

HIERARCHY

Top-down, control based hierarchies discourage individual initiative. lead to slower reaction times, and diverts energy to "managing up".



Command-and-control systems lead to organizations filled with anxious employees who are hesitant to take the initiative or trust their own judgment.



Defensive thinking, fossilized mental models, and contentment create a bias in favor of the status quo.



HABIT

Lack of proactive change often has to do with mindsets and behaviors: we must want to change, and also understand how to change.



When the responsibility for making big decisions is concentrated at the top, a handful of executives favoring the status quo can thwart change.

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Highly optimized business system are great for efficiency, but deadly for adaptability. Assets, skills, and processes become more specialized, and change becomes more incremental.

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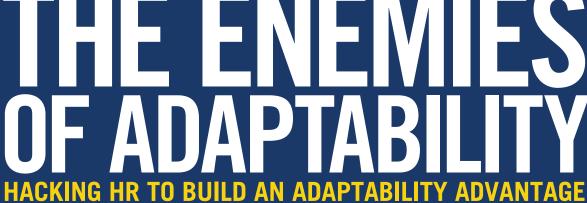
SHORT-TERM

often truncate executive time

THINKING



Employees don't have the skills, training, and coaching they need.



RIGID STRUCTURES In many organizations, rigid unit

boundaries, functional silos, and political fiefdoms hamper the rapid realignment of skills and assets.



Organizations without a compelling shared purpose may have trouble aligning on a natural path for adaptation.

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Compensation and incentive systems Management processes typically arrive at the "one best strategy" through top-down, analytical horizons and skew perspectives. methods, and discourage bottom-up

experimentation.

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Management systems value conformance and cohesion at the expense of diversity and divergence. This limits the ability to generate the rich variety of ideas and options required to be truly adaptable.