

How Agility Matters: Evidence from 1,078 Leaders

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In war more than anywhere else things do not turn out as we expect. Nearby they do not appear as they did from a distance ... a general in time of war is constantly bombarded by reports both true and false; by errors arising from fear or negligence or hastiness; by disobedience born of right or wrong interpretations, of ill will, of a proper or mistaken sense of duty, of laziness, or of exhaustion; and by accidents that nobody could have foreseen. - Carl von Clausewitz, famed Prussian general and military theorist, 1780-1831 (On War, p. 193)ⁱ

Imagine taking Clausewitz's quote above and replacing the word "war" with the name of your organization. Then replace "a general in time of war is" with "we are."

With a little thought, this quote from about 200 years ago likely sounds something like your day at work. Our research and experience working with executives suggests that it probably does. Competing initiatives, murky strategic priorities, shifting customer preferences, technological advances and managing the unexpected have become normal for today's leaders. And apparently agility—which is really what Clausewitz was talking about when he described the need for a form of flexibility that's disciplined by focus and speed—mattered to military commanders centuries ago.

So if you're wondering if agility will remain relevant and have staying power, we have an answer. That's easy. Agility will remain important for about the next 5 billion years, when our sun will expand and envelop earth's orbit.ⁱⁱ

The truth, of course, is that thriving as a leader and as an organization depends on the ability to sense and respond to the external environment—an environment fraught with shifting realities and ambiguity.ⁱⁱⁱ We're finding that the question of "why agility matters" isn't that difficult to answer. In fact, we're finding it increasingly the case that top leaders come to us knowing that agility matters. That's a given. Instead, they come to us for specific guidance regarding how to transform themselves, those around them and their entire organizations into agile entities.

A valuable question to ask, then, is "how" agility matters. Knowing that provides critical insights into the ways in which we assess and develop agility in ourselves and our organizations. And in the sections that follow, you'll find an overview of agility and its supporting processes. That section provides the context for understanding both how we conceptualize agility and how we measure it. Next, we'll focus on what we found when we analyzed data gathered from 1,078 leaders using one of our assessments. The final section deals with distilling those findings into specific lessons learned and action steps to consider.

The Specific Nature of Agility

In our experience, agility demands competence in a number of specific capabilities as outlined in The Agile Model®. Those specific capabilities stem from multiple disciplines of academic research, best practices from numerous organizations and industries, and our practical experience in determining what matters and what works. And over the years we've developed a portfolio of assessments that allow leaders to understand their agile capabilities, along with the capabilities of their teams and even the organization overall. Such measurement provides leaders with the opportunity to make course corrections on an ongoing basis.

But all of that measurement truly comes from one foundation. Even though, for example, we use different assessments for leaders, teams and whole organizations, all of them use the five drivers of The Agile Model® as a foundation. This is a unique aspect of our approach, and it's important because it clarifies what we're talking about when we talk about agility.

Agility is, as our colleague Tom O'Shea says, "Learning to surf." It's about being able to deal with one's reality in such a way that people aren't surprised as frequently. It's about sensing weak signals of fluctuating circumstances quickly and making the appropriate course corrections needed to stay upon the surfboard.

In this manner, agility matters at the individual, team and organizational levels. The only aspect that changes is the nature of the environment and the goals. For example, the environment for an individual leader involves both the leader's critical tasks and the people around him or her through which work must get done. The environment for the team and organization is broader. For example, at the broadest level, the organizational environment for a large multinational corporation involves not only the organization's customers, suppliers and competitors. It also involves, though, geopolitical concerns across nations, risks posed by conflict and more.

The Agile Model®

Learning to surf involves a host of behaviors that support 15 specific agile processes. We've categorized those into five drivers within The Agile Model® as listed below.

- **Anticipating Change:** Requires effective processes for *Visioning, Sensing* and *Monitoring*
- **Generating Confidence:** Requires effective processes for *Connecting, Aligning* and *Engaging*
- **Initiating Action:** Requires effective processes for *Bias for Action, Decision-Making Capability* and *Collaborating*
- **Liberating Thinking:** Requires effective processes for *Bias for Innovation, Focusing on Customers* and *Idea Diversity*
- **Evaluating Results:** Requires processes for *Creating Expectations, Real-Time Feedback* and *Fact-Based Measures*

An in-depth discussion of each process and driver is somewhat beyond the scope of this conversation. But it's important to note that we've always strongly believed that each of the drivers is important. That is, over-reliance on any one of them will result in less agility than a balanced strength across all five. For example, if a leader focuses entirely on Liberating Thinking but never Evaluates Results, innovation will likely be inefficient. Novel solutions may emerge, but will they be useful? Will they be directed toward what's needed by the organization? How do we know that they're working?

Similarly, if a leader or organization focuses entirely on Generating Confidence but never Initiates Action, goal accomplishment will likely suffer. Connecting, aligning and engaging one's team is critical, but without a spark to make progress, the team won't live up to expectations.

So, we wondered, is there a way to take a fresh look at the data and see whether all five drivers really matter? Could we tell quantitatively, using statistics, whether the drivers were different? And what might those findings tell us about the future of building agile capacity in leaders and organizations?

Our Research Questions

In thinking more about how we can continue to refine our knowledge of the science and practice of agility, we decided upon the following research questions, keeping in mind the nature of the data available for analysis. In particular, we wanted to know:

1. Do people tend to rate themselves equally in competence across the five drivers within The Agile Model®, or do they tend to be stronger on specific drivers than others?
2. Are there differences in how people in Western cultures rate themselves versus people in Asian cultures?
3. What can we learn from the highest and lowest rated 15 agile processes?
4. Is the way we're measuring the five drivers reliable? Are the five drivers related to each other yet distinct?
5. Do the five drivers relate to relevant outcome measures such as speed of decision making, creating employee engagement, creating customer satisfaction, managing change and sensing and responding to patterns and trends? If so, how? And are there drivers that seem to dominate the others in importance?

6. Being focused, fast and flexible is important for many reasons, but do organizations that exhibit these characteristics also have better financial performance?

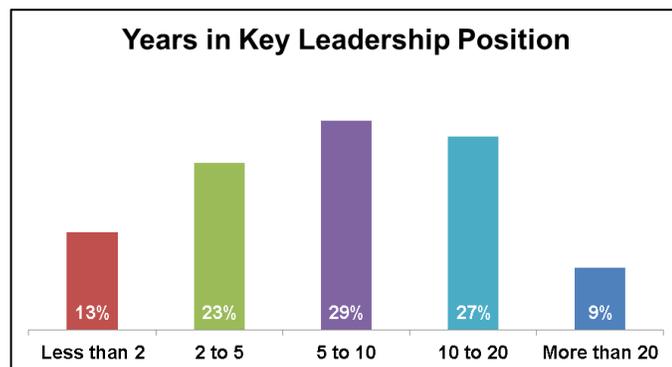
Although our data aren't perfect—we couldn't for example, survey everyone within a specific organization or obtain ratings of their performance from others around them—the numbers we have on hand do allow us to shed considerable light on these questions.

What the Data Say

At the level of the individual leader, the assessment we developed and have used with thousands of leaders is the Leadership Agility Profile™ (LAP). We've used the LAP™ to coach executives, to develop leaders in specific workshops, and to promote leadership agility within larger leadership development efforts.

In 2006, we developed a workshop titled “Strategic Agility and Resilience: Embracing Change to Drive Growth” for the American Management Association®. During the workshop, which also includes an in-depth exploration of The Agile Model® and how it relates to creating focused, fast and flexible leaders and organizations, participants review their LAP™ self-assessment results. The LAP™ measures all five drivers within The Agile Model® through a series of 75 items. We also include in this particular version of the assessment a handful of informative questions related to leadership agility and perceptions of the organization.

From these data, we analyzed a recent sample of responses from 1,078 leaders, of whom 579 were based in the United States and 499 were based in Japan. The leaders varied widely in industry (e.g., government, manufacturing, pharmaceuticals, health care, energy, etc.) and function (e.g., operations, sales, finance, research and development, human resources, etc.) and were relatively experienced leaders, with 65 percent reporting at least five years in a key leadership position.



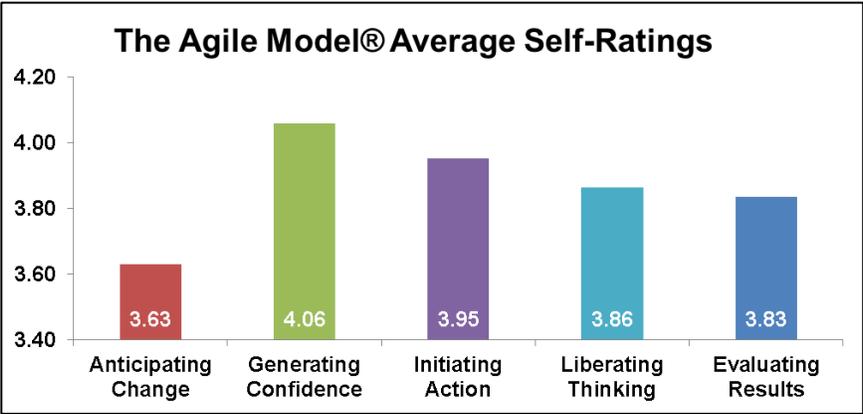
Inside the LAP™

The 75 items in the LAP™ assess the behaviors associated with each of the five drivers within The Agile Model®: Anticipating Change, Generating Confidence, Initiating Action, Liberating Thinking and Evaluating Results. Each of the five drivers, however, comprises three sub-elements, or processes.

Leaders take the LAP™ through an online questionnaire-style assessment. Calculating the average score across specific groups of items allows us to determine a specific score for each of the 15 processes; calculating the average scores of these items within each of the five drivers reveals larger trends within the data.

Question 1: Do people tend to rate themselves equally in competence across the five drivers within The Agile Model®, or do they tend to be stronger on specific drivers than others?

At the driver level across all respondents in our sample, the average score for Anticipating Change was the lowest and the average score for Generating Confidence was the highest as displayed below from a scale of 1 (lowest) to 5 (highest).

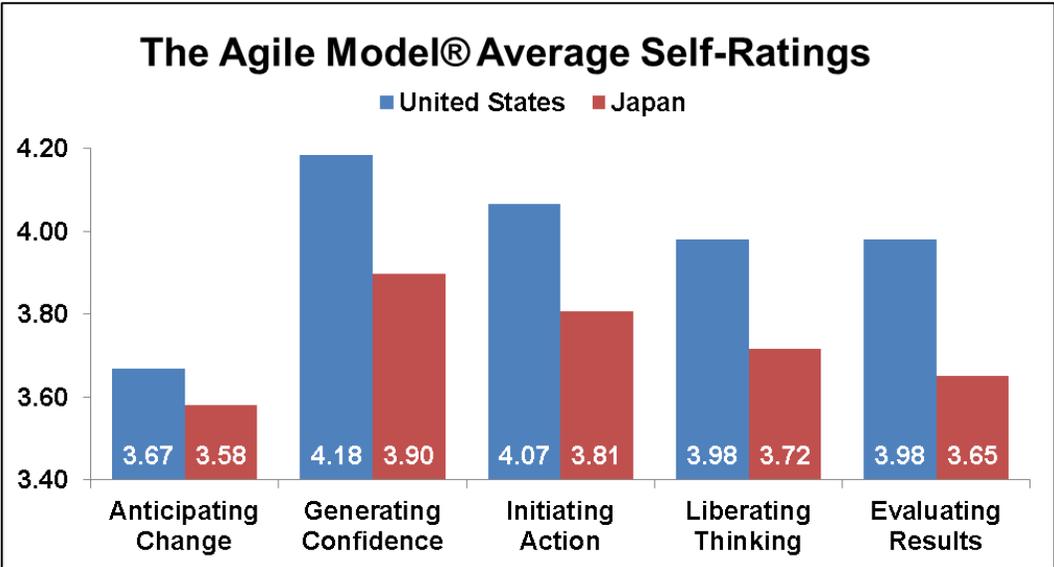


Although self-ratings of agility did not differ in a meaningful way across leaders from specific functions or industries, we did find small but statistically significant positive correlations (.11 to .16, $p < .001$) between years in a key leadership position and ratings of the five drivers within The Agile Model®.

This means that those with more years of key leadership experience tended to rate their agility slightly higher than those with fewer years of key leadership experience.

Question 2: Are there differences in how people in Western cultures rate themselves versus people in Asian cultures?

Given that we had a conveniently cross-cultural sample, we wanted to see whether leaders in the United States tended to rate themselves differently than Japanese leaders. Across each driver, as displayed below, U.S.-based leaders' self-ratings were higher than Japanese leaders' self-ratings. All differences are statistically significant at the $p < .001$ level.



What we find interesting is not necessarily that leaders from these two countries and cultures tended to rate themselves differently. What's interesting is that the trends are exactly the same: Regardless of country, leaders on average rated their abilities in Anticipating Change as the lowest, followed by Evaluating Results, Liberating Thinking, Initiating Action and Generating Confidence as the highest.

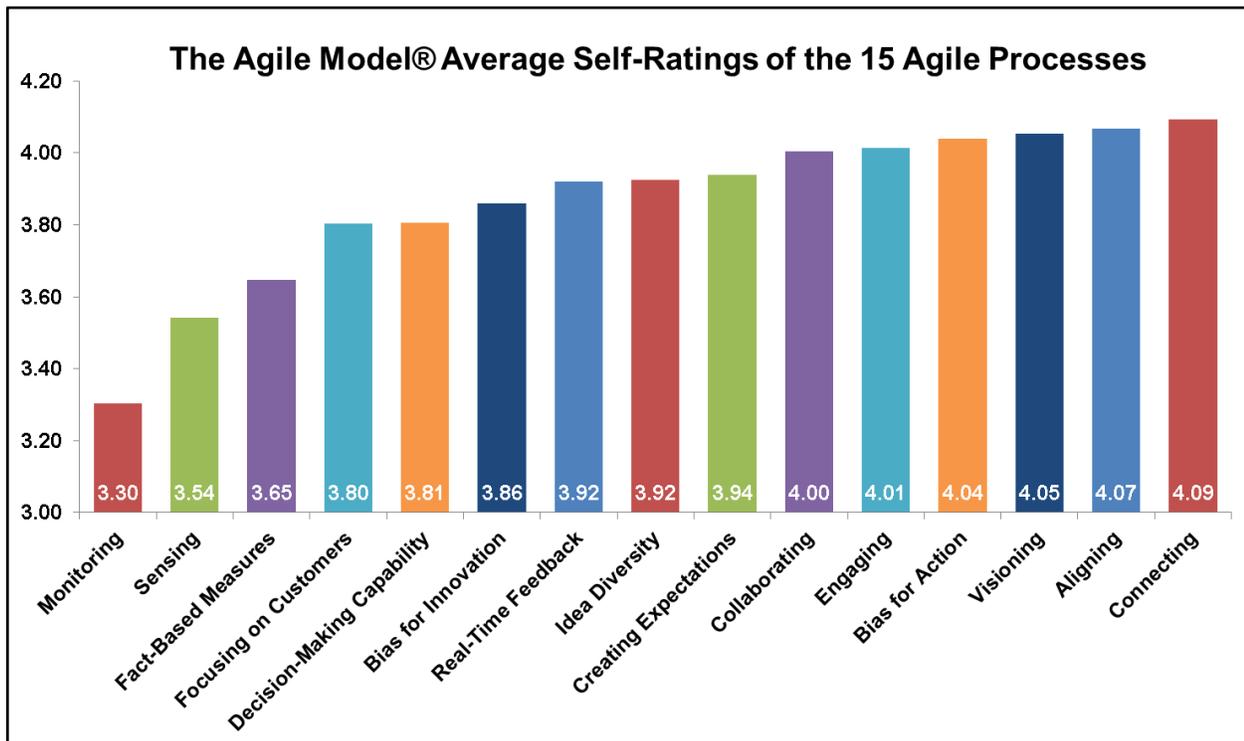
Such findings suggest a need for continued emphasis on certain areas of The Agile Model®—particularly Anticipating Change and Evaluating Results—in order to increase overall agility.

Question 3: What can we learn from the highest and lowest rated 15 agile processes?

Our findings regarding trends at the driver level are interesting; however, we wanted to dig deeper. In particular, are there particular agile processes among the 15 that people tend to rate as strengths and others they tend to rate as weaknesses?

As a reminder, the 15 agile processes are sub-components of the five drivers within The Agile Model®. Our analysis reported above showed that leaders rated their abilities in Anticipating Change lower than their abilities in the other drivers. But looking at the data in terms of individual processes could provide additional insight.

For example, we knew that Anticipating Change was at the bottom. But were all of its supporting processes—Visioning, Sensing, and Monitoring—also rated lower than the rest? What else might be part of the picture?



As we expected and as displayed above, two processes from Anticipating Change—Monitoring and Sensing were the two lowest-rated processes. But rounding out the bottom five were Fact-Based Measures (a sub-component of Evaluating Results), Focusing on Customers (a sub-component of Liberating Thinking) and Decision-Making Capability (a sub-component of Initiating Action).

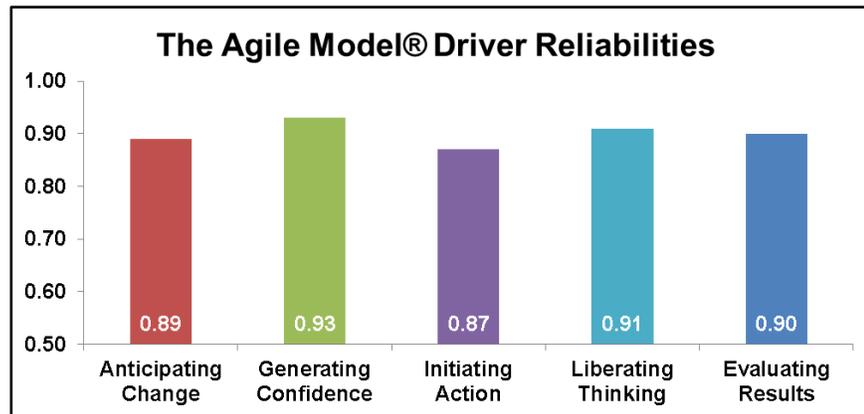
In fact, the remaining sub-component of Anticipating Change, Visioning, was actually among the top three processes, along Aligning and Connecting, which are both sub-components of Generating Confidence. The two remaining processes in the top five were Bias for Action (a sub-component of Initiating Action) and Engaging (the remaining sub-component of Generating Confidence).

Question 4: Is the way we're measuring the five drivers reliable? Are the five drivers related to each other yet distinct?

Although we've previously established that our measurement tools are reliable, it's wise to continue monitoring the internal consistency of survey measures. In the type of measurement done in many surveys and

assessments, the areas being measured are multifaceted. There are many behaviors, for example, that contribute to the overall driver of Anticipating Change.

One of the most common ways to do this for assessments like the LAP™ is to calculate what's called the Cronbach's alpha coefficient. Outlining the theory and math behind that is beyond the scope of this work, but suffice it to say that low Cronbach's alpha coefficients (say, below .70) indicate that the assessment items aren't holding together well—the way in which



people respond to them might suggest that the assessment isn't really measuring just one "thing." On the other hand, higher Cronbach's alpha coefficients suggest a higher level of precision in the measurement. Ideally, these statistics are high but not too high (for example, higher than .95). The reason one wouldn't want an alpha coefficient that's too high is that it would indicate unnecessary repetitiveness in the items. For example, we could construct an assessment that asked you to "Indicate the extent to which you like chicken." If we asked you to respond to the exact same item 10 times in a row, you'd probably answer it the same way each time. The alpha coefficient in that instance would be 1.00.

As displayed, the drivers within The Agile Model® have ideal internal consistency in the data we analyzed from 1,078 leaders, as indicated by the Cronbach's alpha coefficients ranging from .87 to .93. This tells us that our measurement of the drivers is indeed reliable.

But calculating the Cronbach's alpha coefficient doesn't tell us anything about how the drivers relate to each other. For example, are they really all just measuring the same thing, or are they related-but-different? Our prior work and analyses suggest that they are indeed related-but-different, so we expected to find a similar result when examining these data.

	1	2	3	4	5
1. Anticipating Change	1.00				
2. Generating Confidence	0.63	1.00			
3. Initiating Action	0.66	0.79	1.00		
4. Liberating Thinking	0.65	0.70	0.81	1.00	
5. Evaluating Results	0.65	0.76	0.76	0.71	1.00

One relatively simple way to do this is to simply look at the correlations among the drivers. If they're too close to 1.00, that would mean that they are redundant and not distinct. As displayed, the correlations among the different drivers confirm our hypothesis that they would be related but not identical. All correlations displayed are statistically significant at the $p < .001$ level. Therefore, we can

conclude that the elements within The Agile Model® are certainly related to each other. But they're also not so strongly related to suggest redundancy.

Question 5: Do the five drivers relate to relevant outcome measures such as speed of decision making, creating employee engagement, creating customer satisfaction, managing change and sensing and responding to patterns and trends? If so, how? And are there drivers that seem to dominate the others in importance?

The analyses reported above reveal useful information about The Agile Model® and current trends among leaders, but these analyses don't address a critical question: Does one need all five drivers to be agile?

Fortunately, our data are such that we could investigate this more closely. In addition to the 75 items that comprise the LAP™, we asked participants to rate their abilities on a handful of specific behaviors and processes that we consider important outcomes of the behaviors described by The Agile Model®. Specifically, we asked for self-assessments of the following five outcome areas: (1) speed of decision making, (2) creating

employee engagement, (3) creating customer satisfaction, (4) managing change and (5) sensing and responding to patterns and trends.

As we described above, years in a key leadership position correlated positively with ratings of the five drivers of The Agile Model®. Not surprisingly, years in a key leadership position also tended to correlate with ratings of the five outcome areas listed above. Therefore, we wanted to see if a relationship existed between the five drivers of The Agile Model® and the five outcome areas above and beyond any changes that could be attributed to years in a key leadership position.

Not to get overly complicated, but a specific statistical analysis technique (hierarchical regression) allowed us to do just that. It allowed us to tease out the relationship in a more nuanced, scientific way. And what we found was compelling.

Above and beyond any differences in leadership experience, the drivers within The Agile Model® positively relate with these key outcome areas. This provides evidence that the drivers matter, but more importantly, the results suggest that specific drivers may matter more for certain outcomes than for others. In particular:

- For speed of decision making: The five drivers within The Agile Model® together explained 21 percent of the variance above and beyond leadership experience, with Anticipating Change and Initiating Action being significant individual predictors of self-rated quicker decision making. **Interpretation: Anticipating Change and Initiating Action are likely key contributors to making decisions faster.**
- For creating employee engagement: The five drivers within The Agile Model® together explained 32 percent of the variance above and beyond leadership experience, with Generating Confidence, Initiating Action, Liberating Thinking, and Evaluating Results being significant individual predictors of self-rated higher ability in creating engagement. **Interpretation: If you want people who are better at creating employee engagement, Generating Confidence is where you'd want to start in The Agile Model®.**
- For creating customer satisfaction: The five drivers within The Agile Model® together explained 18 percent of the variance above and beyond leadership experience, with Initiating Action, Liberating Thinking, and Evaluating Results being significant individual predictors of self-rated higher ability in creating customer satisfaction. **Interpretation: Customer satisfaction demands a proactive, creative approach and incorporates measurement.**
- For managing change: The five drivers within The Agile Model® together explained 29 percent of the variance above and beyond leadership experience, with Anticipating Change, Initiating Action, and Liberating Thinking being significant individual predictors of self-rated higher ability in managing change. **Interpretation: Managing change requires a combination of imaginative preparation and bias for action.**
- For sensing and responding to patterns and trends: The five drivers within The Agile Model® together explained 32 percent of the variance above and beyond leadership experience, with Anticipating Change, Generating Confidence, Liberating Thinking, and Evaluating Results being significant individual predictors of higher ability in sensing and responding to patterns and trends. **Interpretation: Sensing and responding—key elements of the concept of agility by definition—is a complex process that requires multiple capabilities.**

These findings confirm what we've been finding through our work with executives and their organizations for years. Namely, becoming agile won't happen with a single approach. Instead, it's a coordinated, balanced approach that supports both the mindset and related behaviors required for agility.

Over-reliance on any one driver within The Agile Model® is an incorrect application of it and should be avoided. The musicians among us can think of The Agile Model® like chord, a set of notes that together create something richer, more fulfilling than any one of the parts on its own.

Question 6: Being focused, fast and flexible is important for many reasons, but do organizations that exhibit these characteristics also have better financial performance?

The Agile Model® is a recognized best practice and helpful leadership framework. It has helped thousands of leaders and teams unlock their agile potential.

But we were curious to look at whether our data might reveal any correlation between the outcome of agility—being focused, fast and flexible—and the firm’s financial performance. Theoretically, we have strong arguments to suggest this link. We also have our own experience working with executives and organizations.

Still, we wanted to look deeper. Like any set of data, the one we analyzed here isn’t perfect. And although our LAP™ is a validated instrument, it doesn’t by itself produce the data to answer this question. For that, we turned to a handful of extra questions that we included in the assessments. We included three simple questions that asked each respondent to indicate the extent to which his or her organization is (1) focused, (2) fast and (3) flexible. In separate question, we asked each respondent to describe his or her company’s current financial performance as compared to the past five years (e.g., worse, about the same, better, etc.).

We knew that in analyzing these data for a correlation between the ratings of being focused, fast and flexible and the estimates of financial performance the odds were stacked against us to find anything. We were asking only one member of the organization, which makes the validity of their answer depend upon their knowledge and perspective. We were also asking for an estimate of financial performance, which again depends upon their viewpoint. A precedent does exist, however, to use subjective measures of financial performance when other objective indicators are not available.^{iv}

With these odds against us, we didn’t expect to find anything. We thought that even if we found a small glimpse of a positive correlation between how people responded to these questions that we’d be thrilled. Undaunted, then, we analyzed the data.

It turns out that we did find a positive correlation—not just between, for example, being fast and firm performance—but between all three and firm performance. Likely due to the measurement issues described above, these correlations aren’t huge. But they are statistically significant, and they are in the positive direction. We found a positive correlation between ratings of an organization being focused and ratings of firm performance (correlation of .18, $p < .001$), between ratings of an organization being fast and ratings of firm performance (correlation of .10, $p < .05$) and between ratings of an organization being flexible and ratings of firm performance (correlation of .12, $p < .01$).

Insights and Lessons

The data we analyzed from 1,078 leaders revealed a number of useful insights. The final sections that follow outline some of what we see as the key ways to interpret these findings as well as a list of action steps individual leaders, teams or organizations could find useful in building their own internal capacity to be agile in this turbulent world.

Interpreting the Findings

Anticipating Change is a competency ripe for growth. In looking simply at the average way in which leaders rated their competence across the five drivers within The Agile Model®, we found that Anticipating Change is clearly the biggest area for improvement. Furthermore, we found that two of the three processes that support Anticipating change—Monitoring and Sensing—were the two lowest-rated of the 15 processes overall. This suggests that leaders could use additional support in developing both of these areas, and that doing so would support their development as agile leaders.

The other three low-rated processes—Fact-Based Measures, Focusing on Customers, And Decision-Making Capability—also suggest areas of focus for today’s leaders. Using fact-based measures, for example, requires

an appreciation for the use of data to support decision making—suggesting that this area could be addressed in tandem with decision-making capability. Making decisions based upon data and fact-based measures also requires some technical ability combined with critical thinking skills.

These data also support the importance of focusing on customers, which we're noticing as an increasingly critical capability among our clients as they seek new avenues for differentiation in the marketplace.

U.S.-based leaders tend to rate themselves higher than Japanese leaders. We found significant differences between average self-ratings from U.S.-based leaders when compared with leaders in Japan. We didn't find this surprising. What's meaningful here is that the Japanese leaders' average ratings on the five drivers within The Agile Model® were in the exact same rank order as U.S. leaders' average ratings. This supports the notion that Anticipating Change is the driver about which leaders have the least confidence.

Measurement of the five drivers within The Agile Model® is solid. Examining the measurement statistics and response patterns across the 1,078 leaders revealed reassuring evidence for the instruments reliability. It's an internally consistent assessment, and each facet, although related the others, appears to be distinct.

The five drivers all matter for relevant outcomes. When we investigated how the five drivers within The Agile Model® related to relevant outcome measures such as speed of decision making, creating employee engagement, creating customer satisfaction, managing change and sensing and responding to patterns and trends, we did so using hierarchical multiple regression. That allowed us to hold constant the primary potentially confounding variable in our data—years of experience. Our findings suggest that each driver matters in relation to these outcomes, above and beyond the number of years the person served in a key leadership position.

None of the drivers dominated others in importance. This provides additional evidence for approaching The Agile Model® holistically. Over-relying on any one driver will not produce agility. All five need to be present, and organizations would be well-served by continuing to pay heed to this fact.

Focused, fast and flexible organizations are poised to benefit financially. Despite the odds stacked against us in terms of the limitations of the data we had available, we found positive, statistically significant correlations between the outcomes of being agile and organizational performance. We suspect that these results would be even stronger with enhanced measurement on both ends—more nuanced ratings of being focused, fast and flexible and more objective ratings of financial performance.

We're encouraged by these findings. They further validate The Agile Model® and help us better understand current trends among leaders, based upon what they told us directly through their responses to the LAP™.

Action Steps

So what are some of the actions you should consider based upon our most recent findings? Here are a few:

1. Measure agility. Clearly, being agile matters because it's the focused, fast and flexible leaders, teams and organizations that survive and thrive in this volatile, uncertain, complex and ambiguous (VUCA) world. Our Leadership Agility Profile™ (which produced the data we analyzed and reported here) measures the 75 behaviors, 15 processes and five drivers within The Agile Model®. Also based upon The Agile Model® are the Team Agility Profile™ and Organizational Agility Profile™, which allow leaders to assess agility at the level of the group or organization, respectively.

Beyond our instruments, your organization likely already has metrics that people track. Are they the right metrics? How do they connect to the focus, speed and flexibility of the organization? Measurement determines priorities, bringing the foggy nature of human behavior within organizations into focus.

2. Anticipate change. One of the most prominent aspects of what we found is that the driver of Anticipating Change clearly is an area that requires additional support and focus by leaders in order to become agile. Our Leadership Agility Development Guide™, for example, suggests a number of ways in which leaders can become better at anticipating change, along with suggestions within other agility domains.

For Monitoring and Sensing, it's critical to improve one's ability to use fact-based measures to detect changes in the environment. It's also important to build one's active listening skills because some of the best knowledge about what's going on both in your organization and outside its boundaries comes from your employees. They must feel as though they can share such knowledge, even if it's bad news. Such psychological safety goes a long way in creating an organization that notices and responds to weak signals of danger.

3. Reconsider what constitutes "leadership." Much of what we consider leadership comes from our experiences. We see what works and try to emulate it, we see what doesn't work and try not to do that. That's not necessarily a bad idea, but it doesn't help us when we face entirely new situations.

The VUCA world we face today consists of new situations on an increasingly frequent basis. Therefore, the practices that worked for leaders yesterday may not necessarily work for them tomorrow. Similarly, organizations need to have a healthy wariness of repeating history by simply doing what worked well somewhere else and hoping for the same results.

When we closely inspect the top 15 processes that support the five drivers within The Agile Model®, we find that the top five are, in order from high to low: Connecting, Aligning, Visioning, Bias for Action and Engaging. These are important, and there's nothing wrong with them at all. But they do align more closely with our traditional notions of leadership, particularly in terms of inspiring others and taking action. Again, there's nothing intrinsically wrong with these notions at all.

But by themselves, these processes aren't enough. They will not create agility. We suggest that leadership should continue to focus on these processes. But we would all be well-served to also focus on the less-popular but increasingly important processes of Monitoring, Sensing, Fact-Based Measures, Focusing on Customers, and Decision-Making Capability.

Conclusion

Since 2001, we've been working with leaders, teams and organizations to become more agile. Using data and science to support our work has always been important, and the analyses of data from 1,078 leaders reported here is one example. We hope that these findings provoke thought, conversation and action—continued progress in your agility journey.

ⁱ Carl von Clausewitz, *On War* (Princeton, N.J.: Princeton University Press, 1984).

ⁱⁱ "Yale Scientific Magazine – Q&A: When Will the Sun Explode?," accessed February 4, 2015, <http://www.yalescientific.org/2014/04/qa-when-will-the-sun-explode/>.

ⁱⁱⁱ Nick Horney, Bill Pasmore, and Tom O'Shea, "Leadership Agility: A Business Imperative for a VUCA World," *People & Strategy* 33, no. 4 (2010): 32–38.

^{iv} Gregory G. Dess and Richard B. Robinson, "Measuring Organizational Performance in the Absence of Objective Measures: The Case of the Privately-Held Firm and Conglomerate Business Unit," *Strategic Management Journal* 5, no. 3 (July 1984): 265–73, doi:10.1002/smj.4250050306. ^{iv} Carl von Clausewitz, *On War* (Princeton, N.J.: Princeton University Press, 1984).

Business Unit," *Strategic Management Journal* 5, no. 3 (July 1984): 265–73, doi:10.1002/smj.4250050306