

## Creating an Agile Organization through Outdoor Training

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The average life expectancy of a multinational corporation-Fortune 500 or its equivalent - is between 40-50 years. This figure is based on most surveys of corporate births and deaths. A full one-third of companies listed in the 1970s Fortune 500, for instance, had vanished by now - acquired, merged or broken to pieces. Most corporations die prematurely - the vast majority before their fiftieth birthday. Like individuals who are unhealthy and can expect an early demise, most large, apparently successful corporations are profoundly unhealthy. The members of these organizations do not experience that their company is suffering from low life expectancy. They experience poor corporate health as work stress, end less struggle for power and control, and the cynicism and resignation that result from a work environment that stifles rather releases human imagination, energy and commitment.

Human beings have learned to survive, on an average, for 75 years or more, but there are very few companies that are that old and flourishing. The **Stora** Company, for Example, is a major paper, pulp and chemical manufacturers; it had a character of publicly owned company from its very early beginnings, more than 700 years ago, as a Copper mine in Central Sweden. The Sumitomo Group has its origin in Copper casting shop founded by Riemond Soga in the year 1590. Examples like these are enough to suggest that the natural average life span of a corporation should be as long as two or three centuries. Between the centuries of the age of a Stora or a Sumitomo and the average life-span-whether 12.5 or 40 years there exists a gap, which represents the wasted potentials in otherwise - successful companies. No living species, for instance, endures such large gap between its maximum life expectancy and its average realization.

In the present-day Europe, a sizable number of firms were 200 or more years old. In fact, there are so many such firms in the United Kingdom that they have trade associations, the Tercentenarians Club, which only accepts member companies over 300 years old. In North America - **DuPond, the Hudson Bay Company, W. R. Grace and Kodak** are few companies that have started their journey with the Industrial Revolution. Handfuls of Japanese company traced their origins to the seventeenth and eighteenth centuries and are still thriving. They include **Mitsui Sumitomo** and the departmental Store **Daimaru**. In India we have the **TATAs** and the **Madura coats**. These companies could survive for very long period in, an ever-changing world, because its managers are not only good at the management of change, but these companies exhibit behavior and certain characteristics of living entities as well. Now the question that comes to our mind is: Who and what of a living entity?" **A living entity is the one that is Agile.**

The second question that comes to our mind is "What are the organizations that come under this definition of Agile Organization?" My definition: "**Agile Organization is a firm that exhibits rapidity and nimbleness towards change emphasizing keenness on being lively**".

Agility of an organization is not restricted to the organization like the **Dutch/Shell** who are centuries old. Agility is relevant to all types of organizations - **SAS** has recently changed their airline services concept towards agility and **Dell** computers are an exemplar of an agile organization. However it takes a special set of skills to lead an agile firm. In Agile Organizations, managers are not just those at the top, they take rapid, sound decisions. Everybody has to get used to reorganizing frequently.

The working of an **Agile Organization** is different from traditional business planning and **will have the following five characteristics**:

- Quick to see opportunities
- Shrewd in developing short-cycle strategies
- Able to meet customers' individual needs
- Develop a capable, flexible, project-based organization
- Fast at learning and unlearning

The surveys on "Corporate Births and Deaths" reveals that ***majority of the large corporations who have died prematurely were suffering from learning disabilities***. Knowledge is power - In the present context most of the companies, particularly the companies in Hyderabad are brain-rich companies that cannot be managed in the old asset-oriented Nizam style. Their managers have had to shift their priorities, from running companies, to optimize capital, to running companies to optimize people. People in those companies are the carriers of knowledge and therefore the source of competitive advantage.

The knowledge what I am talking about is being sensitive to the community and the environment. More often than not, an opportunity is born of a crisis, amidst a new threat from the business environment - a new competitor, a trade restriction, a shift in the market place or a rival technology. **An Agile Organization seems to have an innate ability to exploit these crises and turn them into new business.**

The first written mention of the Swedish Company Stora dates from 1288. In those days it was copper a mine based in Dalecarlia, a province of Central Sweden. When it was a mere 270 years old, during the fifteenth century, the company had to fight the King of Sweden to maintain its Independence and identity. Kings throughout Europe, enmeshed in the struggle to establish centralized nation- states were grasping for every penny they could lay their hands on, and their demands threatened the existence of enterprises like Stora. Thus Stora took on a political role within Sweden drawing not just on its leaders' financial resources, but also on significant support from peasant workers in its home base, the province of Dalecarlia. For the employees of Stora, loyalty to Stora Guild superseded the law of the land

and the word of the Master of the Guild weighed heavier than that of a judge.

Over the next several centuries, while it coped with shifting social and political forces, the company continually shifted its business, moving from copper to forest exploitation, to iron smelting to hydro power and eventually to paper, wood pulp and chemicals. Its production technology also shifted - from steam to internal combustion, then to electricity and ultimately to microchip. **Stora was sensitive to the community and the environment around; hence they were able to sustain.** Success of Stora's existence is basically its ability to effect dramatic changes without sacrificing its corporate identity or corporate life in the process. At the same time in the case of American railway companies the Managers failed to perceive effectively when highway for the motor cars were being built along side their tracks in the beginning of the 20<sup>th</sup> century and did nothing. If they had decided to change their core business the way Stora has changed, American railway companies could have entered into motor business as well. In the similar manner, the Western consumer electronic industries fail to foresee Japanese and Korean competitors who could engulf them. I repeat these companies were suffering from learning disabilities. For these companies normally **knowledge based training will not be a panacea** something special to develop their agility need to be given.

There are two types of learning. One is *Learning by Assimilation* - taking in information for which the learner already has structure in place to recognize and give meaning to the signal. *[For example, bank management instantly recognize the signal of an important increases in the interest rate. The bank has all the procedures and structures in place to give meaning to the signal. The institution, at all levels, is ready to digest it-to come to conclusion and to act on it in decisions about deposits, loan transactions, money market operations or any other bank business].* The other type of learning is **Learning by Accommodation**. In this type of learning, you undergo an internal structural change in your belief, ideas and attitude. It is an experiential process by which you adapt to a changing world through in-depth trails in which you participate fully, with all your intellect and heart, not knowing what the final result will be, but knowing that you will be different when you come out the other end. The following are the problems of learning by assimilation:

- They are slow
- They close options
- They depend on learning by experience, instead of by simulation
- They breed fear

Like a **British Airways** pilot, who spend considerable time in a flight simulator, one need to learn to play and play to learn which can be termed as **Learning by Accommodation**. In this type of learning the player is simply experimenting with an object that in some way represent reality. Play is experimenting with the toy that the player accepts as representing his or her reality. This makes the toy a representation of the real world with which the learner can experiment without having fear of consequences.

No doubt, Outdoors training offers you a simulated ambiance, which forces the participant to get, involved in the process, not knowing the learning she or he gains. In typical indoor programs, people are less likely to be forced to engage actively and participate, because they tend to remain within their comfort zones. Outdoor training consists of unique and novel situations; people are forced to break out their old pattern of thinking and to experiment with some unique method (no close options) of problem solving. In outdoor training programs participants are sure that they will not fail, even if they take a wrong decision, instead during the debriefing sessions, they will have an opportunity to introspect: *How, What Why, When, Who and Where resulted the failure.*

In outdoor training, decisions are not made in the old authoritarian manner. Decisions are made through interaction and intuitive reflections by fostering collaborative mental models. Every act of decision-making is a learning process. **Agile organization needs lot more good decision-makers.** The managers employed in these organization need special learning process. They need to play, without fear because the **"best way to learn is through play"**. Outdoor Trainings are conducted in wilderness with limited infrastructure. In other words you are left to face the uncertainties around. These uncertainties awaken the participants to look for innovative opportunities. The urgency to encounter the uncertainties sharpens the skills of the participants to develop short cycle strategies. Group living offers ample opportunity to make the participants to be more sensitive to the needs of his fellow participants - a simulated internal customer.

Generally in Outdoor Training there is no fixed agenda. But every task is presented as small projects. By experimenting with these projects, the participants build a flexible project-based community during the training days. Outdoor training offers risk-free adventures. Offering oneself to expose to the risk, confronting his / her own limitations, the participant learns that he or she is capable of overcoming the situation than what he / she thought of. Can there be any accelerated mode to unlearn and learn than this?

Eric Chia, was then (1988) called the toughest man in Asia] could make Perwaja Steel, Malaysia, an agile organization by exposing his employees to an outdoor training. As a result the company has increased its output three and a half times and with essentially the same equipment it had eight years ago.

FABLAR's intervention with Outdoor Training (OADE) brought about the following changes among the Management Staff of ALSTOM Limited.

- Openness & Sharing .. 7.3%
- Acceptance & Support .. 6.13%
- Team Effectiveness .. 9.62%
- Trust Level .. 13.77%
- Authentic Communication .. 19.35%
- Leadership .. 12.1%

I would like to conclude my message with **the Parable of the Chilean Potato**.

There was a time when the balance of payment of Chile deteriorated to the point that foreign exchange became a problem to the country. The causes seemed clear: Chile could no longer produce its own food (potato is a main staple in the Chilean diet) and had to rely on increasingly on imports. The United States decided to offer a helping hand and dispatched a team of agronomists to study the problem. The U.S agronomists climbed Andes mountain (the region where the potato originated) and looked at the potato fields. Their analysis suggested that more careful selection of seed potatoes; a switch to higher yield varieties and more systematic weeding and cropping of the fields would increase the annual crop by at least 15 percent. Their recommendation was proved to be wrong. The agronomists could not compete with the accumulated local experience, based on thousands of years of potato growing in the Andes.

Chilean peasants based all their lives in the mountains, knowing that a wide variety of terrible things could harm the potatoes. These may be late night frost in Spring or a caterpillar plague in summer. Mildew might destroy the plants before any tubers have formed or winter might come too early. Over the years, each of these calamities has taken place from time to time.

Whenever a new calamity strikes the peasants walk up to their fields and looks everywhere - in the corners, behind the boulders and amid the weeds-for the surviving potato plants. Only these surviving plants are immune to the latest plague. At harvesting time the peasants will carefully dig up the survivors and take the precious potato tubers back to their huts. They and their children may have to go through a winter of famine, but at least they have next year's seed potatoes from which a new start can be made.

India is slowly coming out of the impact of world's recession, but still most of the Indian Corporations hasn't become immune to the dangers of liberalization in the Global village. What **your organization need is: more seed potatoes - the agile managers** who have gained the endurance through Outdoor Training.

**THANK YOU**

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