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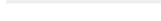
MANAGING BOOKS

# Business lessons from the forest floor

## HARVEY SCHACHTER

From Wednesday's Globe and Mail Posted on Tuesday, May 8, 2012 6:41PM EDT

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The New Ecology of Leadership

By David Hurst

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(Columbia Business School, 346 pages, \$29.95)

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Smokey the Bear is an icon, telling us to keep our forests free of fire with the enduring message, "Only you can prevent forest fires." But Canadian consultant and management educator David Hurst thinks Smokey is a lousy example for managers, because he is perennially preoccupied with stability and desperate to suppress disruption of any kind.

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No, and I don't care

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Forests, after all, need fires to regenerate. It is an ecocycle of life, death and renewal. It starts with the entrepreneurs of the forest – seeds, weeds and migrant saplings – swarming into an open area. That exploration stage is followed by growth through shrubs to mature trees in the conservation stage. Then comes destruction and renewal, as fires or pine beetles, or both, take the habitat back to the start.

It's a cycle of stability and change,

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and one that Mr. Hurst believes is an ideal mental model for thinking about business organizations.

Instead of imagining them as living forever in a static environment, he tells us in his new book *The New Ecology of Leadership* to think of businesses as elements of an ecocycle, with stages of growth, reversal and renewal.

He stresses that the ecocycle is not meant to be a predictive theory, but rather an extended analogy that helps us to see the various possibilities in many challenging situations.

A business organization begins, as a forest does, in an entrepreneurial way. People are free to be

innovative and experimental because they are working in a context of trust – faith, hope and confidence. They take action even if they are unsure of their specific goals or how to achieve them. There is open communication, easy exchanges and frenetic activity.

As the business progresses, managers take over from the innovators. Logic prevails. People climb the ladder of promotion, with which we are familiar, as well as another ladder Mr. Hurst illuminates – that of abstraction.

Entrepreneurs work close to the ground: They pay attention to details and every transaction means something. But as the business grows – with an increasing number of customers, products, geographical districts and staff – managers are forced to rely on aggregated results in financial reports and the reporting of exceptions. It's mushy and abstract; depth and detail are lost. People are no longer treated as individuals, but as things.

The organization becomes larger and larger, entering a third phase. Administrators rule. Power and hierarchy are vital. To remain successful, the company accepts certain constraints on what it might consider doing. So when the world changes, the organization can be caught flat-footed and start to slip from the heights it has attained.

"The approach appears to work and work and work – until one day it stops working," Mr. Hurst notes.

The crisis is followed by three more possible phases of rebirth, which he likens to the Old Testament. In the immediate aftermath of the crisis, the company finds itself in the wilderness; people no longer put their trust in rules and processes; instead, they turn to leaders.

In the second phase, they must make the gruelling trek up the mountain; the leaders must hold together the fragile community-in-the making that is the downsized, reorganized entity. Finally, they reach the Promised Land with, if not milk and honey, certainly more resources and more choice as they escape the hardship of the wilderness.

Mr. Hurst suggests leaders must work to stay in the second phase, maintaining both discipline and the freedom to experiment. The best tack back and forth between order and movement, exploring and exploiting the fruits of their explorations, focused not only on performance but also on learning and changing. In this sweet spot, as he calls it, the company knows how to deliver what it produces – and also knows how to discover new products and services to deliver.

It's all held together by common business tools: management, leadership,



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power and culture. Use them correctly and you can stay in the sweet spot. But if you're ineffective as a manager, things can turn sour.

The ecocycle analogy is an interesting model, an elaboration of what Mr. Hurst laid out in his 1995 book, *Crisis and Renewal*. His model is useful because it shows not only the growth, but also the return to growth. Indeed, the best part of the book is his graphic description of what he faced as a senior manager at Hugh Russel Inc., a mid-sized industrial distributor, when it spun into crisis.

Life cycles of organizations are not new, but it is important to be sensitive to them. The book can be fuzzy at times and lacks practical tips, but it's meant for those who like a thoughtful, eclectic look at organizations.

## POSTSCRIPT

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Measuring Leadership Development (McGraw-Hill, 335 pages, \$43.95), by consultants Jack Phillips, Patricia Pulliam Phillips and Conference Board vice-president Rebecca Ray, explains how to quantify your program's return on investment.

Career coach Pete Leibman, who networked his way into a job with the NBA's Washington Wizards when he was only 21, shares seven steps to create your ideal career in *I Got My Dream Job and So Can You* (Amacom, 246 pages, \$18.95).

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