

UNIVERSITY OF WALES TRINITY SAINT DAVID

DOCTOR OF BUSINESS ADMINISTRATION

HKBM7002

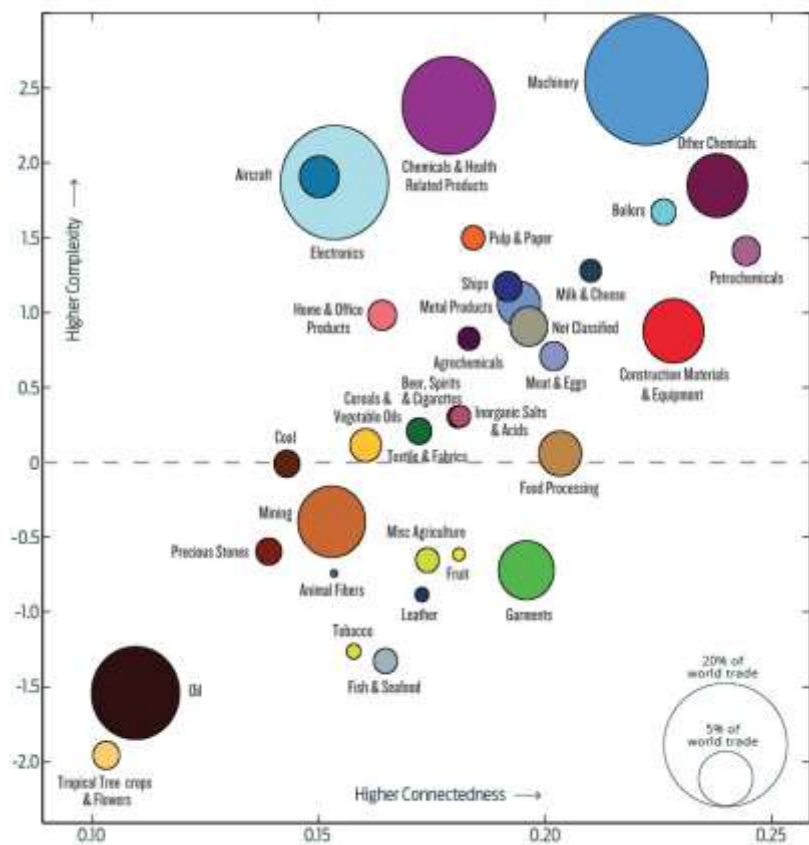
Managing in Complex Environments
Strategies, Insights, and Solutions

Dr. Leo Ho

Most Complex Economies

<https://www.weforum.org/agenda/2019/12/countries-ranked-by-their-economic-complexity>

High Complexity = High varieties and diversity Exports - Low ubiquity, high sophistication



Source: Diversifying Growth in Light of Economic Complexity, by Muhammad Yildirim

Rank	Country	Score	Top Exports
1	Japan	2.26	Cars, ICT (tech)
2	Switzerland	2.14	ICT, gold, packaged medicaments
3	South Korea	2.05	ICT, cars
4	Germany	2.02	Integrated circuits, ICT, cars
5	Singapore	1.81	ICT, cars
6	Czech Rep.	1.79	Cars, vehicle parts
7	Austria	1.71	ICT, tourism
8	Finland	1.69	ICT
9	Sweden	1.67	ICT
10	Hungary	1.44	ICT, cars



HBR – Taming complexity Reading

(<https://hbr.org/2020/01/taming-complexity>)

Key Learnings

- *Complexity (tech, materials, products, people, organizational units..)*
- *Cost of complexity – offset – benefits ?*

Problem – company grows – leaders lose grasps of how all the elements are intertwined...

- **STRIKE a Balance**
 - Create module “agile” structures
 - Use simple, common operating principles (eg. Transparency..)
 - Embed a bias for changes (Promote self-disruption – what kills me tomorrow...)
 - Relax control
 - “Never let an MBA near a marketplace that can run itself” – don’t asset control....
 - Let the market judge (patient, observe track, check assumptions...)
 - Optimize globally (regionally...)
 - Fix, repair, prune

Complexity is increasing necessary for viability and competitiveness in today’s dynamic unpredictable business environment..

Outline :

Part I - Leadership and Responsibility

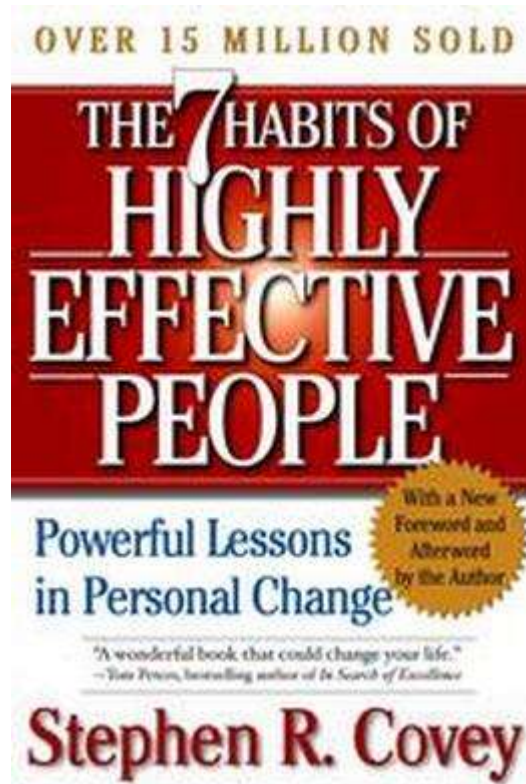
- Globalization and complex environment
- Managing self, and Others as individuals
- Managing Team, and Organization

Part II - People Management

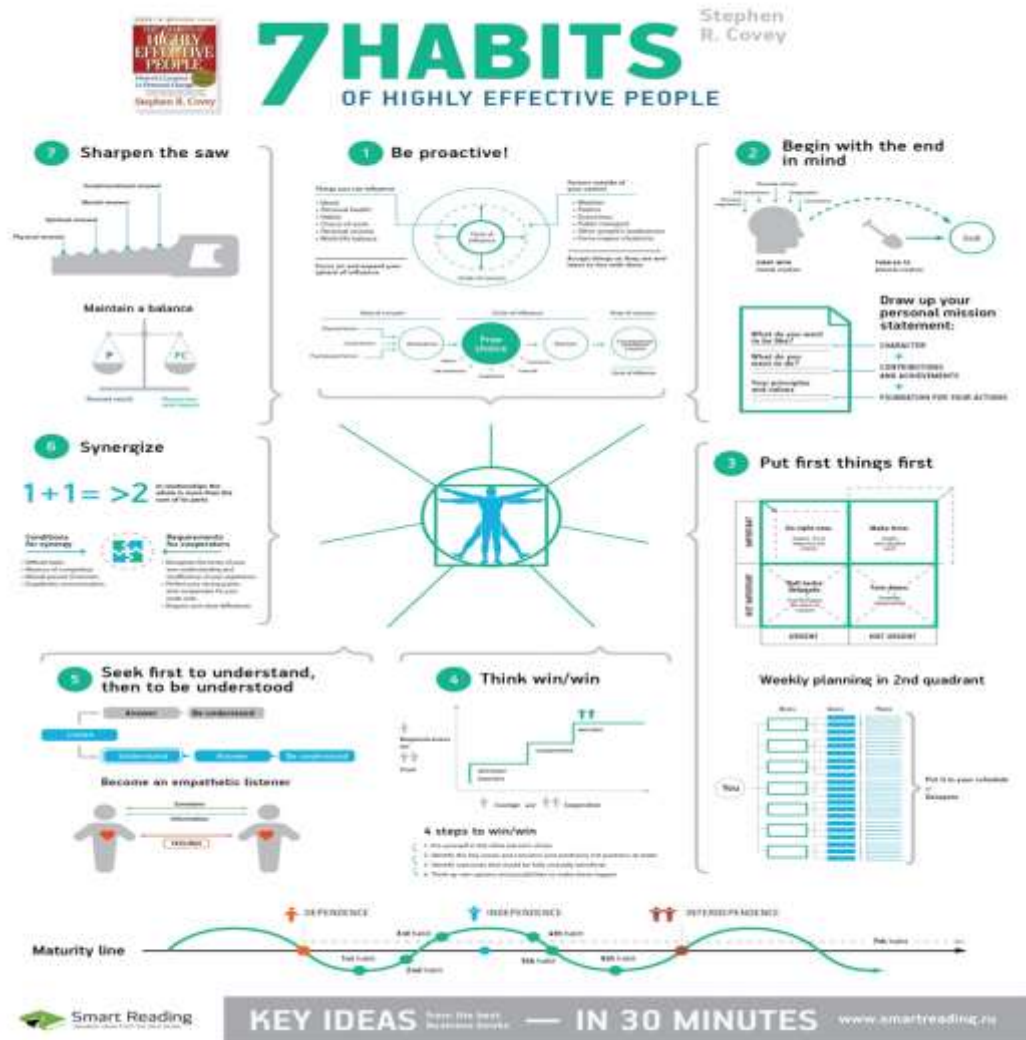
- Managing Team
- Working multi-gens workforces
- Managing Work-Effectiveness thru Lead teams
- Managing Changes / Innovation

In-class sharing - Response Sharing in class (RANK 1-10)

Pick 1 skill (10 or 7 habits) – you like to improve – talk about why - impacts – 2 actions



Stephen Covey, (2004).
The 7 Habits of Highly Effective People,
 Free Press, Simon & Schuster, New York.



Discussion - A CONTEMPORARY issue

Managing Diversity: Work-Life (personal/family) Conflicts

1. **Diversity in Work & Life Perceptions between East and West ?**
 - Entertaining customers (dinner and night entertainment)
 - Calling your staffs – after office hour or on the weekends
2. **Do you feel - line between work & personal life - blur ?**
 - Why ? What happen exactly ?
3. **Feel the Stress – caused not by time constraints but by the psychological incursion of work into the family domain & vice versa**
 - Option 1 - Integrate of work and family (Work is part of Life ??)
 - Option 2 - Separate and need greater separation (NO way, I don't live for work and I work to live)
4. **What is your COMMENTS - Solutions or Suggestion ??**



Biographical Characteristics

Objectives & Personal characteristics

- **Age** - Older Mature, Experience, judgment, strong work ethic, commitment
- **Gender – Transgendered (NEW) ?** Few difference
- **Race & Ethnicity** – complex, differences, culture > race
- **Tenure – seniority** - productive, satisfied, less absent, lower turnover
- **Religion** - impact the workplace - dress, grooming and scheduling
- **Sexual Orientation**
- **Nationality ? Culture ?**
- **Military Background ?**
- **Disable ?**
 - Blind - smart
 - Dumb - ruthless
 - Handicap - arrogant

Personal Characteristics
??

Four Generations Working Together

	Traditionalist 1925-1945	Baby Boomer 1946-1964	Generation X 1965-1980	Generation Y 1981- 2000
Attire	Formal	Business	Business Casual	Whatever feels comfortable
Work Environment	Office only	Long hours – office only	Office, home, desires flexible schedule	Office, home, desires flexible schedule
Motivators	Self-worth	Salary	Security	Maintain personal life
Mentoring	Not necessary	Does not handle negative feedback well	Not necessary to receive feedback	Constant feedback needed
Retention	Loyalty	Salary	Job security and salary	Personal relationships
Communication	Personal contact	Personal contact and telephone	Phone, email, IM, Text	Email, IM, Text

Four Generations Working Together (cont.)

	Traditionalist 1925-1945	Baby Boomer 1946-1964	Generation X 1965-1980	Generation Y 1981- 2000
Technology	Dictates documents, email only in the office, use of library instead of the web, limited phone use	Documents prepared by Associates, e-mail primarily in the office, limited web use	Creates own documents, uses mobile and laptop, uses web to research review etc., use of email/ mobile 24/7	Creates own documents, databases, uses web to research and network, uses mobile and laptop, uses web to research review etc., use of email/ IM/Text 24/7
Career Goals	Build a legacy, a life time career with one company	Build a perfect career, excel at work	Build a transferable career (possibly a careers or business), have a variety of skills & experiences	Build several parallel careers or businesses, have several jobs simultaneously

Exercise – Attract, Motivate, Retain Talent – Gen Y and Gen M (reading)

Gen Y / Gen M (90's – 95's)	China	India	Russia	Brazil
Attract				
Motivate				
Retain				

**Manage OTHERS
COLLECTIVELY / Team**

Running a High Performing Team

Together

Everyone

What is a TEAM?

Achieves

More



Characteristics of High Performing Team

Example

- ❑ Common goals
- ❑ Aligned interests
- ❑ Time management
- ❑ Resource management
- ❑ And more...

Team – Key characteristics

***Team (Grouping) for Higher
Performance and more innovation***

www.menti.com

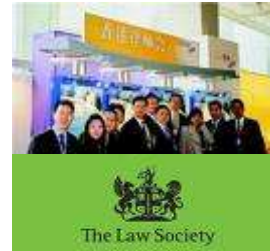
Good / Dark Side of Grouping

Why People Join Team/Groups – Social Identity

**Formal Group – club,
Association...**

**Causal Group
Interest, friendship...**

- ❑ Similarity
- ❑ Distinctiveness
- ❑ Status
- ❑ Uncertainty
Reduction

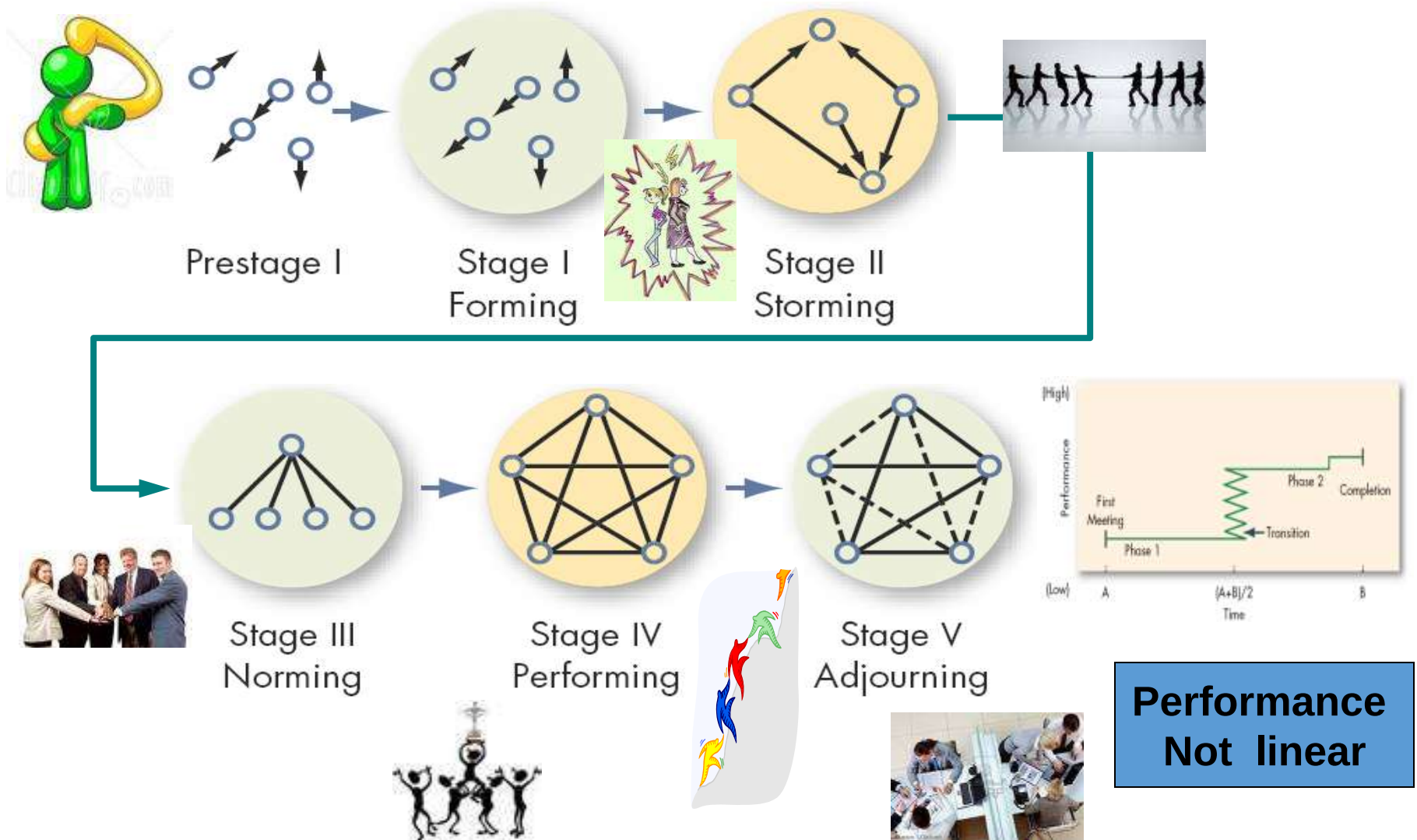


GROUPING – HUMAN BEINGS are PACK ORIENTED

EASE / STABLE + POSITIVE feeling

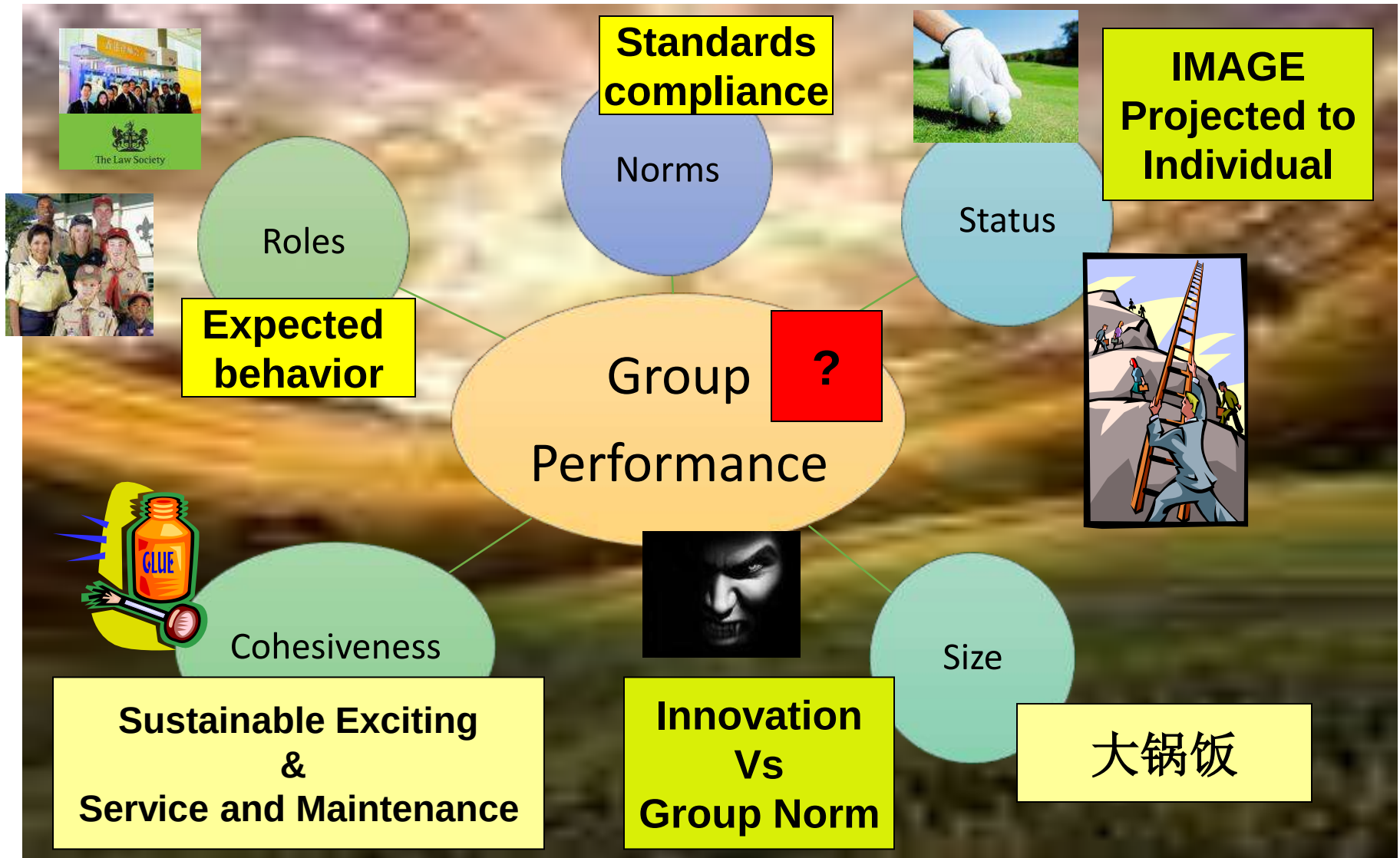
How Team are Developed

- Development Model - Challenges



Team Properties (Promote INNOVATION ?)

> Shape Group behavior > Predict individual behavior



High Performing Team

Which company do you think of when you hear the term ?

Super High Performing Team

Why ?

Video – Most Performing Organization – Focus

Video – A Higher Innovative & Performing Team

Watch Video- Focus the following key area:

1. Leadership Capabilities – LEADERSHIP Roles
2. Create the CULTURE / ENVIROMENT
3. Drive for Team PERFORMANCE
4. Work Across BOUNDARY – COLLABRATIVE – with others

(Share – Key Take Away)

***Leader of High Performance Team
– Drive Higher Quality with
Effective Decision Making in team***

Individual Decision Making – Perception ONLY

□ Problem

- A perceived discrepancy between the current state of affairs and a desired state

□ Perception Linkage:

- All elements of problem identification and the decision-making process are influenced by perception.

□ Individual difference in decision making

- Personality, Gender, Mental ability.....

Individual Common Biases/Errors in Decision Making

- ❑ Overconfidence Bias
- ❑ Anchoring Bias – take early position
- ❑ Confirmation Bias – selective facts
- ❑ Availability Bias – convenient info at hand (recent, vivid)
- ❑ Escalation of Commitment – self promoting (responsible)
- ❑ Randomness Error – selective random events to support
- ❑ Winner's Curse – group pressure (like auctions, No. of people)

Team Decision-Making in Organization

- ❑ Rational Decision Making (Thoroughly Discussed)
 - The “perfect world” model: assumes complete information, all options known, and maximum payoff
 - Diverse view points and vast experience
 - Formal decision-making process (PDCA...), discuss trade-off, evaluation, risk analysis and managed

- ❑ Bounded Reality (Calculated risk ..)
 - The “real world” model: seeks satisfactory and sufficient solutions from limited data and alternatives, and time

Hypothesis

Hypothesis :

Contribution of Team $>$ Sum of Individual

The Quality of Decision of Team

is HIGHER than

The Quality of Decision of Individual

That's WHY we more high performing teams in the organization.

Quality Decision – High Performance Team Leadership - Reflection

- ❑ Hypothesis – proven ?
- ❑ What are key learnings ?
- ❑ How can we apply our learnings back to workplace to build Higher Performance Team ?

Additional Tips - Leadership Behavior

Drive - Sustainable Higher Innovative and Performing Teams

- ❑ Embrace Leadership Capabilities - Leader role in building and sustaining higher performance team
- ❑ Lead teams as ONE Team to deliver significantly higher productivity and quality than average teams willingly with passion
- ❑ Create team culture and environment that greatly enhance the development, growth, innovation, and satisfaction of team members within and also across boundaries with others including outside partners and stakeholder (internal and external) in the team's work.
- ❑ Generate a measurable positive impact on the organization through sustained, exceptional and innovative team performance and ready for disruptive innovation

Lead and Manage Changes



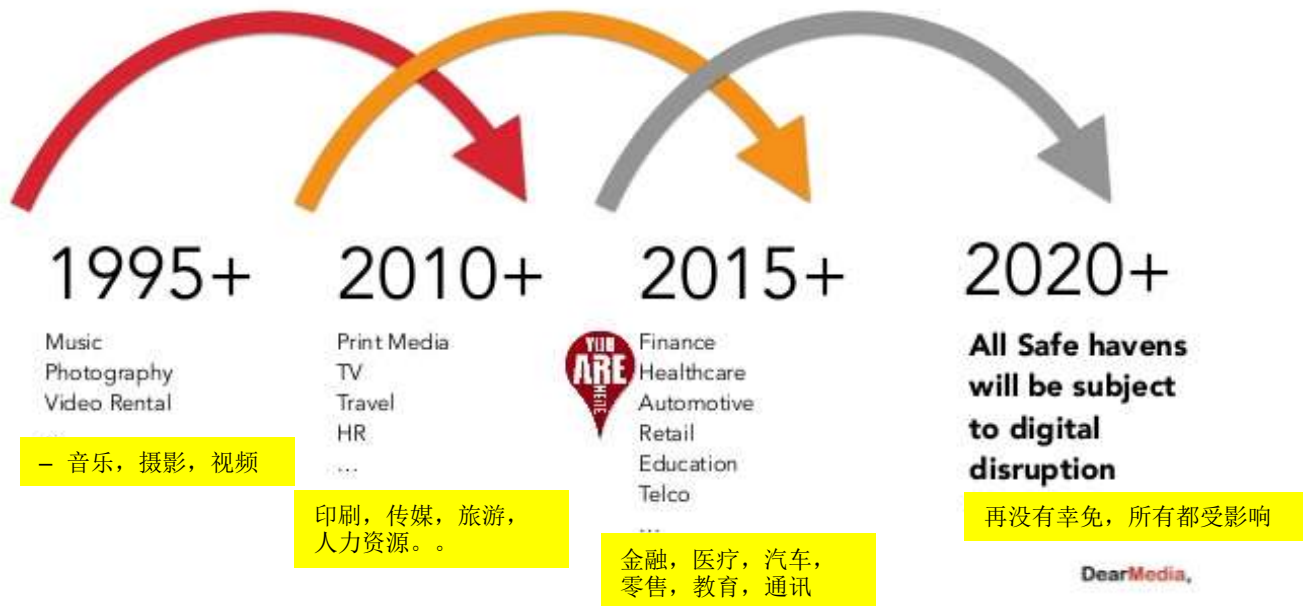
Rate of Changes

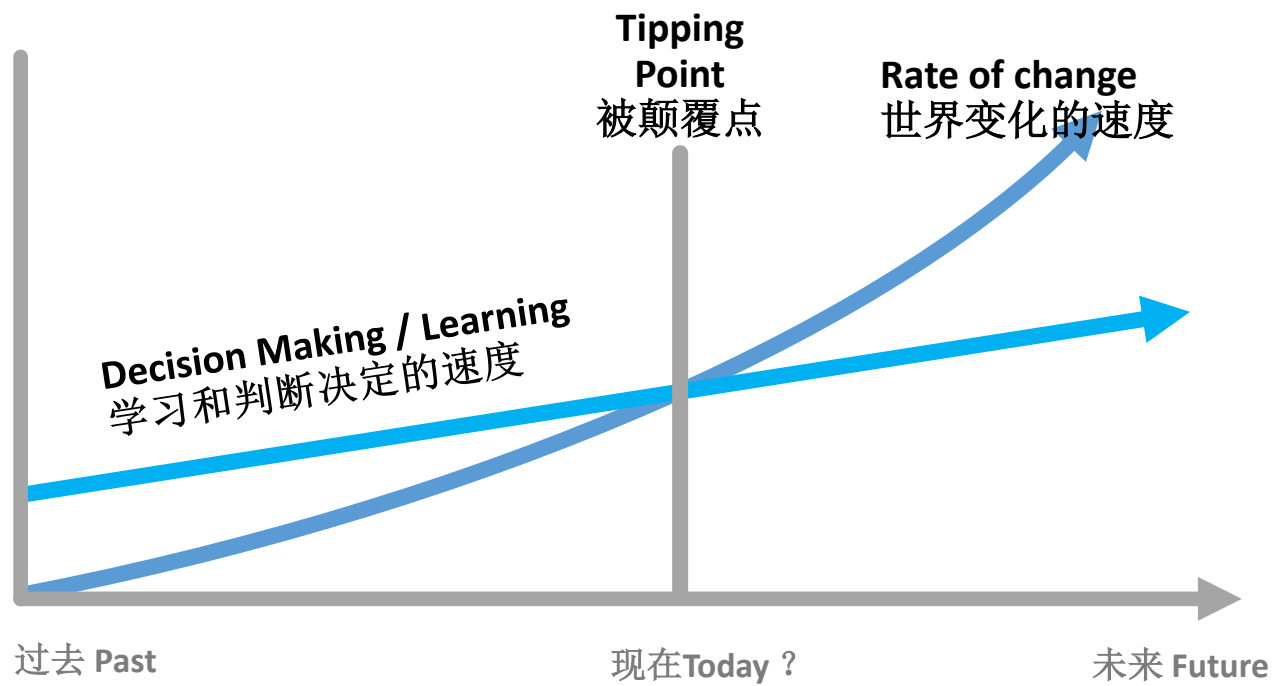
—世界变化的速度

数码趋势：颠覆或被颠覆 - 无处藏身

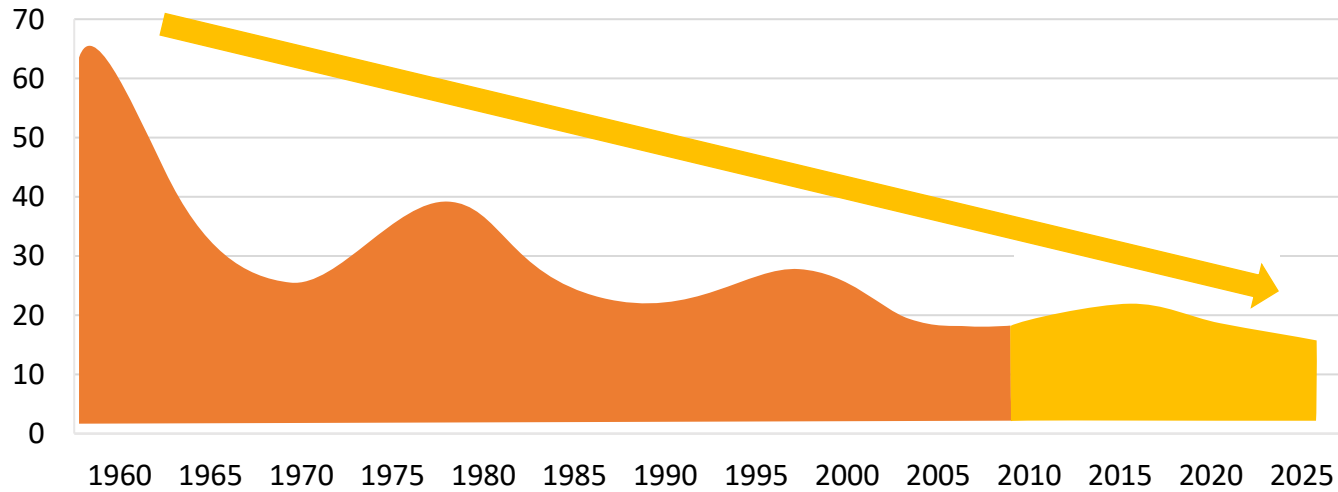
Disrupt or Being Disrupted – NO SAFE HAVENS

Waves of Digital Disruption





S & P 500



Source: INNOSIGHT/Richard N. Foster/Standard & Poor's



Challenge to Today's Leaders on SUNSTAINABLE INNOVATION : Leading today's business improve existing product/service/biz model and leading innovating new disruptive product/service/biz model for tomorrow success

Challenges – CHANGE - INNOVATION

Who should be responsible for **CHANGE = INNOVATION** in workplace ?

What is our Roles / Responsibilities as a champion of Innovation ?

How can we be “Champion of Innovation”?

Roles / Responsibilities of Champions of Change and Innovation

Any Additional Roles / Responsibilities of the Champion of INNOVATION

www.menti.com

1. Drivers of change / Trend Setter
2. Corporate Mission / Value advocates
3. Proactive Problem Solver (Today & Future Problems)
4. Strategy translators
5. Multiplier
6. Bridge of change
7. Role model
8. Performance consultants
9. Risk-takers
10. Out-of-the-box thinkers
11. Others _____ ?

“We consider ALL Employees
to be *champions of*
change / innovation.”

Change drivers

Visionary & Innovative - Challenges

How can we be a VISIONARY

Champion of Innovation?

Observe the TRENDS and Vision to Future

Macro Changes - 7 Key Trends affecting global business & organizations

1. Technology Changes - Disruptions
2. Globalized Competition
3. Continuing Cost Pressure (Manufacturing)
4. High-Speed Market change
5. Knowledge Capital Increasing critical
6. Speed / Scope - Mobility - Human, Capital
7. Speed and Scope of Change - Extremely fast

AI, Robotic, Big Data, Machine Learning, VR, IoT, Nanotech, Quantum, 4D printing, 5G, Biotech/DNA, Block-chain.....

2020 - How the world changes ? Work Place ? Do you know ?

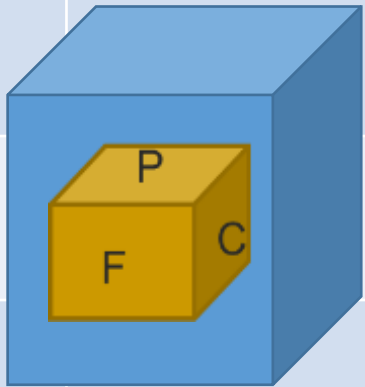
<https://www.youtube.com/watch?v=Y9FOyoS3Fag>

**What are the Leadership Skills required to WIN Today and Future ?
Elon Musk (Role Model ?)**

Exercise – Trend Analysis

Part I – the Selected PCF World of the BIGGER world

12-15
mins

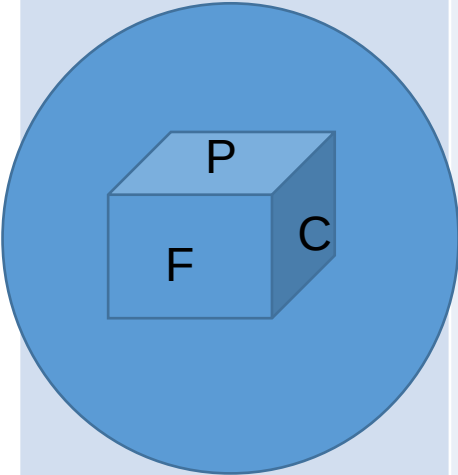
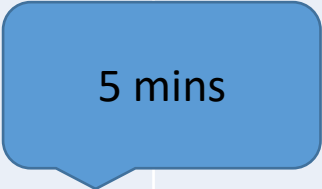
Trends	Before 2010	2011 - 2018	2025	Sustainable Trends (2020 onward)
Past (P)	Starts			
Current (C)	X			
Future (F)	X	X		

What are the trends starts (P, C) that will sustain and still continue to be going strong in 2025 ?

* Tips – be specific, old trends can be broken down into many smaller trends / threads – and some will become strong into 2025...

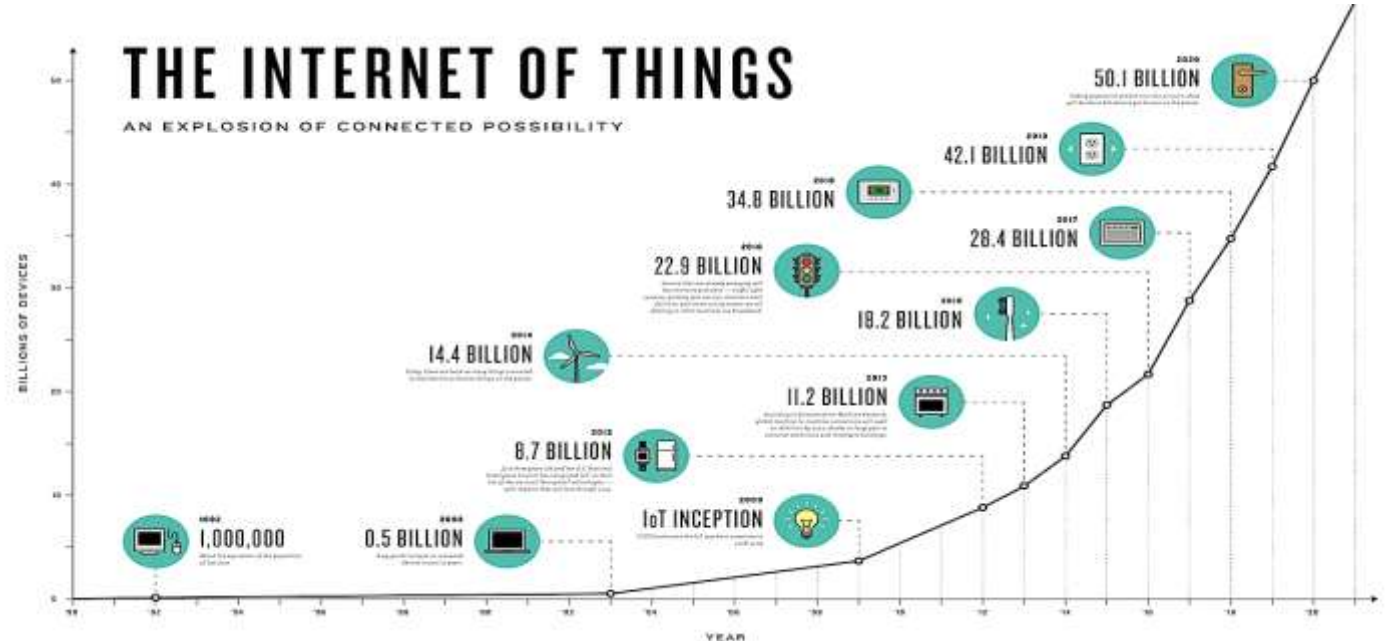
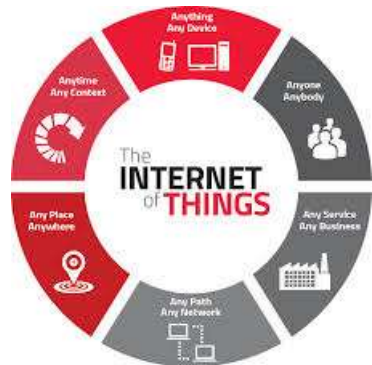
Exercise – Trend Analysis

Part II – Leadership skill required to WIN 2025

Trends	Critical Leadership skill required to sustain as the winner of 2025 Business World	
	Soft Skills	Hard Skills
		

Internet of Things – China > Serve Global

China / Global – consumer-focused internet –
incorporating and transforming into more business-
oriented-consumer Internet – thru Internet of Things
(IoT) – Live in the Mobile Internet-connected world
– Tencet / Alibaba... dominating this evolution..



Internet Economy

– Global - Growth Driver by China (2014-2025)

(source: McKinsey 2014 (McKinsey – China's digital transformation – the Internet's impact on productivity and growth)

Present (2017)

- 832M – Internet users
- 700M – smart device
- US600B – E-tailing
- 4.4 - 6% of GDP of China

Future (2025)

- 7-22% GDP
- Up to 22% China productivity growth
- RMB 610B (USD 95B) – annual saving on health care
- Internet Economy RMB 10 T = Australia GDP !

New Innovative ventures...

Key Big Impact Industries

- Consumer Electronics
- Automobile
- Chemicals
- Financial Service
- Real Estates
- Health Care

Application of Internet of Things as bigger consumer markets / world factory (source – McKinsey 2014)

- ❑ B2B / B2C : global and local consumer markets:
Big Data - Information and analysis – New Biz Models
 - Tracking Behavior – monitor behavior of people, things or data thru space and time
 - Enhanced situational awareness – achieve real time awareness of physical environment - GPS
 - Sensor driven decision analytics – assist human decision making through deep analysis and data visualization
- ❑ Optimizing Operations - Manufacturing:
Automation and control
 - Process Optimization – automate control close system
 - Optimize resource consumption – sharing
 - Complex autonomous systems – traffic – car..

McKinsey :IoT–potential opportunities (value creating)

Setting	Description	Examples
Human	Devices attached or inside human body	Device (wearables / ingestibles) – monitor / maintain human health wellness, disease, fitness, higher productivity
Home	Residential	Home controller / security
Retail	Spaces – consumer engage in commerce (O2O)	Stores, banks, restaurants, arenas – self-checkout, in store offer, inventory..
Offices	Work spaces	Energy mgt, security, productivity improve, mobile employees
Factories	Standardized Production space	Production line, hospital farms – operating efficiencies, optimize eqpt / inventory, preventive
Worksites	Custom-design production space	Mining, oil / gas, construction – operation eff. Predictive maintenance, health & safety
Auto-mobile	Moving vehicles	Vehicles – car, trucks, ships, plane, train – condition base maintenance, usage-base design, pre-sales analytics
Cities	Urban environment	Public spaces, infrastructure – urban setting/plan, adaptive traffic control, smart meters, environmental monitoring, resource mgt, terrorist alert..
Outside	Between urban and outside other settings	Outside use – railway, autonomous vehicles (outside urban locations), flight navigation, real-time routing, connected navigation, shipment tracking...

Discussion – what are the challenges for Leaders - the Era of Innovation / changes / Internet of Things

- ❑ **Human Innovate the Future, AI works on the Past** - Proactively Innovating – Enable AI to substitutes all existing human works possible, human focus on create future using innovative mindset, new ways to do OLD/NEW things, then AI to substitute....
- ❑ **Restructure / Re-alignment the whole organization to IoT**
 - Integrate Info & tech to empower all business functions – design/adaptation to excite consumer experience and build loyalty
 - Silo ? Restructure, adaptability of staffs, political...
- ❑ **Overcoming interoperability & analytics hurdles** – Interoperability (strategies using IoT data in an effective ways) – compatibility and flexibility – what kind of data ?
- ❑ **Riskier cyber security** - Thieves, hacking, continuity
- ❑ **New Management Challenges** – Leadership / Management in managing a AI-driven organization – People + “half-AI-people” and “Full AI-Robotic” workforces.

Leading Changes / Innovate

□ Agenda And Objectives

- Leading Change
 - ⑩ Understanding change – productivity dip
 - ⑩ Reactions to change
 - ⑩ Stakeholder analysis
 - ⑩ Accelerating the change

Change / Innovation – Must change – promote innovation



What reasons have you
heard for why people
don't CHANGE ?

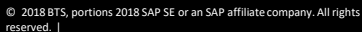
Which Age Group – are most creative and innovate – to change ?

Why ?

What do they well ?

How about Adult Group ?

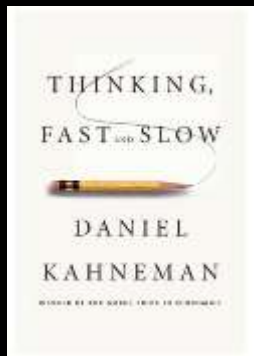
What do they well ?







Fear is more powerful, neurologically



“Losses are 2X as psychologically powerful
as equivalent gains”

Dealing with Emotional Reactions to



Understanding the change responsiveness

Group Discussion

- Work within your groups at the table
- Capture your thoughts on flipchart
- Discuss the following questions:
 - Why is the change more difficult for some people than for others?
 - Consider internal and external factors, past experiences, expected impact and the scope of the change itself
 - Share your thoughts with the larger group considering how F3 will ask for change

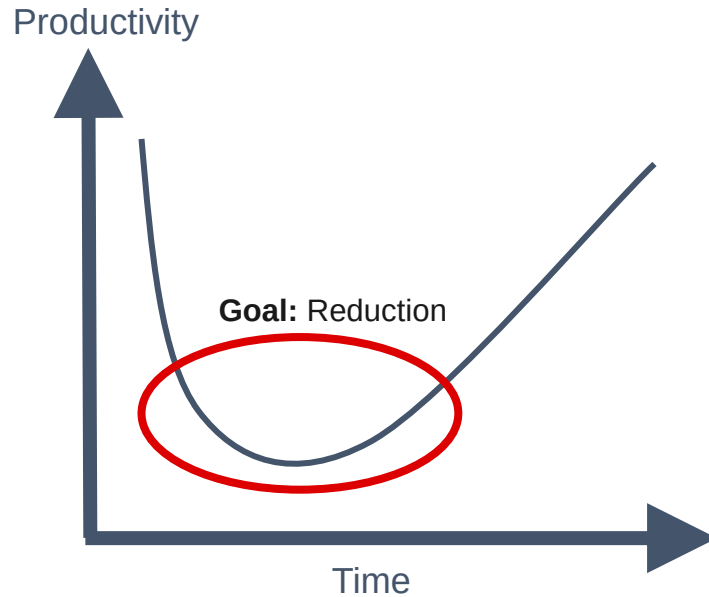
You have got 10 min. to complete these tasks – **GO!**



The Productivity Dip

Impact of change on productivity

The Productivity Dip



- Productivity drops when we move from „**former**“ to a „**new way**“ of working.
- It is our job as leaders **to reduce** the **length** and **depth** of that dip.

Not machines, but people

The Productivity Dip

- ❑ The productivity dip relates to **reduced efficiency** and **effectiveness** during times of change
- ❑ However the productivity dip does **not relate to Biz results** or achievements
- ❑ What has the **biggest impact** on the depth and length of that dip?

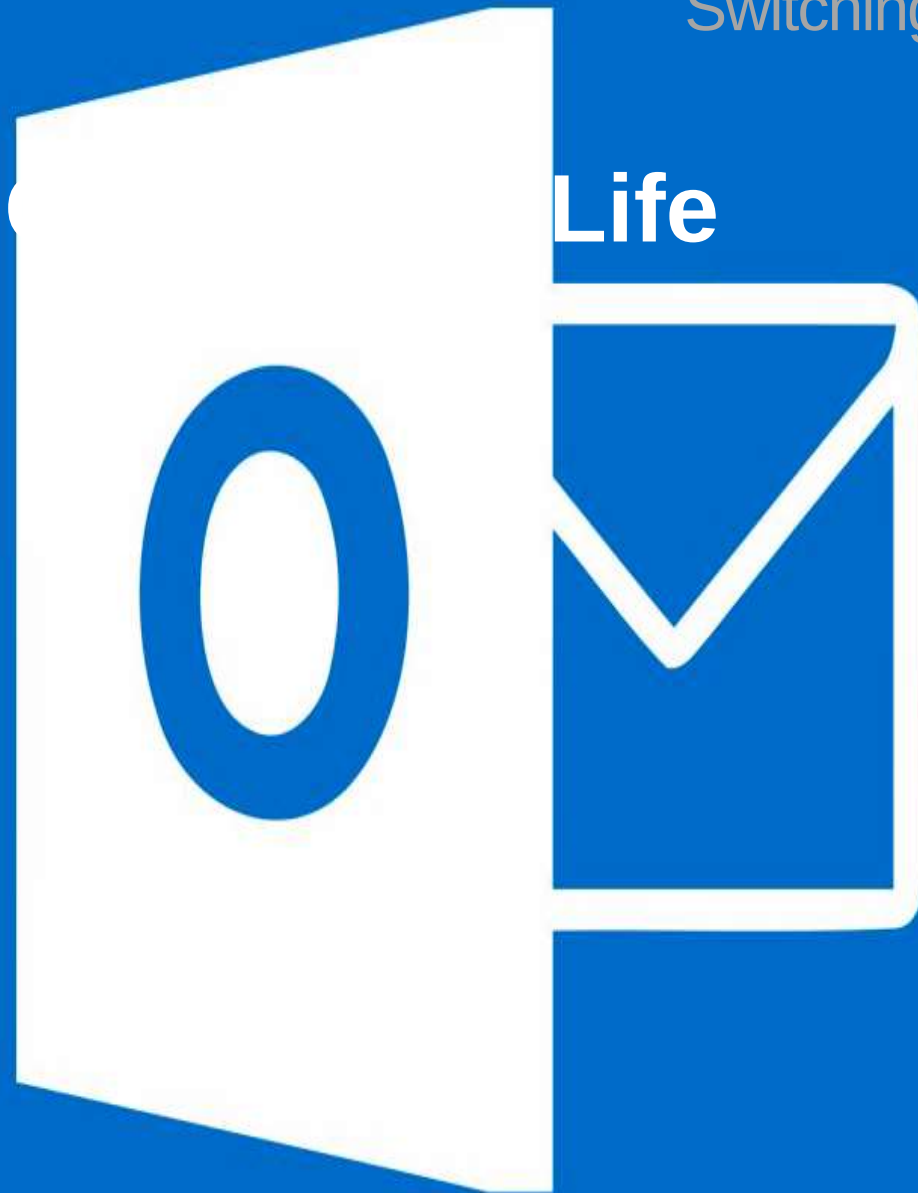
Any KEY CHANGES in Life ?

Any examples ? Sharing ?

- ▣ How did you feel ?

- ▣ How did you handle ?

Switching to Outlook



Life

Microsoft®
Outlook

Phases we go through

Changes in Life



- How does that change look?
- What will happen over time?
- Which phases will you go through?
- How does your „productivity line“ look like?



- How does that change look?
- What will happen over time?
- Which phases will you go through?
- How does your „productivity line“ look like?



Working with a tennis coach

- How does that change look?
- What will happen over time?
- Which phases will you go through?
- How does your „productivity line“ look like?

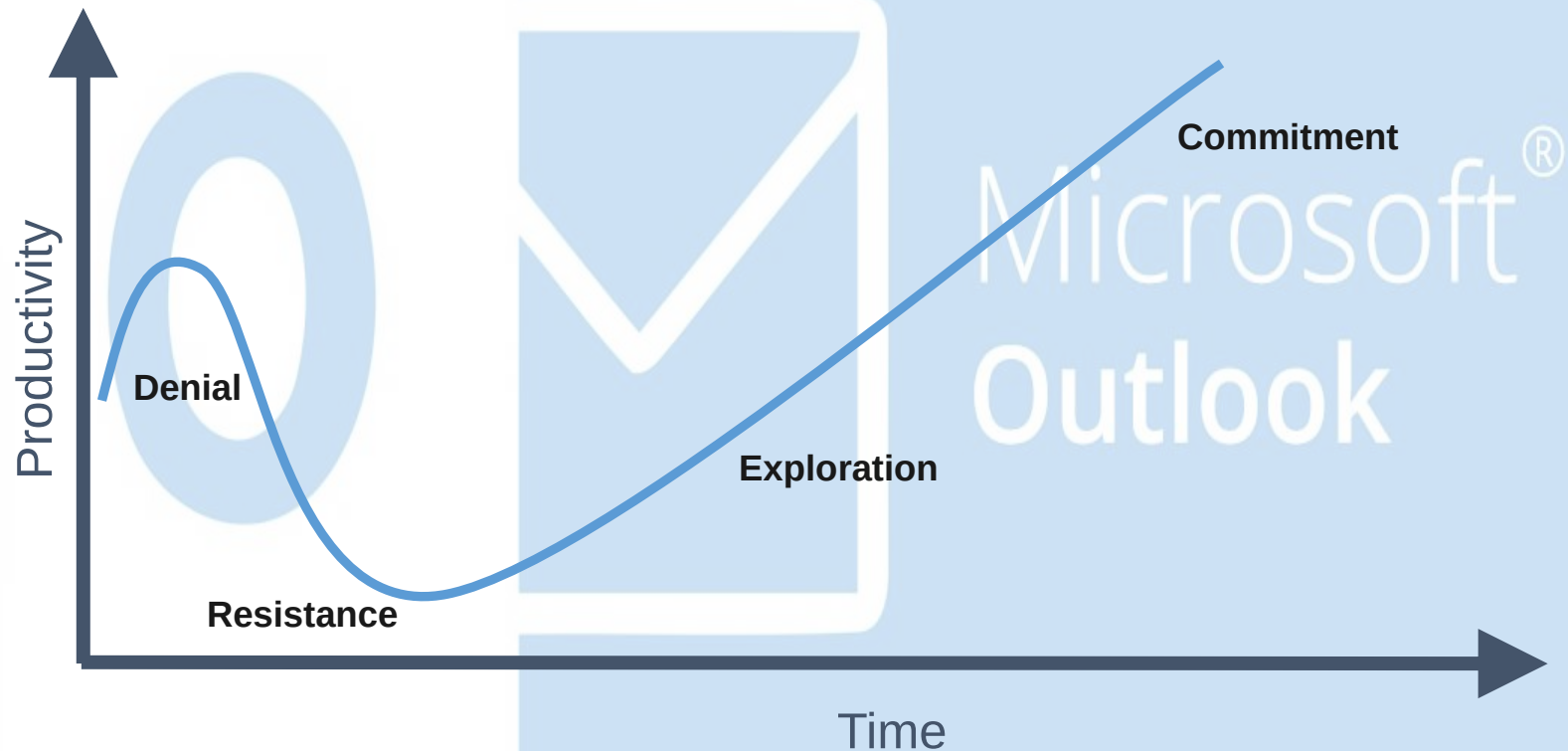


Getting a new cell phone

- How does that change look?
- What will happen over time?
- Which phases will you go through?
- How does your „productivity line“ look like?

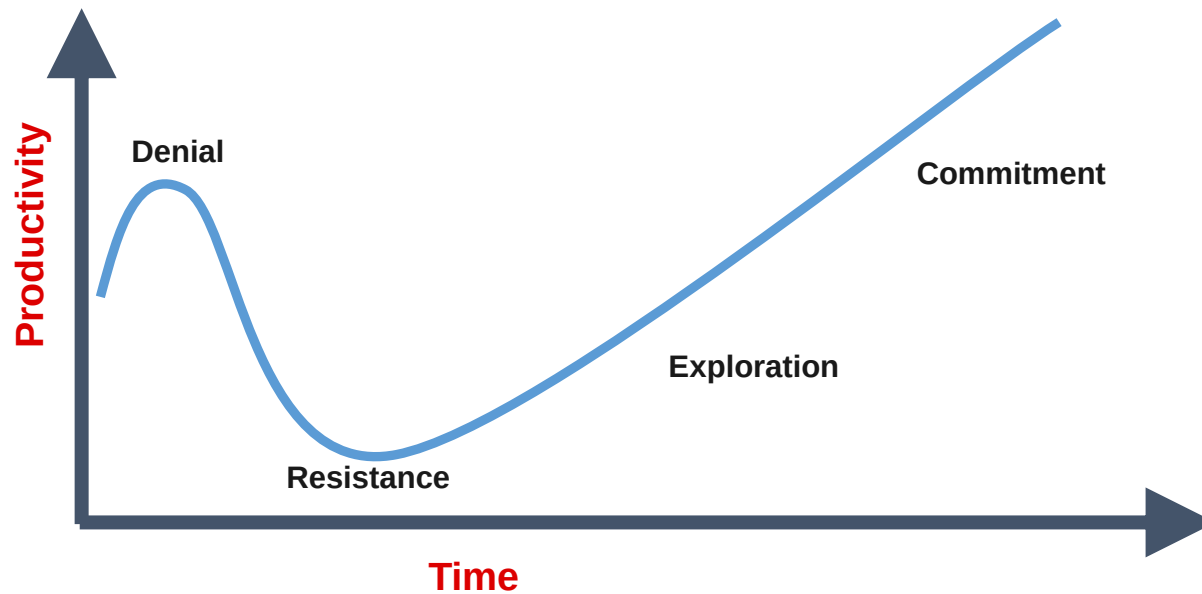
Changes in Life

Switching to Outlook / iOS – New computer system



Reaction on Change

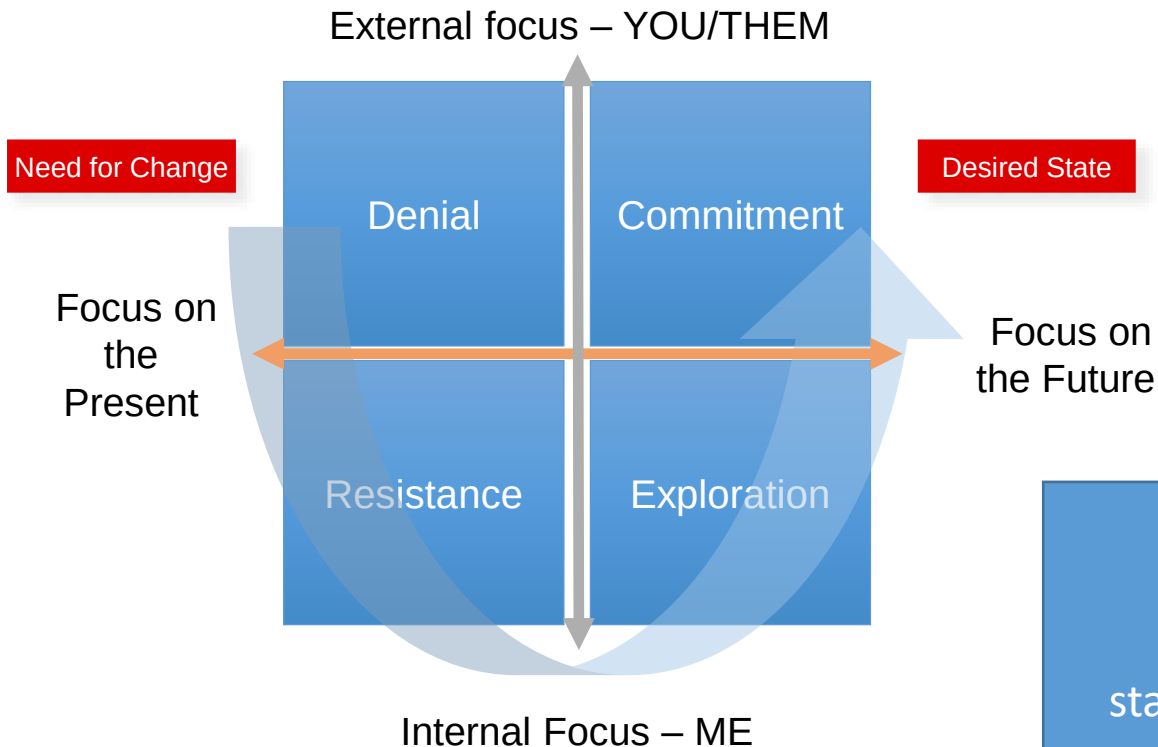
How we react on change



The Change Response Framework

03

The Change Response Framework



What are typical statements in these 4 stages ?

The Four Phases of Change

Understanding the differences



DENIAL of F3

Is a defense mechanism towards F3

People avoid acknowledging that F3 is here to last and will bring major change



RESISTANCE towards F3

People acknowledge the F3 change but don't accept it

Also known as the "Anger Phase"



EXPLORATION of F3

People start to discover F3 advantages and find ways to accomplish the F3 change

Also know as the „Compromise Phase“



COMMITMENT to F3

People have accepted the F3 change

People are fully aligned with everything the F3 change will bring to their lives

How to Deal with Emotions?

Stage 1 – Shock and denial

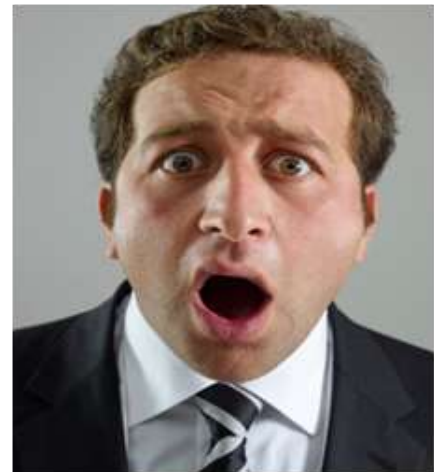
The shock is often due to:

- lack of information
- fear of the unknown
- fear of looking stupid or doing something wrong

Common feelings include:

- being comfortable with the status quo
- feeling threatened
- fear of failure

At this stage, communication is key. Reiterating what the actual change is, the effects it may have, and providing as much reassurance as possible, will all help to support individuals experiencing these feelings.



How to Deal with Emotions?

Stage 2 – Anger and depression

Common feelings include:

- Suspicion
- Scepticism
- Frustration

Depression period can be associated with

- Apathy
- Isolation
- Remoteness

Reassure them acknowledge that others are experiencing the same feelings, that the emotions are usual and shared, and this can help to develop a more stable platform from which to move into the final stage



How to Deal with Emotions?

Stage 3 – Acceptance and integration

Thoughts of:

- Exciting new opportunities
- Relief that the change has been survived
- Impatience for the change to be complete

Feelings now include:

- Acceptance
- Hope
- Trust

Individuals will respond well to being given specific tasks or responsibilities, communication remains key. Regular progress reports and praise help to cement the more buoyant mood. May return to an earlier stage if the level of support suddenly drops.



The End

