to address varying needs and situations	Diversity	Exploring Deeper Meaning
1	PH4	Attracting and retaining talent; Open and transparent HR framework	Managing Talent	
2	PH1; PH2	Dialogue with multiple stakeholders; Enriched sense of community	Being in Touch	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
5	PH6; PH7; PH8; PH9; PH10	Awareness and appreciation of context; Seeing the world in a new way; Being interested and involved; Examining and learning from mistakes; Awareness and appreciation of context	Being Present	
2	PH11; PH12	Positive emotions; Instilling trust	Being Good	
2	PH13; PH14	Playing a part in an inter-connected world; Collective global will to find solutions	Being a Global Citizen	

### Interview 11 March 2008 -PD (Part 1)

ID	Key Phrases	Substantive Codes
PD1	Originally we started from core research or core technology, but after that Company D's responsibility was to broaden the technology, but production activities requires lots of testing and other types of coordination activity, such as coordinating lots of implementation work.	Working together for organisational effectiveness
PD2	Due to globalisation our other R & D centres in India and in the Philippines, can do significant amounts of the implementation work at much lower costs. Hence now Company D has many broader sharing schemes with our R & D centre in the Philippines.	Search for answers globally
PD3	We have various communication mechanisms. We have our annual kick-off meetings and we present the big picture, but probably the next most important is the way we have created a top-down communication mechanism with agreement at all levels in the organisation on the company's direction and what it means on a daily basis to the people in the company.	Formal and Informal processes to craft strategy and design
PD4	Our company provides staff with a challenging scenario to solve, so that a number of them can cooperate with each other. Because the scenario cannot be solved by any one individual, it requires team work; when goals are very difficult and challenging direction should be very clear, and teamwork is mandatory...the most important challenge for me is two-fold; to assist in better blending of the local culture and basically encourage a [foreign] company to better blend [foreign] culture and Company D's Australia's culture.	Working together for organisational effectiveness
PD5	Diversity is very important for an R & D environment because research activities need creativity and flexibility. Because of its commitment to equal opportunities employment, and its multi-cultural make-up, I think arguably Company D has more opportunities than Company D's parent to deliver more productive solutions and ideas that are hopefully a necessary consequence of our diversity...	Leveraging different capabilities and backgrounds
PD6	It is not just language. Rather it is about understanding that there are different cultures. It is about having an international outlook and world-view. This helps us make better sense of the future: by looking for common threads; recognising what would work in one place but not work somewhere else; and being able to step back from any one market and see future trends. So there is a definite business advantage in having a multicultural group.	Celebrating diversity – ethnic, cultural, gender et al

ID	Key Phrases	Substantive Codes
PD7	So at a concrete level we have the skill identification methods that many companies would use in terms of making sure the staff have the technical skills and also the personal development (leadership type skills), and then at the more general level, we have the San-Ji Spirit to encourage everyone to take initiative and be motivated in learning what they need to learn. So we try to cover off the concrete areas as well as the general motivational areas in order to empower our people.	Encouraging individual ability
PD8	Our focus for the next five years is the globalisation of R & D. That's really our main environmental driving force that is changing what we need to do locally. In particular, Company D's parent has R & D Centres established throughout the world now including low cost centres in India and China and the Philippines. Our main challenge now is to integrate with those groups and integrate with the R & D Centres in Company D's parent to get an optimum solution at a global scale...	Search for answers globally
PD9	For most young engineers when they are thinking about 'global' they'll be thinking about the aspect of global production and getting other groups to do the easy work. The other aspect would be the opportunity to see their work distributed throughout the world. I think most engineers get a buzz out of seeing their work in a global product.	Local ideas, global application
PD10	Some years ago we started distributing software applications throughout the world and whenever we got a question from an end user, we would put a pin on the world map.	Local ideas, global application
PD11	So that's really part of our sustainability equation- to get great people, get them working in challenging areas, producing great results, seeing that work distributed around the world and that helps us continue the cycle because we can then work on more challenging projects and keep getting great people into the organisation.	Challenging work
PD12	It's very much the Japanese approach to try something and learn from experience; work out what worked, what didn't work and then wedge in a process improvement to capture the learning. When we're trying to introduce a change, we try and get our staff to take exactly that kind of approach – "let us give it a try and let us learn if it is not quite right and feel free to suggest any improvements along the way so that we can all learn together. Company D's parent has a theme called the "San-Ji Spirit" and in fact an explanation of what it means is actually printed on our ID cards as a permanent reminder.	Examining and learning from mistakes

ID	Key Phrases	Substantive Codes
PD13	Basically a San-Ji Spirit is about self-motivation and self management and awareness of your environment. So in terms of empowerment, that's the message from the top- "you should be aware of your environment, you should be taking initiative to improve your environment and you should be motivating yourself to achieve the goals you understand to be important for the organisation".	Awareness & Appreciation of context
PD14	It is interesting to reflect back on Company D's parent's corporate perspective because it has a word called 'Kyosei' which means "living and working together for the common good". This is really about sustainability, and the reason I mention it here is because it represents Company D's parent's corporate perspective of what it means to be good.	Individuals working together for common good
PD15	For example, when people leave the company after we have spent time, effort and resources training and developing them, we believe we have honoured the spirit of Kyosei because we have contributed to the industry by helping to augment the available pool of trained staff in Australia. If we are good at Kyosei, Company D's parent will still exist two hundred years hence, and that is the kind of time period Company D's parent is referring to when it talks of "long term".	Sense of service
PD16	Company D's parent has a strong social and a very ecologically sound outlook as well. It takes recycling and eliminating hazardous chemicals from production very seriously – there are very, very high standards in those kinds of 'good for the planet' initiatives. So it would definitely take a leading position in those sorts of initiatives.	Showing environmental responsibility
PD17	From a corporate perspective there's a very strong push to make sure our equipment does not use any more power than it needs to, and I know similar things happen to mechanical engineers in Company D's parent where for example, they would like to use one kind of plastic, but end up having to use a different kind of plastic because it's more recyclable and less toxic.	Showing environmental responsibility
PD18	There are these types of 'good for the planet' initiatives that are initiated and championed from the top and they are enforced all the way to the bottom. On a related topic, there are also many examples of Company D's parent contributing to Red Cross and other global relief organisations and causes in times of disaster.	Caring for the planet

### Interview 11 March 2008 -PD (Part 2)

ID	Substantive Codes	Theoretical Codes or Concepts
PD1; PD3; PD4	Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; Understanding each other	Being in Touch
PD2; PD8; PD9; PD10	Search for answers globally; Local ideas, global application	Globalisation
PD5; PD6	Leveraging different capabilities and backgrounds; Celebrating diversity – ethnic, cultural, gender et al	Diversity
PD7	Encouraging individual ability	Empowerment
PD11	Challenging work	Managing Talent
PD12; PD13	Examining and learning from mistakes; Appreciation of context	Being Present
PD14; PD15;	Individuals working together for common good; Sense of service	Being Good
PD16; PD17; PD18	Showing environmental responsibility; Caring for the planet	Being a Global Citizen

**Interview 11 March 2008 -PD (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
1	PD7	Encouraging individual ability	Empowerment	Shared Fates & Interdependence
4	PD2; PD8; PD9; PD10	Search for answers globally; Local ideas, global application	Globalisation	Exploring Deeper Meaning
2	PD5; PD6	Leveraging different capabilities and backgrounds; Celebrating diversity – ethnic, cultural, gender et al	Diversity	
1	PD11	Challenging work	Managing Talent	
3	PD1; PD3; PD4	Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; Understanding each other	Being in Touch	Zeitgeist- Integrating Cognition, Conscience & Collective Spirit
2	PD12; PD13	Examining and learning from mistakes; Awareness & Appreciation of context	Being Present	
2	PD14; PD15;	Individuals working together for common good; Sense of service	Being Good	
3	PD16; PD17; PD18	Showing environmental responsibility; Caring for the planet	Being a Global Citizen	

### Interview 12 March 2008 -PF (Part 1)

ID	Key Phrases	Codes
PF1	It is vital for everyone in the organisation, sales, marketing, and medical, to see how their day-to-day activities ultimately contributes to the performance of the organisation overall. It provides a great deal of connection because people understand what they do and how their role contributes to Company F...	Working together for organisational effectiveness
PF2	We try and encourage people to be high performers and perhaps understand more of what's going on which could potentially help them do their jobs better. We try and do a lot in terms of communication around what's going on; we have lunch time talks most months where we'll have a presentation. We will have an external speaker, someone from another company perhaps talking about what's going on in their industry or their environment; and it's amazing how similar different industries actually are, because we all face the same forces of increasing competition, increasing regulation etc.	Dialogue with multiple stakeholders
PF3	We have an intranet which is updated every day with global news, industry news, breaking news etc., so that people can be connected with what ever is happening to the company and the industry globally...One of the key engagement factors beyond the internal organisation is the connection we have with customers and the fact that we know our products are amazing and do good things for patients. So for a lot of people it's that connection to health care outcomes, patient outcomes and feeling part of that provides energy as they go about their work.	Creating global partnerships
PF4	We have a very fluid, flexible working structure that is testament to our desire to promote and nurture diversity in our work force. For example, we have a lot of work practices that are life style specific- we have men working part time, taking parental leave when their partners are expecting a child, or even when their partners are going back to work. We have people working in New Zealand, Brisbane, Melbourne, and not out of our offices in Sydney simply to help them negotiate a personal constraint.	Crafting solutions to address varying needs and situations

ID	Key Phrases	Codes
PF5	<p>We consider the individual to be the driver of their own career. We might provide training and support but ultimately our expectation is that people should make their own choices about their career. It is not up to his/her manager to prescribe “here is your career” or “here is your path”. The basis of our approach is individuals driving development themselves but they also need to feel that there's something that they can actually do, that they can speak to their manager and say “this is the role that I want”.</p>	Fostering autonomy
PF6	<p>It is a very active process but it needs to be driven by the individual because many individuals at Company F who are effective and productive and good at what they do, are fairly happy in the roles that they're in and they are happy to stay there. So in a sense you have to offer something for everyone.</p>	Creating empowering opportunities
PF7	<p>Globalisation is very real and in terms of globalisation at our customer level the medical world is totally global. If you're talking about oncology, the treatment of cancer, the transplanting of organs, the treatment of hepatitis, all the disease areas we are in, it's a global field. For example, at the apex meeting of the American Society for Clinical Oncologists (ASCO) you sit in the main plenary hall and there are 2,000 people sitting there with you: and they are oncologists from all over the world receiving the same data in real-time. The journals they read are global, the websites they visit are global, and the knowledge they share is global knowledge that is immediate and transparently shared.</p>	Creating global partnerships
PF8	<p>Clearly there are local guidelines; local reimbursement issues around different uptakes of drugs, different usage levels, different market shares etc. but in terms of knowledge the globalisation of the pharmaceutical industry because of communication and technology has been revolutionary. Globalisation has also bounded our ability to operate independently around the decisions we make locally primarily around resourcing; which products get resourced and how much and how we actually implement, market and sell locally.</p>	Integrating global trends to serve local communities

ID	Key Phrases	Codes
PF9	Most people say they feel able to take risks and they feel able to have a go, but that they lack the time to do so. This tells me that this is a prioritisation issue and it is a signal to me as to how important they actually think innovation is in the grand scheme of things.	Understanding and accepting need for change
PF10	I see my role more and more as the person that can sign post changes coming and get the organisation prepared. I think the best companies continue to change from that position of strength because they can. It's so much easier to change from a leadership position than change because you are forced to. I see my role as being proactive and not waiting for disaster or not waiting for "oh my goodness we've got to change this now!" or "our customers no longer want to deal with us in the same way". Positive dissatisfaction, is the way - never be happy with where you are.	Understanding and accepting need for change
PF11	We have very good people at Company F, and when one goes out recruiting one realises how good the people at Company F are because it is so hard to get good people. We retain people well, and few leave us to go to competitors. We lose people only because they choose to go overseas to do different things with their lives but we largely retain our people; it is a real focus.	Challenging work
PF12	One of our key business outcomes is being an employer of choice and that is around retention and attraction of good people. We think the ability to lead and manage people well is fundamental to leadership and that's why we provide so much training and coaching for performance, mental toughness, and working in and as part of high performance teams.	Open and transparent HR framework
PF13	If you cannot lead and manage people well it is hard to be successful. It's not just about leading people, you need to be a good peer, and a good co-worker, because leadership is also about followership, and it is also about being a good person to work with.	Understanding and accepting need for change

ID	Key Phrases	Codes
PF14	Our basic R&D process is one of experimentation, trial and error, making mistakes. Having said that, the people we employ are largely from a technical background; pharmacists, scientists, nurses, doctors, etc. These are people who like to be technically correct because they have been taught from the beginning that the choice between the correct answer and the wrong answer is binary. They have not been taught to be creative, and look for several options, rather than seek the “one right answer”.	Examining and learning from mistakes
PF15	I think we struggle with people not liking to be wrong at Company F because of this technical background. We urge them to make mistakes, take risks, have a go, but we always counsel that they must learn from their mistakes. If something fails learn from it. I think we are becoming more successful at doing this. A lot of what we do, in fact maybe 60-70% of peoples’ day to day jobs do not allow experimentation or risk taking because of our industry’s regulatory frameworks. This is something else that hampers experimentation. But within all of that I think we genuinely have got people thinking “is there a better way, can I do this differently?”...	Examining and learning from mistakes
PF16	Most people at Company F say they feel able to take risks and they feel able to have a go... This is good because I think the new things are flexibility, adaptability to change, the ability to cope with change, the ability to see change coming, to be more environmentally aware. The world is changing so rapidly if you can’t cope with that, you can’t see that, you won’t be successful.	Awareness and appreciation of context
PF17	The core of what we are as a company is to provide products which ultimately make a patient better. We’re a health care company providing health care solutions. If our products are no good we’re not very good. Our products in themselves cure cancer, cure hepatitis, they are altruistic in themselves, they are fundamentally impacting people in a very real way.	Sense of service

ID	Key Phrases	Codes
PF18	<p>I think too the way we go about providing those products, the clinical research we do, the programs that we run, the free access we give before drugs are readily available is often done with an altruist approach. For example we provided six million dollars worth of free medicines last year. We try and take a partnership approach with a lot of our customers on how to get good health care outcomes for our patients, and that is what we are all about.</p>	<p>Individuals working together for common good</p>

**Interview 12 March 2008 -PF (Part 2)**

<b>ID</b>	<b>Substantive Codes</b>	<b>Theoretical Codes or Concepts</b>
PF1; PF2	Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch
PF4	Crafting solutions to address varying needs and situations	Diversity
PF5; PF6	Fostering autonomy; Creating empowering opportunities	Empowerment
PF3; PF7; PF8	Creating global partnerships; Integrating global trends to serve local communities	Globalisation
PF9; PF10; PF13	Understanding and accepting need for change	Being Creative
PF11; PF12	Challenging and rewarding work; Open and transparent HR framework	Managing Talent
PF14; PF15; PF16	Examining and learning from mistakes; Awareness and appreciation of context	Being Present
PF17; PF18	Sense of service; Individuals working together for common good	Being Good

**Interview 12 March 2008 -PF (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
2	PF5; PF6	Fostering autonomy; Encouraging individual ability; Creating empowering opportunities	Empowerment	Shared Fates & Interdependence
1	PF4	Crafting solutions to address varying needs and situations	Diversity	Exploring Deeper Meaning
3	PF3; PF7; PF8	Creating global partnerships and forums; Integrating global trends to serve local communities	Globalisation	
3	PF9; PF10; PF13	Understanding and accepting need for change	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
2	PF1; PF2	Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch	
2	PF14; PF15	Examining and learning from mistakes; Awareness & appreciation of context	Being Present	
2	PF17; PF18	Sense of service; Individuals working together for common good	Being Good	

### Interview 20 March 2008 -PE (Part 1)

ID	Key Point	Substantive Codes
PE1	So about two or three years ago we introduced weekly email newsletters to anyone who is in anyway connected with R&D, informing them about what's happening in the R&D area. In addition we schedule frequent meetings and visits and use these interactions to establish personal relationships because close connections are so important...	Working together for organisational effectiveness
PE2	This connectedness and direct relationships as a philosophy holds with our suppliers and our customers as well. For example, with our customer, something that has been hugely successful for us is what we call our advocate network; people who have a cochlea implant, and can help people who are considering a cochlear implant, to think through the various ramifications of the decision	Dialogue with multiple stakeholders
PE3	You need to be aware of how the market is different, how the customers are different how the individual people are different and what is important in that environment at the time. So what's important in Tokyo could be quite different to what is important in Sydney...	Awareness of local market trends and opportunities
PE4	And because global issues and opportunities are layered and complex, they need to be tackled differently as well. For example take the attempts to what the Indians call indigenise Company AE's [medical devices] systems. Because of the obviously huge need in the developing world, both in India and China, they are looking to develop a very cheap [medical device] system. We are of course interested in that, and we want to see how that is progressing. We are worried that if these products do not have the required reliability then they could actually have a very negative impact on the emerging market for [Company AE's medical devices] in the developing world.	Local ideas, global application

ID	Key Point	Substantive Codes
PE5	I think one thing that's different for us then for say a company like 3M, is that we've defined very much the space in which we want to play. So we're not looking for the next Post-it. We're looking for improvements within our space. You can innovate what you develop but you can also innovate how you go about it.	Fresh approach, New ideas
PE6	Of course we work in a regulatory environment; we have process, procedures, and audits. The FDA can close us down and/or keep us out of the US market, which is approximately 40% of our market, so we have to be very careful. On the other hand, we do want people to not blindly follow "Okay, this is the process, this is how you do this" and I think the challenge is that we still do too much of that.	Understanding and accepting need for change
PE7	It's certainly easier for the R&D entities that we have at the fringes. We have a group in [Australian city], we have one in [American city], and we have one in [European city]. Since they have more freedom, and because they have the big advantage of being less involved in the decision making they reap the innovation advantages of being at the fringes rather than the core.	Willingness to experiment
PE8	Today I think you cannot capture the way an organisation in an old chart anymore. I mean, an old chart has its place in the world, but it's actually not how you work day to day. There are networks forming, disappearing, and reforming all the time. And I think the organisation will only be successful if it can be successful in having those networks forming without necessarily being directed from the top.	Open and transparent HR framework

ID	Key Point	Substantive Codes
PE9	<p>And individuals will only be successful if they can work faithfully within such a network. And I think that this is different to what people would perhaps do naturally, or how they have been accustomed to operate. They operate in a hierarchical system where they have one boss, and this boss has another boss etc. in a militaristic model. With the new fluid environment, there's a lot of uncertainty with reporting lines for example. I think that this is going to be an inescapable fact of life and we need people who can operate in this altered environment.</p>	<p>Changing structure and internal networks</p>
PE10	<p>We need to look at it from two sides, because we could be taken by surprise from a technology perspective, or we could be taken by surprise from a business perspective. From a technology perspective we have put a number of mechanisms in place. We have set up technology streams, and technology stream leaders, whose role it is to actually keep their eyes open about what's happening world-wide in their technology area.</p>	<p>Awareness and appreciation of context</p>
PE11	<p>Just like every medical business, or every medical area, conferences are a very inherent part of life, and a lot of the early research happens in the academic world. For example, there are early signs that a few groups are now looking at optical stimulation of the hearing nerve rather than electrical stimulation. It is not yet a product, but we keep a close eye on what's happening, and it is not too hard because a lot of the information is in the public domain.</p>	<p>Being interested and involved</p>
PE12	<p>It is important for people to know the boundaries of their exploration. In some areas you want to make these boundaries very wide and in other areas it is important to corral the search... From a business perspective, Company AE has a number of processes in place to be able to encourage experimentation, and innovative activity. We try to encourage people to constantly question why they are doing whatever it is that they are doing.</p>	<p>Seeing the world in a new way</p>

ID	Key Point	Substantive Codes
PE13	As a company we have a very positive and non-personal approach to problems, and our culture is very forgiving of mistakes and does not attach blame. Rather it is a culture where we say “Look, we have a problem with this, how can we work to solve this”...	Examining and learning from mistakes
PE14	We certainly need to be extremely conscious about taking any risks in the areas say of safety or reliability. Having said that, we are encouraging our people to think very differently about how we manufacture things for example, while all the time fore-wording this search with a process that looks at the safety and reliability implications of the new approach.	Lowering risk of failure
PE15	A lot of people buy Company AE shares because they believe that it is a product that is helping people lead better quality lives. For a number of people who work with and inside the company the real driver is the meaning that their jobs get because they are making a real difference in people’s lives. The question for us as the senior leadership of the corporation is, “Could we make a similar difference to more people’s lives?”	Sense of service
PE16	This is why we are constantly searching for ways to make our technology available to more people. We cannot however, do it in a way that would jeopardise our long term sustainability because we have a solemn responsibility to more than one hundred thousand users of our Company AE’s[medical devices] and [specific surgical technique of inserting medical device]to stay in business.	Sense of service
PE17	We are very strict therefore with regards to corporate governance, and ethical behaviour. When these are challenged for any reason in specific markets then we will always consciously and deliberately choose not to engage directly with those markets, no matter what the potential business upsides.	Individuals working together for common good

ID	Key Point	Substantive Codes
PE18	I do not think realistically that we will be able to help the bottom sixty percent of the world's population any time soon, notwithstanding our best intent. This is not just because the product is too expensive but also because the support networks just do not exist in these countries, and the running costs as they currently stand may also be prohibitive.	Developing solutions for under-privileged people
PE19	We also recognise that sending expensive European, American or even Australian resources to work there is not a sustainable solution. Rather we are partnering with the local agencies and organisations to build capability on the ground.	Developing solutions for under-privileged people
PE20	At an alternative strategic level we are also looking to serve if not the bottom sixty percent then at least not just the top 20% but rather the top 40% of the population which we believe is a useful social goal as well. I think we will see evolutions in the coming five to ten years in the business model to include this additional population.	Creating global sustainable enterprise models

### Interview 20 March 2008 -PE (Part 2)

ID	Substantive Codes	Theoretical Codes or Concepts
PE1; PE2	Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch
PE3; PE4	Awareness of local market trends and opportunities; Local ideas, global application	Globalisation
PE5; PE6; PE7	Fresh approach, New ideas; Understanding and accepting need for change; Willingness to experiment	Being Creative
PE8; PE9	Open and transparent HR framework; Changing structure and internal networks	Managing Talent
PE10; PE11; PE12; PE13	Awareness and appreciation of context; Being interested and involved; Seeing the world in a new way; Examining and learning from mistakes	Being Present
PE14	Lowering risk of failure	Empowerment
PE15; PE16; PE17	Sense of service; Individuals working together for common good	Being Good
PE18; PE19; PE20	Developing solutions for under-privileged people; Creating global sustainable enterprise models	Being a Global Citizen

**Interview 20 March 2008 -PE (Part 3)**

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
1	PE14	Lowering risk of failure	Empowerment	Shared Fates & Interdependence
2	PE3; PE4	Awareness of local market trends and opportunities; Local ideas, global application	Globalisation	Exploring Deeper Meaning
2	PE8; PE9	Open and transparent HR framework; Changing structure and internal networks	Managing Talent	
3	PE5; PE6; PE7	Fresh approach, New ideas; Understanding and accepting need for change; Willingness to experiment	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
2	PE1; PE2	Working together for organisational effectiveness; Dialogue with multiple stakeholders	Being in Touch	
4	PE10; PE11; PE12; PE13	Awareness & Appreciation of context; Being interested and involved; Seeing the world in a new way; Examining and learning from mistakes	Being Present	
3	PE15; PE16; PE17	Sense of service; Individuals working together for common good	Being Good	
3	PE18; PE19; PE20	Developing solutions for under-privileged people; Creating global sustainable enterprise models	Being a Global Citizen	

### Interview 28 March 2008 -PC (Part 1)

ID	Key Point	Codes
PC1	Building connectedness is always a challenge, but is so vital for future growth. In fact this year we kicked-off the process of informing and engaging the organization in our new vision for the organization. For the first time ever in this organization we had the entire sales and marketing teams on an ANZ basis together for a conference to launch the three year vision.	Working together for organisational effectiveness
PC2	There were some joint sessions and other sessions that were country specific. We have therefore made a beginning. From a marketing perspective for example we are now moving to have the regional teams meeting twice annually. In between these times we are having our national marketing managers and our group brand managers for Australia and New Zealand, alternate between countries so that we can start to align plans better and to work better together.	Formal and Informal processes to craft strategy and design
PC3	People want to be in an exciting growing business where things are changing, developing and working. We potentially do have some advantage here because, not being part of a big multinational, we are more flexible and offer opportunities for personal growth. There is a lot of empowerment for individuals here because you can have an idea, you can pitch that idea up, put the business case around it and you can go and make it happen. You're not implementing other people's ideas or acting on what is derived from someone else's initiative.	Creating empowering opportunities;
PC4	I think that this can give us a powerful advantage in the ANZ market place. When you want to grow at double digit and you haven't grown at that rate ever before, the organization needs to attract people who are up for a challenge and then empower them to act and deliver business results. At the same time there needs to be investment within the business to support such initiative.	Challenging the status quo;

ID	Key Point	Codes
PC5	In some ways globalization makes it easier. We can now have access to systems to see what is happening internationally with regards to new products and technologies that we can exploit. It is easier to get a feel for what's happening out there. In terms of us as a business, we're part of [the Asia Pacific subsidiary] so we get some exposure to what's happening in Asia.	Search for answers globally
PC6	Our parent and main shareholder is [Company C's parent] so we get a lot of information from them. And yes, we are affected by the same global trends. But one of our challenges is how do you decide and make judgment calls on the implications of these global trends for Australia and New Zealand?	Search for answers globally;
PC7	As soon as you say innovation, everyone thinks product innovation and new products. That's one of the things we are working hard on is to explain the value of thinking differently per se in all areas of the business. Products are a big part of our focus absolutely. We believe that developing innovative new products is going to help drive the top line growth that we want. But we certainly see a place for other types of innovation.	Need for change; Unconventional behaviour

### Interview 28 March 2008 -PC (Part 2)

ID	Substantive Codes	Theoretical Codes or Concepts
PC1; PC2	Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; enriched sense of community	Being in Touch
PC3; PC4	Creating empowering opportunities; Recognizing accomplishments; Challenging the status quo; Creating empowering opportunities	Empowerment
PC5; PC6	Search for answers globally; Integrating global trends to serve local communities	Globalisation
PC7; PC8; PC9	Need for change; Unconventional behaviour; Outsider perspective and Insider knowledge; Changing organisational context-culture	Being Creative
PC10; PC11	Examining and learning from mistakes; Seeing the world in a new way	Being Present
PC12	Work-Life balance	Managing Talent
PC13	Doing ethical business	Being a Global Citizen

### Interview 28 March 2008 -PC (Part 3)

No.	ID	Substantive Codes	Theoretical Codes or Concepts	Categories
2	PC3; PC4	Creating empowering opportunities; Recognizing accomplishments; Challenging the status quo; Creating empowering opportunities	Empowerment	Shared Fates & Interdependence
2	PC5; PC6	Search for answers globally; Integrating global trends to serve local communities	Globalisation	Exploring Deeper Meaning
1	PC12	Work-Life balance	Managing Talent	
3	PC7; PC8; PC9	Need for change; Unconventional behaviour; Outsider perspective and Insider knowledge; Changing organisational context-culture	Being Creative	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
2	PC10; PC11	Examining and learning from mistakes; Seeing the world in a new way	Being Present	
2	PC1; PC2	Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; enriched sense of community	Being in Touch	
1	PC13	Doing ethical business	Being a Global Citizen	

### Interview 19 August 2008 -PJ (Part 1)

ID	Key Phrases	Codes
PJ1	<p>Connectedness is critical. In our business our connectedness to our customer is primary. We need this connectedness with the customer to be very good so that we understand what he/she values and what he/she doesn't value. Because things are moving so quickly, and because as an organisation we need to respond quickly to new generations of customers (Gen Y, we must be au fait with what they need and how best to engage with them.</p>	<p>Understanding diverse perspectives</p>
PJ2	<p>We have worked over the past two years to better understand and connect with both the consumer and the customer. We recognise for example that the medical community that we work with is increasingly time-poor, and yet has to deal with unprecedented influences as they deliver quality patient care. They in turn are demanding of us that we create new ways of configuring and delivering value that respects their constraints but does not compromise on the quality of the deliverable.</p>	<p>Dialogue with multiple stakeholders</p>
PJ3	<p>I think that there is going to be increasing collaboration with suppliers and customers and Company J will not need to do it all on its own. In this world of the future, strategic alliances become very, very important and we will all be working to our strengths rather than trying to do it all.</p>	<p>Working together for organisational effectiveness</p>
PJ4	<p>In the future managers will have access to the tools to manage knowledge and knowledge-assets; and it will be a matter of good management practice to allow your people time to network, creating an environment that's conducive to socialisation and creative thinking</p>	<p>Formal and Informal processes to craft strategy and design</p>

ID	Key Phrases	Codes
PJ5	<p>What we are seeing globally is very much an interconnectedness of regulator and payers. When one regulator finds a problem with a product, it is quickly communicated through the world. The next level of interconnectedness will see reimbursement rejections in one part of the world have a cascade effect around the world and conversely cost-effectiveness demonstrated in a discerning market with one set of payers, will give products credence around the world with other payers.</p>	<p>Enriched sense of community</p>
PJ6	<p>There is pricing transparency in a world where it is easy to go on websites and find out how much drugs cost in the US, Japan and Australia on the one hand, and the third world on the other. As customers question the existence of disparities in pricing, the pressure will build on all pharmaceuticals to adopt global pricing.</p>	<p>Working together for organisational effectiveness</p>
PJ7	<p>The other aspect of global connectedness is that issues with a pharmaceutical or its products in one market are soon very public in all markets. Consumer advocacy groups with issues can pursue them very effectively through social networking spaces like You Tube for instance.</p>	<p>Working together for organisational effectiveness</p>
PJ8	<p>Company J has always been creative. Idea generation is not the issue. Our challenge is to channel our innovation effort and our creativity to address specific opportunities and challenges for the business. We need processes that convert new ideas into business propositions that clearly articulate the value proposition and the ROI for the organisation if it proceeds with the project in proceeding. Thereafter we need the mechanisms to implement the initiative. All these elements are critical for our business going forward.</p>	<p>Changing organisational context-culture</p>

ID	Key Phrases	Codes
PJ9	<p>Increasingly we cannot pursue projects just because we are well resourced. We need innovation to address the big strategic problems that the leadership team identifies. In doing so it must engage the whole organisation. We have a lexicon in Company J of the Big I, the Middle I and the small I. Our big I is clearly our innovation efforts in new products and by the same token our Small I is continuous improvement and to that end we are hoping to involve the entire company when we implement the 6 sigma methodology. However in my opinion transformational innovation, the Middle I, will involve fundamentally re-thinking customer interaction, customer interface, channels to market, and the dynamics of creating a user-pays model for situations like payment for pipeline drugs, and the customers' constantly reworked value threshold. They don't exist today but are vital for long-term growth.</p>	<p>Understanding and accepting need for change</p>
PJ10	<p>Fundamentally we want our people to understand that innovation goes far beyond just creativity. It must include fresh perspectives like for example, a co-creation methodology that we trialled as a pilot program in pharmacy. While news of the death of the blockbuster maybe premature, there is room for more targeted therapies. Payers will only want to pay for outcomes. Manufacturers will need to get smarter getting smarter about developing medicines and developing the biomarkers. While you may have very good therapies that actually are worth investing in because they deliver dramatic outcome, they will apply to smaller patient segments than before.</p>	<p>Fresh approach, New ideas</p>
PJ11	<p>Increasingly pharmaceuticals will find that there is no need for a generic pharmaceutical industry if commodity pricing is instituted on drugs that come off patents. Allied to this, and as a collateral effect of globalisation, there is the constant pressure to reduce costs and become more efficient. It is therefore going to become a standard management practice for all companies to continually drive cost out of their business systems.</p>	<p>Cross Fertilization of ideas</p>

ID	Key Phrases	Codes
PJ12	<p>People must bring more of themselves to work. So our CEO made a classic comment when he first joined, saying that “when you come through those boom gates at security, we do not want you to check your fun value and your family at the gate; you should bring all of yourself through the gate so that you are working to realise all your potential and living all your values”. The organisation benefits more when its people are engaged more with its goals and objectives. More flexibility and liberty in looking beyond traditional paradigms will help people leverage their strengths. An organisation with values that match the individual’s own values set and a culture that supports and mirrors this perspective is needed.</p>	<p>Being interested and involved</p>
PJ13	<p>We need to create enough informal opportunities for people to just chew the fat and bounce ideas off one another. For Company J Australia it would be a cornerstone endeavour to facilitate social networking and collaboration, initially within the organisation and subsequently once the framework is robust, to engage with customers and create communities of not just best-practice, but communities where they ideas can be shared, brainstormed and collaborated on. This is a fundamental change in the way managers manage individuals. It insists that you must allow people all the time they possibly want to socialise and to collaborate. A fundamental attribute of the manager of the future is being comfortable with ambiguity. It is going to be this open-mindedness to new ideas and the ability to encourage one’s direct reports to participate in innovation efforts and driving change, which will ensure success.</p>	<p>Seeing the world in a new way</p>

ID	Key Phrases	Codes
PJ14	<p>The way pharmaceuticals have promoted their products in the past has bought some disrepute to the industry. In a world of connectedness and enhanced consumer expectations of good corporate citizenship, businesses need to have a stance on global issues. Being good is being totally transparent about how you go about your business. For example, Company J has set up websites where all our clinical trials are posted. We have consciously committed to avoiding any business practice that could be perceived as inappropriately influencing people. Being good is demonstrating transparency and honesty in all our dealings with our customers and the world.</p>	<p>Individuals working together for common good</p>
PJ15	<p>Company J has a reputation of looking after its people and doing the right thing by them. We have been through a couple of transformational changes over the years and people have always been treated with respect.</p>	<p>Instilling trust</p>
PJ16	<p>At a global level there are a lot of philanthropy efforts to make medicines accessible to the next one billion patients who actually cannot afford our medicines. There are efforts underway to invest and certainly have a seat at the table in those discussions. We have global health fellowships where we send employees into disadvantaged communities and they actually work for six months to get an appreciation and deeper understanding of issues.</p>	<p>Playing a part in an inter-connected world</p>

ID	Key Phrases	Codes
PJ17	Locally we are working with the Aboriginal community to help treat Chlamydia inter-clima and provide greater access to medicines. Similarly, we have made efforts in Papua New Guinea to help tackle the AIDS epidemic.	Developing solutions for under-privileged people
PJ18	With regards to sustainability Company J has looked at its utilisation of resources such as electricity, water etc. and its handling of waste. It has not overtly come out and said that it is going to be a carbon neutral organisation by any point in time	Showing environmental responsibility

### Interview 19 August 2008 -PJ (Part 2)

ID	Substantive Codes	Theoretical Codes or Concepts
PJ1;PJ2;PJ3;PJ4;PJ5;PJ6;PJ7	Understanding diverse perspectives; Dialogue with multiple stakeholders; Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; Enriched sense of community	Being in Touch
PJ8;PJ9;PJ10;PJ11	Changing organisational context-culture; Understanding and accepting need for change; Fresh approach, New ideas; Cross Fertilization of ideas	Being Creative
PJ12;PJ13	Being interested and involved; Seeing the world in a new way	Being Present
PJ14;PJ15	Individuals working together for common good; Instilling trust;	Being Good
PJ16;PJ17;PJ18	Playing a part in an inter-connected world; Developing solutions for under-privileged people; Showing environmental responsibility	Being a Global Citizen

### Interview 19 August 2008 -PJ (Part 3)

ID	Substantive Codes	Theoretical Codes or Concepts	Category
PJ1;PJ2;PJ3;PJ4;PJ5;PJ6;PJ7	Understanding diverse perspectives; Dialogue with multiple stakeholders; Working together for organisational effectiveness; Formal and Informal processes to craft strategy and design; Enriched sense of community	Being in Touch	Zeitgeist-Integrating Cognition, Conscience & Collective Spirit
PJ8;PJ9;PJ10;PJ11	Changing organisational context-culture; Understanding and accepting need for change; Fresh approach, New ideas; Cross Fertilization of ideas	Being Creative	
PJ12;PJ13	Being interested and involved; Seeing the world in a new way	Being Present	
PJ14;PJ15	Individuals working together for common good; Instilling trust;	Being Good	
PJ16;PJ17;PJ18	Playing a part in an inter-connected world; Developing solutions for under-privileged people; Showing environmental responsibility	Being a Global Citizen	

### Interview 22 August 2008 -PK (Part 1)

ID	Key Phrases	Codes
PK1	<p>Staying connected is absolutely vital for what we do and something that we are activity engaged in. So connectedness for us would be very clearly connectedness with the consumer and what they are looking for, and to ensure that it is driving our innovation platform. Our connectedness with the divisions within Company K is also critical because we are now looking at the whole supply chain. Our connectedness with our supply chain partners is very vital for us, as is our connectedness with the research community and research providers so that we can drive that technology change through the organisation.</p>	<p>Dialogue with multiple stakeholders</p>
PK2	<p>In terms of the consumers we have a huge activity going in market research and in focus groups, and the whole range of consumer activities to understand what they are looking for across our brands. In terms of research connectedness we actually have an active program of meeting with and finding out what's happening in the research arena. With regards to the supply chain, we are engaging in identifying key supply partners that we need to begin dialogue with.</p>	<p>Dialogue with multiple stakeholders</p>
PK3	<p>I think the world has become a very small place and for us globalisation is being in touch with what's happening all around the world that's relevant to our particular area of focus. For us, it's around connectedness with our partners around the world to gain from each other rather than reinventing the wheel, to understand where they are up to and what they are doing well, to take that on board, to pick up technologies that are available to us through those channels and more so than from a market place perspective because Company K's is largely, their market is largely in Australia.</p>	<p>Working together for organisational effectiveness</p>

ID	Key Phrases	Codes
PK4	<p>Innovation is something that we are actually getting a handle on in terms of what it means for us, and I guess we have phased it into 3 areas. We have got what we call a new product development component, which is again Horizon 1, 2 and 3 activities. We have also got an efficiency component to our innovative practices. So how we are doing things better, smarter, faster and then there's a business component to innovation. So better business practices, financial practices, I suppose the supply chain collaborative components are 3 phases of innovation as we see it, and that's a core focus for us to get that better in our business.</p>	Cross Fertilization of ideas
PK5	<p>We need to ensure that the new ideas are being able to be provided, that there's a mechanism for those ideas to be considered, that we give due consideration to any idea that comes from anywhere and that it is put through a process that builds on that idea to a point where it's deemed to be of value to the organisation. We want to make certain that people are not afraid to take on new concepts and give things a go. We would like that fear of failure is less of an issue and we are looking at how we might reward that process to improve and engage people more right across the business.</p>	Fresh approach, New ideas
PK6	<p>I would say being aware is particularly important for Company K because we are such a complex organisation and if we do not have that capability, we will be way too slow and that's been one of our issues in the past. Recognising the challenges that are coming through from the supply chain, through customers and getting the various components of our organisation to respond to that is a huge imperative. We actually need to know very clearly who does what, when and what the implications of that are, not only for our own area of expertise, but communicating it through the best channels to make sure that that the message gets through to the important parts of the business.</p>	Awareness & Appreciation of context

ID	Key Phrases	Codes
PK7	<p>We believe in being a good corporate citizen, so we actually have plans in place for what groups we will support and what financial support we provide across a range of community activities. We have programs which allow our employees to undertake some of those community activities and from a sustainability point of view that's actually a key driver and we have just employed a senior manager to take that on board.</p>	Seeing the world in a new way
PK8	<p>I think one area that has not been considered is the whole concept around best practice and being able to adopt and take on best practice regardless of what area you are interested in. Because of that need for change, because of that mindfulness requirement, I think that to be aware of what's out there and to actually adopt it, and to be able to integrate it into your practice is an important thing.</p>	Being interested and involved
PK9	<p>We are identifying potential managers within the group and then we have a performance management program in place where we talk to them about what we are looking for and how we can fast-track that. We have then provided leadership training and they are then the selected people for major cross-functional projects.</p>	Respecting expertise
PK10	<p>We believe in being a good corporate citizen, so we actually have plans in place for what groups we will support and what financial support we provide across a range of community activities. We have programs which allow our employees to undertake some of those community activities and from a sustainability point of view that's actually a key driver and we have just employed a senior manager to take that on board.</p>	Sense of service

ID	Key Phrases	Codes
PK11	The initiatives from the grass roots have been less successful and I think that is probably because it is something that is being added on to the daily activities. It is not something where people are allowed to take time out, there is just a limit to what people can take on. So yes, the top down activity has been more successful today, so they are really looking at that strategy	Sense of service
PK12	We have been under such enormous amount of change; there would be some companies in the group that would be struggling at the moment because there is a huge impact on them. In terms of engaging people and putting through a general perception of the value of people within the organisation, that's something I think most people would recognise, that the company is really making a bit effort to do	Instilling trust

**Interview 22 August 2008 -PK (Part 2)**

<b>ID</b>	<b>Substantive Codes</b>	<b>Theoretical Codes or Concepts</b>
PK1;PK2;PK3	Dialogue with multiple stakeholders; Working together for organisational effectiveness	Being in Touch
PK4;PK5	Cross Fertilization of ideas; Fresh approach, New ideas	Being Creative
PK6;PK7;PK8;PK9	Awareness & Appreciation of context; Seeing the world in a new way; Being interested and involved; Respecting expertise	Being Present
PK10;PK11;PK12	Sense of service; Instilling trust	Being Good

**Interview 22 August 2008 -PK (Part 3)**

ID	Substantive Codes	Theoretical Codes or Concepts	Category
PK1;PK2;PK3	Dialogue with multiple stakeholders; Working together for organisational effectiveness	Being in Touch	Zeitgeist - Integrating Cognition, Conscience & Collective Spirit
PK4;PK5	Cross Fertilization of ideas; Fresh approach, New ideas	Being Creative	
PK6;PK7;PK8;PK9	Awareness & Appreciation of context; Seeing the world in a new way; Being interested and involved; Respecting expertise	Being Present	
PK10;PK11;PK12	Sense of service; Instilling trust	Being Good	

## **Appendix 2**

### **Sampling**

#### **Introduction**

This appendix provides additional demographic details for participants in the various types of sampling. This appendix serves to augment the information already included in Tables 1, 2, and 3 in the chapter titled “Sampling in the “Ensemble Leadership Repertoire: Adding Zeitgeist to Historical Practices” grounded theory research” by providing macro, and task environment details of interest for each of the companies who participated in the convenience, purposeful and theoretical sampling stages of the grounded theory research. Because Tables 1, 2 and 3 referred above are very detailed, the company information which follows does not follow a uniform format, choosing rather to round-out information already provided with items of interest to this research. For purposes of confidentiality, names, specific locations and numerical information have been modified (generalised). Enough markers have been included however, to guide readers’ estimate of size and scope of the participating organisations. In most instances the primary source of the information has been the company’s web site, and in the case of the information recorded under the heading “theoretical sampling” below, part of the detail provided has resulted from interviews with the participants.

#### **Convenience Sampling**

The first participant is the Senior VP of Company AE Limited (an Australian company that is a global leader in [medical devices]). It has delivered more than two decades of product innovation to [tens of thousands of] people. Box 1 below summarises key company goals:

**Customer Focus**

- Innovative, high-quality products and services that help [medical devices] recipients interact more fully with their world
- A continuous service-oriented experience from start to finish. Every customer interaction and experience is seamless, consistent and positive
- Customer information systems deliver products and services to match customer preferences and needs

**Organisational Performance**

- A corporate culture and core values that attract and retain high-quality talent
- Leadership capabilities that ensure a lasting, compelling future for employees
- Tools and processes for managing performance

**Shareholder Value**

- Maximised sales revenues and optimised sales revenue mix
- Maximised return from the effective management of working capital and other assets
- Optimised return through a well managed dividend policy

**Box 1: Key Goals of Company AE (Source: Company website)**

The second participant is the Head of Strategy of Company B, a leading wealth management company with more than [X] million customers and [Y thousand] employees in Australia and New Zealand. Box 2 below contains a snapshot of its ownership structure and services.

**Products:**

A wide range of financial products and services including:

- Retirement savings and income
- Investments
- Superannuation
- Financial planning
- Insurance
- Banking

**Client Base and Capabilities**

Company B is Australia's largest retail and corporate superannuation provider, and one of the region's most significant investment managers with more than [A\$ ZZZ] billion in assets under management (as at 30 June 2008). It has a market-leading distribution capability with a network of more than [C thousand] qualified financial planners. Company B has one of Australia's largest shareholder registers, with more than [D00, 000] shareholders.

**Ownership Structure**

Individual investors comprise around 49 per cent of Company B's shareholder base and live in more than [E00] countries around the world. Institutional investors constitute around 51 per cent. Established in the [eighteen hundreds] as a mutual company, Company B listed on the Australian and New Zealand Stock Exchanges towards the end of the last millennium.

**Box 2: Ownership/Activities of Company B (Source: Company website)**

The third participant is the General Manager of Company G, a provider of [utility] services for residents and businesses in a part of an Australian state. Box 3 contains an excerpt from the company's stated vision.

**Strategic Intent**

Company G is working to create a new relationship between the community and [utility]. New challenges in [utility] demand new ways of managing the [utility] supply and it articulates some of the key elements of its vision as follows:

**Innovative ways to use less of the [utility]**

Company G is working to find innovative ways to use less [of the utility], and to provide [utility] that is "fit for purpose".

**Change and improvement**

Company G believes in change and improvement – it has innovative commercial partnerships with engineering firms to help it deliver high quality maintenance of valuable [utility] assets.

**Technological solutions**

To help customers, both domestic and non-domestic, better manage their [utility] usage Company G is developing numerous technological solutions.

**Box 3: Key Elements of Company G's Vision (Source: Company website)**

The fourth participant is the Managing Director of Company I, a manufacturer of accessories for scientific instruments. A brief summary of the history, key activities, and initiatives are contained in Box 4 below.

### **Background**

Company I was established almost four decades ago in a tiny garage at the backyard of a house in Australia. Today, Company I has two modern facilities engaged in developing and manufacturing scientific instrumentation accessories.

### **Markets and Products**

Company I has grown substantially with approximately [XXX] employees and a distribution and support network in [Y] countries, including worldwide distribution partners. The Company I team is continually developing innovative ideas for products and technologies that make a difference for our customers.

Company I currently manufactures a vast array of products for scientific analysis. Company I is an ISO accredited company. For the future it remains heavily committed to research and development, to allow it to continue to bring innovative technologies and solutions to its valued partners in research in all corners of the world.

### **Sustainable Development**

Company I, is very conscious of the environmental impact of its operations and strongly pursues environmentally sustainable activities.

**Box 4: Short Profile of Company I (Source: Company website)**

## **Purposeful Sampling**

Participant H is the Group Managing Director of Company H, a provider of national healthcare, financial and retirement living services. Box 5 below gives a brief profile of the company.

### **Background**

Company H has more than [X billion] dollars in revenues, providing services to more than [Y00, 000] Australians. It is a mutual organisation with over [Z00, 000] members. It has been a trusted organisation in Australia for more than [hundred] years and has grown through successful strategic mergers and diversification into new business opportunities, driven by a strong brand.

### **Intent**

Company H is about enhancing wellbeing, through the financial security led by its Financial Planners and developed by its Investment Specialists; to provide the support and knowledge to stay well and live longer delivered by its Healthcare team; and to secure positive communities provided by its Retirement Living Services.

### **Social Responsibility**

Company H is also committed to community contribution, with the establishment of the Company H foundation in 2006 as part of its community engagement strategy. The foundation donates grants to several charities, with Company H distributing one percent of pre-tax profit to the foundation each year.

**Box 5: Brief Profile of Company H (Source: Company website)**

The next participants are the Managing Director and Director of Applied Technology of Company D, a subsidiary of a global Japanese company, and a key facility in its global R&D programme. This interview was conducted jointly with both of them because the MD's first language was Japanese. Box 6 below gives a brief summary of its history and activities.

#### Background

Company D's parent annually invests almost 10 percent of its net sales into a Research and Development programme that is spread across the globe, taking advantage of local expertise and developing technologies close to the market in which they will be sold. This research has resulted in a large number US patent registrations in 2002. Since its inception in the last decade of the previous millennium Company D has grown to become one of Australia's leading Research and Development organisations, with [X00] staff and annual revenues greater than [Y0 million] dollars.

#### Core Competence

Building on its parent company's strengths, Company D has been able to recruit the nation's top engineering talent, who have a diverse wealth of experience. The secret of Company D's success is the combination of skilled personnel, research strength, hardware and software development experience, and market consciousness. By combining all these factors in one R&D centre, Company D has been able to develop solutions for its parent company's product range all the way from conception to manufactured product.

Box 6: Brief profile and activities of Company D (Source: Company website)

The third participant is the Director of Sales & Marketing of Company F, a leading healthcare company with a broad spectrum of innovative medical solutions. Box 7 below provides a short summary of the company's areas of operation.

**Background**

For more than a century, Company F has been active in the discovery and development, manufacturing and marketing of novel healthcare solutions. Its products and services bring significant benefit to patients by the:

- Early detection and prevention of diseases
- Diagnosis
- Treatment and treatment monitoring.

**Strategic Intent**

Company F plays a pioneering role in personalised healthcare and is providing the first products that are tailored to the needs of specific patient groups. Its mission today and tomorrow is to create added value in healthcare by focusing on its expertise in Diagnostics and Pharmaceuticals.

**Box 7: Short Profile of Company F**

The fourth participant in this phase is the SVP-Design & Development of Company AE (which has already been described in the earlier section on convenience sampling) and is therefore not being repeated in this section.

The final participant is the Group Marketing Director of a large FMCG organisation, with its parent company based in the Far East. Box 8 below contains a brief profile.

### **Background**

Company C is a successful and innovative [food] manufacturing organisation. Its brands have been part of people's lives in the ANZAC region for generations. The majority stake in its parent company, Company C Asia Pacific, incorporated in the Far East, is held by an overseas global food and beverage group. Within this structure, Company C operates with a great deal of autonomy as it continues to implement its exciting plans for growth.

### **Competitive Strategy**

It has built and sustained customer loyalty by anticipating opportunities to meet changing tastes and needs. Since it also develops and manufactures its own products, it is well placed to continue leading innovations in food. This breadth in its operations also offers its employees exceptional career development opportunities.

**Box 8: Brief Profile of Company C (Source: Company website)**

## Theoretical Sampling

The first interview was with the Director of Strategy and Innovation of Company J, the Australian subsidiary of a pharmaceutical major. Box 9 below gives a short profile of the company. The company was chosen because of its radically changing environment and its efforts to manage sustainable growth successfully in this context (Refer Box 10 below).

### **Background**

With a history dating back to the late nineteenth century, Company J has grown to become the nation's leading provider of prescription medicines and animal health products. Its researchers are also part of the world's largest private sector medical research program and it has committed almost AU\$ [X0] million to local R&D in 2008. With many of Company J's prescription medicines and animal health products leading their therapeutic areas, it's easy to see why millions of Australians trust their products every day.

### **Values**

Company J's efforts are guided by its core values of:

- Customer Focus
- Innovation
- Integrity
- Teamwork
- Performance
- Leadership
- Respect
- Community
- Quality

**Box 9: Short Profile of Company J**

### **Global Environmental Context**

The global Pharmaceutical Sector is facing significant challenges, which will see all pharmaceutical organisations impacted and thus change the landscape which has been familiar for many years. These challenges include rising costs of drug development, increasing regulatory constraints, end of the blockbuster era and the need to penetrate niche markets, increasing generic competition and tightening of government healthcare budgets and pharmaceutical reimbursement. Additionally, blockbusters are scarce overall as a pharmaceutical trend.

### **Task Environmental Context**

Locally, environmental changes include a change of customer demographics – an aging but more knowledgeable population as well as increasing corporatisation and utilisation of technology among the medical fraternity. There is an increasing importance of certain customers such as pharmacists as well as increasing competition from generic medicines. The cost constraints of the Pharmaceutical Benefits Scheme also result in challenges in obtaining reimbursement for innovative medicines. There is also increasing public and government scrutiny of the pharmaceutical industry (compliance load) and a war for talent in the industry.

#### **Box 10: Description of Company J's environment**

The next interview was with the General Manager of R&D of Company K, a Food Technology Services company. Box 11 below describes the profile and activities of Company K.

### **Background**

Company K is an innovative technical service company that provides complete technical solutions in [food and related] industries. With a thorough knowledge of market and consumer needs, combined with world-class expertise in [food science], excels at turning opportunities into real business outcomes.

### **Competitive Strategies**

Company K scans the market for opportunities, guided by the priorities of its business units. It also leverages its relationships with national and international research providers, and uses its own resources in the following key areas: Innovation & Technology, Technical Services, Consumer & Regulatory Affairs and Commercial-Analytical Services. In this way, it is able to consistently deliver the best, most innovative, solutions.

### **Achievements**

Company K's expertise and innovative solutions have been recognised by many of the leading organisations in the field, with Food Innovation Awards, Food Innovation Grants and invitations to join industry panels. Its Analytical laboratory has [many decades] of experience in analytical testing covering both chemical and microbiological analysis. Its laboratory currently services the [food industries], and is now moving into pharmaceutical and veterinary products.

**Box 11: Company K's profile and activities (Source: Company website)**

Box 12 below describes the radical changes in Company K's environment of the company in the words of the interviewee.

### **Radical Changes in Macro and Task Environment**

The environment for Company K has been absolutely dramatic in its change. 10-15 years ago I would say that this company was a very sleepy organisation, had survived on limited innovation, had relatively poor practices in many areas but was still able to make a profit. There's been a lot of consolidation in the industry, there's been a lot more competition for our particular markets, and there's been a lot of change in the supply, things like AWB for example, dramatic change in how that's going to affect us from the wheat business, changes in milling consolidation, changes in baking consolidation, meat and dairy consolidation through Australia and that has meant a huge impact on our ability to deliver profit and having to find new ways of doing that.

**Box 12: Recent Environment of Company K (source: interviewee)**

## **Intensive Interview Techniques**

This section (refer Box 13 and Box 14) provides details of the content of the communication which was sent to the participants in the theoretical sampling stage in order to prepare them for the interview which followed thereafter. The purpose of the communication was to have participants reflecting on their own emerging leadership practices around the concepts which had emerged from the convenience and purposeful sampling stages, and to trigger insights around these topics in preparation for the interview. A list of the actual interview questions used is listed in Table 5, of the chapter titled “Sampling in the “Ensemble Leadership Repertoire: Adding Zeitgeist to Historical Practices” grounded theory research” and serves to underline the clear alignment and connection of this initial communication to the interview questions.

### **Thought prompts for theoretical sample participants:**

This is a “thought-prompt” to assist you describe the leadership repertoire that you use to successfully lead, manage and grow your business in these uncertain times. It is comprised of five sections, each of which includes one or more quotations by thought-leaders, to spark your insights. Section A seeks to understand your organisation’s changing environmental context. Section B solicits your inputs on how you enable and encourage the organisation to be aware and updated at all times, in changing times. Section C probes new and existing leadership styles and team-connectedness constructs in use at all levels within your organisation. Section D attempts to understand the organisation’s strategic innovation imperatives in a globalised world. And finally Section E directs its attention to the organisation’s sustainability vision and its participation as a responsible world-citizen. Together, your responses to these five sections will assist in creating an overarching framework for understanding how you lead strategic initiatives in the organisation.

**Box 13: Cover note for thought-prompts for theoretical sample participants**

**Section A:**

“Intense, high-velocity change is relentlessly re-shaping the face of business in fledgling high-tech ventures and Fortune 500 giants, from Santiago to Stockholm, in steel and silicon alike. Everywhere, and in every industry, markets are emerging, closing, shrinking, splitting, colliding, and growing and traditional approaches to business strategy are no longer adequate.” - Shona Brown and Kathleen Eisenhardt

**Section B:**

“No problem can be solved from the same level of consciousness that created it. We must learn to see the world anew.” - Albert Einstein

“The idea of mindfulness originally meant a mental orientation in which there is ongoing active refinement and differentiation of categories, an ongoing willingness to invent new categories that carve streaming events into more meaningful sequences, and a more nuanced appreciation of context, and ways to deal with it.” - Karl Weick and Kathleen Sutcliffe

**Section C:**

“I was not the lion, but it fell to me to give the lion’s roar.” - Winston Churchill

“The task of leadership is to create an alignment of strengths, making our weaknesses irrelevant. “ - Peter Drucker

“The keystone of high achievement and happiness is exercising your strengths.” - Martin Seligman

**Section D:**

“We live in a truly networked and interdependent world, united by a global economy.” - Kenichi Ohmae

“Nothing is more important to business success than innovation.” - Curtis Carlson and William Wilmot

**Section E:**

“Let us choose to unite the power of markets with the strengths of universal ideals...let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.” - Kofi Annan

**Box 14: Thought-prompts for theoretical sample participants**

**Conclusion**

This appendix was intended to provide additional details on participating companies, to augment the information already tabulated in the earlier chapter on Sampling. The purpose of such clarification is to assist the reader to have a more dimensioned view of the scope and scale of the participating companies without transgressing any of the companies' confidentiality strictures.

## **Appendix 3**

### **Memoing**

#### **Memos for Stages 1, and 2 of Constant Comparison**

##### **M1101207**

Kelly et al (2002), among many other futurists, are signaling massive complexity and inequalities that organisations face now and will face in the future. These will lead to non-linear instability and unpredictability for business' common strategic environments. If I nominate Australian businesses operating in such a high-velocity and complex environment as my substantive setting, I can then investigate whether or not these companies have to learn, and to use, new leadership practices to be sustainable in these times. I can also study how these new leadership practices are enacted in these organisations. This may help me to determine the changed state of play and the leadership approaches that successful member and participating organisations are using to underwrite organisational growth and well-being. The objective is to capture thought-leaders' opinions across industries and markets in Australia and pick – if such patterns exist – simpatico patterns, and, thereafter, to theorise a complex environment and an augmented leadership repertoire that meets the challenges of this environment.

**M11402**

**EA/PA**

She found the experience of reflecting on broader organisational issues with someone outside the company very refreshing. It is evident from her conversations that there is a gap between the company rhetoric of close communication and her association with other senior leaders. She is travelling a lot and experiencing “international” ideas to a greater extent. Her background in regulatory seems to define her viewing lens significantly. She appears keen to be part of this conversation but is very time-poor and may not be able to focus beyond the needs of her role.

She spoke on some length about the number of different ethnicities and cultures in her team. Perhaps that worries her in terms of getting the best out of her people.

Her description of the party where she and the person from the UK office critiqued the over-the-top involvement and energy of the American contingent suggests that she feels that one can be successful without overdoing the “ra-ra.”

In speaking of her work, she makes a very interesting observation of paradox: where some of the countries she works in are in such a hurry to create legislation and rules, but the actual rules and regulations themselves require being so structured and formal which requires time. She calls it “complicated and not complex.”

**M21402**

**EB/PB**

He is very articulate and, obviously because he is writing strategic papers for the board all the time on challenges, opportunities and risks, he seems to have quite well-formed views on the subject of leadership, strategy etc. I think because of the financial services industry he is in, and the role he plays in his company, he is a mix of conservatism and innovation in thinking. He maybe the “voice of the median” for me! In contrast with “A” yesterday morning, his thinking had more clarity, was sharper and more over-arching.

His views are heavily influenced by his perception that the markets that they operate in are very volatile and he certainly believes that senior leaders should seek out new and different ways to engage people inside and outside the business and deliver performance. His interview could be a source of some interesting ideas on future practices.

M51602

EA/PA – EB/PB – EI/PI & EG/PG

Four interviews in less than a week with four different industries is certainly a good start. Medical devices manufacture and marketing, regional financial services, a local utilities company and a small but active manufacturer and global exporter of scientific accessories. An eclectic mix that should give a fair poll of the ideas that one needs to focus on and mine going forward. This memo must try and go through each interview and without bias pick significant sound bytes on the environment from each. Here goes...

“For example in India they do not wish to wait; wanting to put in place regulation in six months, a precipitous move that **resulted in uncertainty that is close to chaos**” – A

“It is a **very persistent change which becomes rapid** because we have a lot of new staff” - A

“**Lot more complex, a lot more demanding and a lot more intense**” – B

“I think **the pace of change is radically different from two years ago**” – B

“On the people front **it is about understanding people at a behavioural level** and helping them realise their true potential” - B

“The **wild swings in currency rates**, particularly between the US Dollar and the Euro is a very, very significant challenge for us” – I

“What we are seeing in our industry is that the major companies, public listed companies, driven by this **incessant demand to increase perception of shareholder value...continue to look for ways to reduce their headcount by outsourcing activities**” – I

“The world’s dynamics are changing. **Communities are expecting more. Customers are expecting more** even in terms of putting pipes in the ground” – G

“ If the whole premise of **climate change . . . is a permanent shift then we are in the midst of big challenges** and water is one challenge which is pretty top of mind” – G

**M61602**

**EA/PA – EB/PB – EI/PI & EG/PG**

I am going to try and apply the Indicator-Concept model to the environmental sound-bytes that I have abstracted in my initial run through the interviews (memo M51602) to see if there are substantive codes emerging that can be filled, modified, added to and/or eliminated as interviews progress. While this is by no means exhaustive, it is a useful pulse-check for me to see if I am using the methodology well to generate increasingly abstracted insights. I must see if they come up in the new interviews or will fade away

**Resulted in uncertainty that is close to chaos – VARYING NEEDS AND CHALLENGES**

**Very persistent change which becomes rapid – RECALIBRATING CONTEXT**

**Lot more complex, a lot more demanding and a lot more intense – INTENSE AND DEMANDING**

**Pace of change is radically different from two years ago - INCREASED PACE**

**It is about understanding people at a behavioural level – CHALLENGES WITH PEOPLE**

**M71602**

**EA/PA**

Now that I seem to have gathered the sound-bytes around the environment from my four interviews I need to pick up some of the sound bytes around leadership from each of them which stood out on first appearance. Again from my still recent memories of those interviews, I think there will be some great insights.

“I think there is certainly an Australian flavour about this style of leadership and part of it is directness”

“I am also talking with like-minded people in the same profession or going out and training others”

“We need to really acknowledge that while people are different they bring good things to the business”

“Empowerment of our people is paramount and that is why Company A does not have strong hierarchies”

“Our product is the hallmark of our innovation and it is very visible, it is fun, and it is something we can all buy into”

“Senior leaders need to model that excitement for life-long learning for their people”

“People are feeling engaged and there is a strong sense of purpose; a strong sense that what we do makes a difference”

“Company A also engages seriously with the bottom of the pyramid demography in the developing world”

**M81702****EB/PB**

This is a continuation of the leadership sound bytes. It is the second of four memos on the subject. Note that once these four are done, I should be able to compare these sound bytes and see if they signal any substantive codes to which my succeeding interviews can contribute additional insights

“We are doing a lot of delegation, a lot of empowerment”

“We have a process that we call honest conversation, and it is exactly what it sounds like – “let us have an honest conversation”

“Yet a lot of the value is predicated on having honest conversations around differences of opinion”

**M91802****EI/PI**

This is a continuation of the leadership sound bytes. It is the third of four memos on the subject.

“Leadership is about being out there with people and believing in them and helping them to achieve their potential”

“We have a long way to go as an organisation in terms of bringing in better and new ideas from outside”

“People are looking to identify with their employer as having a soul”

**M102002****EG/PG**

This is a continuation of the leadership sound bytes. It is the fourth of four memos on the subject.

“Organisations need a deep appreciation that people bring their whole selves to work and they actually have different backgrounds and different interests”

“People get engaged for the satisfaction of contributing rather than just monetary recognition and reward”

**M102202**

**EA/PA, EB/PB, EI/PI, & EG/PG**

I have been looking at the sound bytes from the four memos and seeing if they suggest possible substantive codes and if there are multiple quotations by interviewees that I can code to any one of the substantive codes I am creating. It is an interesting exercise to find a name or label that expresses what I think is happening in the sound byte. I must remember to revisit each of the statements by these four interviewees again because I do believe there are a lot of additional statements that are left to code and of course the next few interviews should suggest new codes and shape and/or make the existing substantive codes denser. The table below captures the list of substantive codes and the number of statements that have been coded to them.

<b>First pass Substantive Code</b>	<b>No. of sound bytes coded</b>
Leading with directness and candour	1
Dialogue with multiple stakeholders	1
Celebrating diversity	1
Encouraging individual ability	2
Fresh approach, new ideas	2
Understanding and accepting need for change	2
Seeing the world in a new way	1
Positive emotions	2
Base of pyramid initiatives	1
Creating empowering opportunities	2
Awareness and appreciation of context	1
Examining and learning from mistakes	1
Sense of service	3
Playing a part in an interconnected world	1
Doing ethical business	1
Instilling trust	1
Leveraging different capabilities and backgrounds	1

### **Memos for Stage 3**

#### **M\_040408 Memo on the reduction and modification of category**

The Key Phrases from participants now seem to be coding seamlessly into existing Substantive Codes. While reiterating the property of the code they do not seem to be signalling the need for new codes. Further, the addition of these Key Phrases to the existing Substantive Codes seems to strengthen the dimensions and attributes of the concepts to which the Substantive Codes are related. To reconfirm this I am examining the recently concluded interviews and the Key Phrases therein again. For example: Key Phrases PF1, PE1, and PC1, all coded extremely well into: "Working together for organisational effectiveness", since the contexts of all three phrases were about team collaboration within their companies. And Key Phrases PF9, PF10, PE6, and PC7 all code to "understanding and accepting need for change" since the context of all four phrases referred to the realisation that ideation and implementation need to take on new meaning for their organisations for survival in changing times. It appears to me that the theory is getting delimited.

**M\_0206**

**Memo conceptualising GT on the core category of “complex environment”**

The last few weeks have been engaged in reading and re-reading the raw transcripts of all nine interviews, looking at the Key Phrases, and the subsequent coding with a view to tighten codes, concepts and categories. At this point it appears to me that in the area of Environment, the core category emerging is that of Complex Environment. With regards to the concepts that make up this core category of Complex Environment, I have been reflecting on a few modifications which will make the emergent Grounded Theory even more robust.

I think I should be subsuming the concept “Distinct time periods, where environmental change has a discernible pattern” into the other existing concept, “Dynamic, layered, interdependent, and interconnected organisational challenges”. This is because having reviewed the Substantive Codes that make up each of these concepts there is merit in consolidating them into one stronger concept called, “Dynamic, layered, interdependent, interconnected, and patterned organisational challenges”. Since all of the Substantive Codes in both initial concepts were describing the organisation’s internal challenges, it makes sense to reduce it to one overarching category.

Similarly, I think there is merit in consolidating the concept “Exponential Change in Global Driving Forces” and the concept “Uncertain, Unpredictable, and Uncontrollable Events” into one “stronger” concept called “Uncertain, Unpredictable, and Uncontrollable Global Driving Forces”. Such a concept captures all of the Substantive Codes that describe nature and characteristics of driving forces in the organisation’s macro-environment.

With these changes I believe I now have a very tight and robust group of concepts which collectively define the core category of Complex Environment. This group of three environmental complexity concepts assumes theoretical richness and properties specifically because of the elements that go to define them; i.e. the Substantive Codes and in vivo comments derived from the interviews.

The first concept – dynamic layered, interdependent, interconnected, and patterned organisational challenges – can arguably be said to describe the nature of the organisation’s internal environment. See Chart \*? for the Substantive Codes that constitute this concept. Examples of in vivo comments provided below will bring this assertion into even sharper focus: Participant H, the managing director of a leading financial services provider who insightfully observed that; “Fast-forwarding to the highly regulated, intertwined, and “world is flat,” “everything is connected” world [of] today... the set of services, that we are providing have been completely transformed by the complexity of the current world.”

## **M\_0206 Continued 2**

Similarly, reflecting on her challenges as the general manager of a food services technology provider, Participant K, says, "It is particularly the last five years that have been the most dramatic. We were working in a very different set-up prior to this time. It is during this current period of time that we have had the most significant management change, and I think that has been facilitated by the need for change"; speaking of the challenges of dispersed organisational structures in a globalised world, participant D, the managing director of a consumer electronics' research and development unit remarks, "what that meant ... was that our HQ had to take on significant responsibility for overseeing common aspects of all business units. This meant that each business unit needed to collaborate with HQ which is one example of extra complexity".

Similarly, the second concept - marked/radical shifts in markets, competition, technology, and the customer's definition of value- arguably describes the nature of the organisation's task environment. See Chart\_ for the Substantive Codes that constitute this concept. Examples of in vivo comments provided below will bring this assertion into even sharper focus: Participant C, the marketing director of an FMCG, underlines this challenge with regard to customer awareness when he states that, "As the world gets smaller, and there is more global media coverage, you need to track issues, like food source, and country of origin, that have been the subject of hot debate in Australia and New Zealand"; participant J, the director of strategy and innovation at a pharmaceutical major, sums this challenge as, "You know exactly what is happening all over the world and you are seeing what your competitors are doing. You have regulators talking to each other, payers talking to each other. Pricing of pharmaceuticals is now transparent across the world. This has been enabled by technology and with the new generation that is coming on stream who are very technology savvy. This is an incredible change in the business landscape".

#### **M\_0206 Continued 4**

The third concept – uncertain, unpredictable, and uncontrollable driving forces arguably describes the nature of the organisation’s macro-environment. See Chart\_ for the Substantive Codes that constitute this concept. Examples of in vivo comments provided below will serve to further underscore this assertion: Participant I, the managing director of an Australian manufacturer of scientific accessories highlights how these driving forces impact his firm’s macro-environment when he observes, “If we look at the enormous devaluation of the US Dollar over the last five to six years, the effects of globalisation seamlessly shunts the detrimental impact of that on to us, because a lot of major corporations demand standardised global pricing in US Dollars”; participant E, the design and development SVP of a medical devices company underlines the power of unforeseen events to derail business when he comments, “A few years ago when there was the SARS epidemic breaking out, it had a sudden and dire impact on sales...because people just stay out of hospitals because they think that “I am going to go into the hospital to get this medical device, but now I am going to get sick with some other disease”.”

The above description highlights how the individual components of what constitutes the core category of Complex Environment is made up of Substantive Codes and in vivo phrases that help in its conceptualisation in a hitherto new and insightful way. In addition there are two key aspects to the findings that are significant: The first is that each of the three concepts have been founded on incidents that are a product of post-millennial issues and concerns which have for a large part, not been experienced any time in the recent past; the second is the split of leadership opinions between the three concepts which indicates that almost half (47%) of the complexity that companies experience are a result of their internal environment. Less than a third (29%) comes from the industry in which they participate, and the balance (24%) is as a result of global driving forces. These two aspects in combination foreground the nuanced intensity of the current and likely future challenges that Australian leaders anticipate for their organisations.

## **Memo on possible theoretical saturation**

### **M\_2508**

The two interviews that were used as a theoretical sample because the organisations were experiencing radical change, in their operating environments served to supplement my increasing understanding of the developing theory on the environment and leadership practices. They have done this by endorsing the emerging theory of new leadership practices by adding to the existing data set about the concepts of; being in touch, being present, being creative, being good and being a global citizen. Further a targeted question that interviewees were asked was whether they felt that I had missed any practices that they considered important given their current and ongoing experience of rapid and unreal change, a phrase picked from one of the interviewees. The answers validated the emerging theory.