

Agility.X

How Organizations Thrive in Unpredictable Times

In recent years, the concept of agility has captured the executive imagination, and leaders in a variety of industries and companies of all sizes are now searching for ideas on how to effectively utilize agile thinking. This book provides insights on agility from world-class experts on leadership, strategy, and organization, alongside seasoned practitioners who have successfully implemented agility programs for companies such as Daimler, Ford Motor Company, J.W. Thompson, Siemens, and NASA. By combining theoretical expertise with a variety of managerial experiences, it provides a wide-ranging yet succinct guide for companies seeking to engage in the transformative journey towards becoming more agile. As such, it will be of great use and interest to executives in all industries, executive education participants and consultants, MBA students and researchers interested in agile. Agility.X prepares leaders for managing under uncertainty and organizations for thriving in turbulent environments.

CHRISTIANE PRANGE is Professor of Global Strategy at Tongji University, China, and Director of the AgileVentureLab, a think tank researching and helping companies to better cope with ambiguity and unpredictability. In the last 20 years, she has consulted numerous multinational companies on internationalization strategies, global innovation management, and agility. Her research has been published in six books and numerous research papers in leading journals, such as *Organization Studies*, *Journal of World Business*, *International Business Review*, and others.

LOIZOS HERACLEOUS is Professor of Strategy and Organization at Warwick Business School (where he has received a DSc for lifetime contributions to his field) and Associate Fellow of Green Templeton College and the Said Business School at Oxford University. His research on strategic management and organization change and development has been published in six books, including *Strategy and Organization* (CUP, 2003); *Discourse, Interpretation, Organization* (CUP, 2006); and *Crafting Strategy* (CUP, 2011). He has also written over 65 research papers in leading periodicals and his writings have been honored by several awards, including three Best Paper Awards from the US Academy of Management and three research awards from Emerald.



Agility.X

How Organizations Thrive in Unpredictable Times

Edited by

Christiane Prange

Tongji University, School of Economics and Management, China

Loizos Heracleous

University of Warwick, United Kingdom





CAMBRIDGEUNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

 $314\!\!-\!\!321,$ 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi-110025, India

79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108424202

DOI: 10.1017/9781108545884

© Cambridge University Press 2018

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2018

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-42420-2 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



Contents

	List of figures	page vii
	List of tables	ix
	List of contributors	xi
	Introduction	1
Part I	Agile Leadership	
1	Leadership Agility for Strategic Agility BILL JOINER	17
2	Strategic Agility Requires Leaders with an Ambidextrous Mindset CONSTANTINE ANDRIOPOULOS	32
3	From Agility to Antifragility: Coping with the Unknowable HARIDIMOS TSOUKAS	43
4	Strategic Agility: The Critical Role of Language MARY YOKO BRANNEN AND TERRY MUGHAN	54
Part II	Agile Strategy and Design	
5	Examining Agile Development as a Management Fashion W. ALEC CRAM AND SUSAN NEWELL	71
6	Using Management Control Systems to Support Agility CONSTANTINOS MARKIDES, DANIEL OYON, AND MAEL SCHNEGG	85
7	Playfulness and Agile Strategizing LOIZOS HERACLEOUS AND DAVID OLIVER	99
8	Organizational Design for Agility CHRISTINA WAWARTA AND LOIZOS HERACLEOUS	114



vi Contents

Part III	Agility	in	Practice

9	Agility, Innovation, Technological Disruption: How to Better Deal With Uncertainty EDWARD G. KRUBASIK AND CHRISTIANE PRANGE	139
10	Journey to Agility at NASA's Johnson Space Center DOUGLAS TERRIER, LOIZOS HERACLEOUS, AND STEVEN GONZÁLEZ	152
11	Agility Means Pivoting and Quickly Reacting to Changes DAVID L. SCHOCH AND CHRISTIANE PRANGE	164
12	Axel Springer Ideas Engineering: Creating the Digital Future Through Agile Innovation ARD WEIHER AND CHRISTIANE PRANGE	173
13	Agile Thinking in China – Experiences from a 30-Year Career in Advertising TOM DOCTOROFF AND CHRISTIANE PRANGE	185
14	Language and Organizational Agility in Practice ROBERT J. MARSHAK AND LOIZOS HERACLEOUS	197
15	Agility at Daimler OLIVER FISCHER AND KATRIN ADT	206
	Concluding Comments: Beyond Agility.X	215
	Index	219



Figures

7.1	BuildCo collective organizational identity: Table 1	page	105
7.2	BuildCo collective organizational identity: Table 2		105
8.1	Survey results for overall agility, agility in sensing, and		
	agility in responding		116
8.2	Percentage of firms that apply specific measures to increase agil	ity	
	in sensing		117
8.3	Percentage of firms that apply certain measures to increase agilia	ty	
	in responding		119
8.4	Distribution of agility level according to firm size		121
8.5	Distribution of agility level according to organizational age		122
8.6	Top ten characteristics of agile firms		123
8.7	Top trends for the near future		130
8.8	Overview of survey data		133
8.9	Operationalization of the agility concept		134

vii



Tables

1.1 Summary of three leadership agility levels	page 24
5.1 Management fashion indicators	75
5.2 Case study results by management fashion indicator	75
5.3 Categories of agile development adoption and use	76



Contributors

KATRIN ADT is Vice President HR Development and HR Services, Daimler AG. She leads the education and development of Daimler's top executives, Daimler's HR Shared Service organization, as well as Global Assignment Management. Katrin also heads up the organization driving the culture change initiative Leadership 2020. A lawyer by training, Katrin Adt joined Daimler in 1999 and subsequently held a range of senior positions, most recently that of CEO of Daimler's Luxemburg sales organization.

constantine and Entrepreneurship at Cass Business School (City University London, UK). He holds visiting positions at: Said Business School, University of Oxford (Executive Education), and International Hellenic University (MBA). He has also held visiting posts at the Indian Institute of Management Ahmedabad (PGP) and Grenoble Ecole de Management (MSc). His specialties are Innovation Management, Entrepreneurship, Organizational Ambidexterity, Exploration-Exploitation, Managing Paradoxes and Tensions within Innovative Firms, Decision Making in New Product Development (NPD), and Family Businesses. He received his PhD in 2000 from the University of Strathclyde (Glasgow, Scotland).

MARY YOKO BRANNEN is the Jarislowsky East Asia (Japan) Chair at the Centre for Asia-Pacific Initiatives (CAPI) and Professor of International Business at the Peter B. Gustavson School of Business at the University of Victoria in British Columbia, Canada. A well-known international scholar in multinational affairs, Mary Yoko Brannen received her MBA with emphasis in International Business and PhD in Organizational Behavior with a minor in Cultural Anthropology from the University of Massachusetts at Amherst. Having taught at various Universities in the United States, Japan, China, and France, Professor Brannen's consulting specialty is helping multinational firms realize their global strategic initiatives by aligning, integrating, and deploying critical organizational resources. Born and raised in Japan, having studied in France and Spain, and having worked as a cross-cultural consultant for over 20 years to various Fortune 500 companies, she brings a multifaceted, deep knowledge of today's complex cultural business environment.

хi



xii List of contributors

W. ALEC CRAM is an Assistant Professor of Information and Process Management at Bentley University. He received his PhD from Queen's University and previously worked as an IT Audit Manager at Deloitte. Alec's research focuses on how information systems control initiatives can contribute to improving the performance of organizational processes, such as systems development and information security. His work has been published in outlets including the *Information Systems Journal*, European Journal of Information Systems, Journal of the Association for Information Systems, and Information & Management.

TOM DOCTOROFF is the former CEO Asia-Pacific of J.W. Thompson. His unique combination of pan-Asian work, plus more than a decade of experience in China, has made him a leading expert in the cross-border management of brand architecture and brand building. Tom started his advertising career at Leo Burnett in Chicago but jumped ship to J. Walter Thompson (Chicago). In 1994, he moved to Hong Kong as Regional Business Director for clients such as Pepsi, Philip Morris/Kraft, and Citibank. In 1998, he landed in China as the Managing Director of J. Walter Thompson Shanghai. In 2002, he was appointed Northeast Asia Area Director (China, Taiwan, Hong Kong, and Korea) and Greater China CEO, and in 2008, also assumed leadership of J. Walter Thompson Japan. Tom completed his undergraduate studies at Northwestern University (Evanston, IL) and holds an MBA from the University of Chicago.

OLIVER FISCHER is Chief Learning Officer and Head of Daimler Corporate Academy. He was previously Head of Center of Expertise in HR Strategy, Standards, and Systems for Arvato AG, a subsidiary of Bertelsmann SE. Previous positions include Fellow in Strategy, Leadership, and Change at Said Business School, University of Oxford, and various roles at Bertelsmann SE. Oliver's main research interest is leadership, especially theories of charismatic leadership, social identity, and the role of digital communication technology. Oliver holds degrees in economics and psychology from the University of Cologne and an MPhil and PhD in management from Cambridge, where he was also a Gates Scholar.

STEVEN GONZÁLEZ serves as the Deputy of the Strategic Partnership Office at the NASA/Johnson Space Center (JSC), which is responsible for partnering with industry, academia, and other government agencies in support of the long-range strategy for JSC. He is also the NASA Executive Liaison at the Greater Houston Partnership. He has over 28 years of experience in the aerospace industry. Prior to this position, Mr. González was the NASA Executive Liaison at the Houston Technology Center (HTC) responsible for the aerospace sector. Mr. González was also the Deputy of the Advanced



List of contributors xiii

Planning Office, responsible for the 20-year strategy for the center. Early in his career, Mr. González instructed the crew of the Space Shuttle Columbia STS-65 mission on the vehicle's computer and navigation system. He has received numerous awards and was nominated as one of the 100 Most Important Hispanics in Technology and Business. He also received the NASA Exceptional Service Medal and the JSC Certificate of Commendation. He received his MSc at Texas A&M University and his BA at Boston University.

LOIZOS HERACLEOUS is Professor of Strategy and Organization at Warwick Business School and Associate Fellow at Green Templeton College and the Said Business School at Oxford University. He earned his PhD at the University of Cambridge, as a member of Trinity Hall. His research interests include strategic management, organization change and development, discourse analysis, and corporate governance. His research has been published in eight books and over 70 articles, and received several awards, including three from the US Academy of Management. Loizos has published in the leading journals in his field, including the Academy of Management Journal, Academy of Management Review, Strategic Management Journal, Management Information Systems Quarterly, and Harvard Business Review. He serves on the editorial boards of six journals including the board of the Academy of Management Journal. In 2013, he was awarded an honorary doctorate (DSc) from Warwick Business School for lifetime contribution to his field at the highest levels. He has two decades of experience working with blue chip corporations to design and deliver executive development initiatives for C-level executives (for more information see www.heracleous.org, @strategizing).

BILL JOINER is co-author of *Leadership Agility*, which won the Integral Leadership Review Readers' Choice Award for best Integral leadership book of the year. Bill is a seasoned leadership expert and organizational change consultant, who speaks about Leadership Agility and partners with senior leaders to develop empowering, high performing teams and organizations. He is also co-developer, with Cambria Consulting, of the Leadership Agility 360, a new developmental assessment that coaches around the world are using in organizations as varied as Bell Canada, Glaxo Smith Kline, IBM, Pfizer, the Royal Canadian Mint, Santander, and the United Nations. Bill has a BA and MBA from Southern Methodist University and earned his Doctorate in Organization Development at Harvard.

EDWARD G. KRUBASIK is a Professor at Technical University Munich, Vice President of the German Physics Society, and Member of the European Commission for Growth and Innovation of the Economic Council for



xiv List of contributors

Germany. He helped many industrial companies in the High-Tech sector in projects with McKinsey & Company, in the USA and in Europe. As Principal and Director, he built the practice for Innovation and Technology Management in Germany and in Europe, and later served as the global leader of this practice and of the European Electronics & Aerospace sector. After 23 years with McKinsey, he became a member of Siemens' Central Executive Board at the end of 1996 – in 25 years the first external nomination to the top leadership team of this global technology concern. He was assigned the responsibility for Corporate Technology and the industrial and mobility sector: Automation & Drives, Transportation Systems, Siemens Dematic AG, Siemens Building Technologies AG, Transportation Systems, and Siemens VDO Automotive Electronics Group. He served on boards as chairman and regular board member in several European countries, USA, and Japan, always as a driver of performance and innovation.

COSTAS MARKIDES is the Robert P. Bauman Chair in Strategic Leadership at the London Business School. Repeatedly ranked among the world's top 50 business thinkers by Thinkers50, Professor Costas Markides is recognized as one of the world's foremost experts on strategy and innovation. An internationally acclaimed teacher and conference speaker, Professor Markides has researched the topics of strategic innovation, business model innovation, diversification, and international acquisitions. His work explores how established companies could pursue radical or disruptive innovation and how they can compete with two business models in the same industry. He also examines how companies can create a culture of continuous innovation and the role that individual managers play in making a company more innovative. His research has been published in the top management and strategy journals. A native of Cyprus, Professor Markides received his BA (Distinction) and MA in Economics from Boston University, and his MBA and DBA from Harvard Business School.

ROBERT J. MARSHAK holds faculty appointments at American University, Washington, DC; Fielding Graduate University, USA; and City University London, UK. He has also led a global consulting practice specializing in organizational change for more than 30 years. Previously he served almost ten years in policy and management analysis positions in the US government. Bob earned MPA and PhD degrees from American University and a BA from Duke University. He has published three books and more than 90 articles and book chapters on organizational consulting and change. He received the prestigious 2009 Douglas McGregor Memorial Award for the Best Article in the *Journal of Applied Behavioral Science* and the Organization Development Network's Lifetime Achievement Award for his outstanding contributions as a consultant, educator, and author. In 2017, he has been awarded the Distinguished Educator Award for his decades of



List of contributors xv

service and commitment to pedagogy, by the Organization Development and Change Division of the Academy of Management. Bob is known for his pioneering work on dialogic organization development, covert processes in organizational change, East Asian change philosophy, and the use of metaphors and symbolic meaning in organizational change. A chapter about him and his work is included in the *Palgrave Handbook of Organizational Change Thinkers*.

TERRY MUGHAN is Associate Professor responsible for courses in international business and Program Head for the Masters in Global Management in the School of Business at Royal Roads University, Victoria, BC. His research interests have revolved around the place of language and cultural skills in business internationalization strategies. He has authored reports for policy bodies such as UK Trade and Investment (UKTI) and the OECD (Organization for Economic Cooperation and Development). He has published articles in *The Language Learning Journal, European Business Review*, and *International Marketing Management*. Terry has been involved in international business education all his career as a teacher, linguist, researcher, and consultant. He designed and taught the first MBA intercultural management course in the UK when at the University of Wolverhampton in 1991. He graduated from Lancaster University in 1977 with a BA (Hons) in French and German and earned his PhD at Anglia Ruskin University in the UK.

SUE NEWELL is Head of the Department of Business and Management and a Professor of Information Systems and Management, at Sussex University. She has most recently worked at Bentley University in the USA and at Warwick University in the UK. She has a BSc and PhD from Cardiff University, UK. Sue's research focuses on understanding the relationships between innovation, knowledge, and organizational networking (ikon) – primarily from an organizational theory perspective. She was one of the founding members of ikon, a research center based at Warwick University (www2.warwick.ac.uk/fac/soc/wbs/research/ikon/). Her research emphasizes a critical, practice-based understanding of the social aspects of innovation, change, knowledge management, and inter-firm networked relations. Sue has published over 100 journal articles in the areas of information systems, organization studies, and management, as well as numerous books and book chapters.

DAVID OLIVER is Senior Lecturer in Work and Organizational Studies at the University of Sydney Business School. His research interests include organizational identity, contemporary strategy practices and tools, and stakeholder engagement. He teaches at all levels including executive education programs. In addition to Australia he has worked internationally, at



xvi List of contributors

HEC Montreal in Canada, as well as the IMD Business School and the Imagination Lab in Switzerland. His publications have appeared in leading management journals such as *Organization Studies*, *British Journal of Management*, *Human Relations*, *Journal of Applied Behavioral Science*, and the *Journal of Business Ethics*. He is a member of the Organisational Discourse, Strategy, and Change Group at the University of Sydney.

DANIEL OYON is Professor of Management Control at HEC Lausanne, the Faculty of Business and Economics of the University of Lausanne in Switzerland. From 2009 to 2012, he served as the Dean of HEC Lausanne. Before joining HEC Lausanne, he worked for several years as consultant with Accenture and SAGE, serving mid-sized and large financial and industrial companies. He was also a visiting scholar at Harvard Business School from 1988 to 1990 and at the Stanford Graduate School of Business in 2003. His research interests focus on the importance of formal control systems on the execution and emergence of business strategies as well as the role of governance systems on firms' performance. His work appeared in journals like European Accounting Review, British Management Journal, European Management Journal, Corporate Governance: An International Review, Management Accounting Research, and Sloan Management Review. He is actively involved in business through consulting assignments or board memberships.

CHRISTIANE PRANGE is Professor of Global Strategy at Tongji University, China and Director of the AgileVentureLab, a think tank focused on researching and applying agile principles to management and leadership and helping companies and individuals to better cope with ambiguity and unpredictability. Christiane was educated in Germany (MBA), Geneva University, Switzerland, where she obtained her PhD, and Harvard Business School, benefiting from insights into team interaction and participantcentered learning. After several years in industry and consulting she returned to academia and has lectured as a visiting professor with top business schools in more than ten countries, including Austria, France, Malaysia, Russia, Romania, and the UK. In the last 20 years, she has also consulted numerous multinational companies on internationalization strategies, global innovation management, and agility. Her ideas are published in eight books and several articles in journals, such as, Organization Studies, Journal of World Business, International Business Review, and others. She regularly presents her work at international conferences and workshops (www.agileventurelab.com; @agileventurelab).

DAVID L. SCHOCH was named Ford Motor Company group Vice President and President, Asia Pacific, effective December 1, 2012. On June 1, 2016, he was given the additional role of chairman and Chief Executive Officer, Ford China. He reports to Mark Fields, Ford Motor Company President and Chief



List of contributors xvii

Executive Officer. In this role, Schoch has responsibility for all of Ford's operations and partnerships within the Asia-Pacific region. Schoch has served in a variety of positions around the world since joining the company as a financial analyst in 1977. This includes serving as controller, The Americas, as well as executive director, Ford Canada, Mexico, and South America Operations. He also served as chief financial officer and vice president of Strategic Planning for Ford of Europe. Before joining Ford of Europe, Schoch was chief financial officer of Ford Asia-Pacific Operations. Schoch's extensive global experience also includes senior leadership positions in South America and South Africa. Schoch received a BA in Business Administration from Lycoming College and his MBA in Finance from Temple University, USA.

MAËL SCHNEGG is Postdoctoral Fellow at HEC Lausanne, the Faculty of Business and Economics of the University of Lausanne in Switzerland, from where he obtained his doctoral degree in September 2017. His research focuses on organizational tools and practices used by firms to monitor their environment and the impact of these tools and practices on innovation. He also teaches management control systems at the University of Fribourg, Switzerland. Dr. Schnegg regularly presents his research in academic conferences such as the European Accounting Association Annual Meetings and the Strategic Management Society conferences. His work has already been published in outlets for practitioners such as IESE Insight and Expert Focus. He is actively involved in field research with banking and utility companies.

DOUGLAS TERRIER is NASA's Chief Technologist (acting). In this role, he serves as the administrator's principal adviser on technology and informs NASA's comprehensive technology investment strategy. Prior to this assignment, he was the Chief Technologist at the Johnson Space Center. Dr. Terrier's previous leadership roles at NASA include: Deputy Director of JSC's Strategic Partnership Office; and Associate Director of Engineering, where he led teams responsible for development of spacecraft for NASA's human exploration program. Prior to joining NASA, Dr. Terrier worked in the commercial aerospace sector for a total of 23 years. He managed International Business Development for Lockheed Martin in the Asia/ Pacific region. Dr. Terrier led Lockheed Martin's Executive Strategy Team in their successful bid for the Department of Defense's (DoD) Joint Strike Fighter program. He also served in project management roles on several DoD weapon system programs including: The F-35 Joint Strike Fighter; F-22 Raptor; A-12 Lightning; National Aerospace Plane; and other classified programs. Dr Terrier earned a PhD in aerospace engineering and a MS in Mechanical Engineering from the University of Texas. He holds patents for his work in aerospace propulsion and has published numerous technical papers. He has earned the Lockheed Martin Outstanding Technical



xviii List of contributors

Achievement award on four occasions, several NASA Superior Technical Accomplishment awards, and the NASA Leadership medal.

HARIDIMOS TSOUKAS is Distinguished Research Environment Professor of Organization Studies at the Warwick Business School, and Columbia Ship Professor of Strategic Management at the University of Cyprus. An engineer by discipline, he approaches his scholarship from a philosophical angle, recognizing the complexity of social systems. His research has been published by the top journals in management and organization theory including the Academy of Management Journal, Academy of Management Review, Strategic Management Journal, Organization Science, Journal of Management Studies, and Organization Studies. He served as editor of Organization Studies, and co-founded the International Symposium of Process Organization Studies. He has received several awards and honors for his work, including a higher doctorate (DSc) from the University of Warwick for his "considerable, original and sustained contribution to their field of scholarship at the very highest international level" (for more information see www.htsoukas.com).

CHRISTINA WAWARTA is a Manager of the Strategy & Business Transformation Practice of Capgemini Consulting in Germany. Her specialty lies in Organizational Excellence, for which she also led an international study on Operating Model Healthiness, Agility, and Congruency. Throughout her career as a freelance consultant and at Capgemini Consulting she has delivered numerous projects across industries, especially in Automotive and Manufacturing, Life Sciences, and Energy and Utilities. The focus of her projects lies on the design and the implementation of business strategies and target operating models as well as post-merger integrations and change management for large transformation programs. Christina is currently in the process of earning a PhD in Strategic Management from the Warwick Business School (UK), where she also received her MSc in Marketing and Strategy. Prior to that, she had completed her BSc in Business Administration at the University of Bayreuth (Germany) and the Universidad de los Andes (Chile).

ARD WEIHER is the Chief Development Officer of Axel Springer Ideas Engineering in Germany, a software engineering start-up inside Europe's leading digital publisher, Springer. After starting off as a software developer and project manager, he has been dealing with agile practices since 2009. In addition to the hands-on practices in software projects, he strives for the transformation towards agile organizations and the implementation of a proper system of innovation management. As a frequent speaker at several conferences, he seeks both knowledge exchange and new approaches for existing challenges. He considers himself a passionate advocate of a pragmatic and professional approach as opposed to getting wrapped up in a dogmatic view.