

***The New Ecology of Leadership: Business Mastery in a Chaotic World***, by David K. Hurst, 2012. Columbia Business School Publishing. 340 pp.

Reviewed by Roberto Biloslavo, University of Primorska.

At a time when a good part of the world is still dealing with the effects of the 2008 financial crisis, the search for alternative and better leadership of groups, organizations, and countries is still extremely important. Different authors and organizations offer a variety of approaches. Some follow the established dogma but emphasize selected components, while others try to build new views (i.e., mental models) by innovatively synthesizing information from the social and natural sciences. David Hurst's book, based on the dynamic concept of bipolarity, follows the latter approach. The concept of bipolarity is represented by the "ecocycle," the ecosystem equivalent of the familiar life cycle. With the shape of an infinity loop, the left side of the cycle represents the organization's ends that emerge from the interests and needs of people responsible for establishing the organization. Here, people and relationships among them matter. On the other hand, the right side represents the organization's means where structures, processes, and procedures matter. From the dynamic point of view both the left and the right poles of the ecocycle represent a threat to the very existence of the organization if it stays within them for too long. The organizations that persist within the left pole are losing their energy in trying to follow too many different paths at the same time. Even if they have a quite clear picture of what they want to achieve, they do not know how to achieve it with available means. On the other hand, the organizations that stay within the right pole for some time become prisoners of their own past strengths that are no longer appropriate for the new external context. Only organizations able to change themselves at the appropriate pace (i.e., in space and time) are free to act and know what to do.

David K. Hurst with his scholarly and practical knowledge of management and leadership based on his long experience as manager, consultant, teacher, and writer is well positioned to make sense of this managerial reality. He was able, based on his prior book, *Crisis & Renewal*, to reflect on the duality of organizational life and propose a feasible approach to its management. Rich with

suggestions and examples, Hurst divides his book into five logical sections:

In part 1, the Dimensions of Change, Hurst presents reasons why we need to change our view of management and leadership from economics to ecologies by way of an overview of the ways in which neoclassical economics has historically influenced business schools around the world. In this section, he stresses the importance of scale in space and time, the importance of context as a product of our sense making of the world, and the difference between declarative and procedural knowledge.

In part 2, the Front Loop: Nothing Fails Like Success, Hurst links the product life cycle with the front loop of the organization's ecocycle. The classical S-shaped curve represents the product as well the organization life cycle from birth through growth to decline. The entrepreneurial stage, characterized by the absence of structure and support functions, is followed by the period of management that seeks to improve efficiency using a variety of data-driven models. In the final stage, the management phase brings into the organization administrators whose major role is to prevent any change as the organization's structures, both physical and organizational, are now its most impressive and immovable features.

Next, in part 3, the Back Loop: From Crisis to Renewal, Hurst develops the concept of the "sweet zone" after emphasizing the need for strong leadership capable of changing the organization's fortune when it is caught in the "competency trap." The sweet zone contains an ongoing dialogue between ends and means. When the new organization is established, it typically has a high consensus on its ends, but low agreement about the means to their realization. As the organization grows in size, it will hire people for their technical expertise and begin to care less about whether they "buy in" to the organization's ends. By the time the organization is large and successful, its ends may have been long forgotten. Now there is consensus on means and little agreement on ends. Within neoclassical economics, the ends can be replaced by "maximizing shareholder value," but without a proper sense of meaning, the organization will invariably be headed for decline and crisis.

Part 4, Staying in the Sweet Zone, has Hurst adopting a practical orientation. This section may be the most important one as it brings to us the third aspect of the ecocycle—a  $2 \times 2$  matrix with

four categories of "navigation" tool: power, management, leadership and culture. The matrix gives us concrete tools that can be used to stay within the "sweet zone." Power tools and settings represent the first category. Power tools are the direct, fine-grained tools that individuals control directly based on their positional power, personality, physical characteristics, or status within informal networks. Hurst believes that when there is little agreement on either where the organization should go or how it is going to get there, power tools become essential. Power tools and settings help move the organization *left or right* and *down*, reflecting the small-scale at which they function effectively.

Management tools and settings represent the second category of tools. These include rules and incentives, which are part of formal systems, such as organizational structures, standard operating procedures, and control systems. They are the essence of the means, the methods that have proved successful in the past, and they represent the embodiment of power in impersonal systems. Management tools and settings help to move the organization *up or down* and to the *right*, reflecting their emphasis on tasks and discipline and the pursuit of *means*.

Leadership tools and settings represent the third group. These tools include images and narratives by which leadership can give meaning to the context in which the organization actually is and to the direction in which it is going. Leadership tools and settings help move the organization *up or down* and to the *left*, reflecting their emphasis on people and purpose and the pursuit of *ends*.

Culture tools and settings represent the fourth and final group of tools. These tools include the often-tacit customs and conventions within an organization that determine how things are done, as well as what is and what is not acceptable in the organization. Culture tools and settings help move the organization *left or right* and *up*, reflecting their ability to function on very large scales.

As a conclusion to his detailed discussion of the  $2 \times 2$  matrix, in his final section, part 5, Hurst summarizes key concepts and provides a brief field guide regarding how to practically use the ecocycle model.

Throughout the book, Hurst provides some interesting starting points to develop what he has labeled "wise leadership." First, wise leaders need to be aware of organizational dynamics to maintain equilibrium that avoids potentially fatal

threats to an organization's existence. Second, wise leaders need to know how to follow both "and" as well as "or" strategies depending on the organizational context and the spatial and time space. Third, the concept of the "sweet zone" can be seen as the wisdom principle of the "golden mean." It means that extremities can breed calamity no matter how attractive they are for our rational minds. Wise leaders need to recognize and make sense of these limits by reflecting on their own practice and experience. They need to both act to be able to think, and to think to be able to act.

Considering current wisdom scholarship, the book brings some interesting ideas but does not add anything considerably new in the conceptual sense. The book is an excellent source of ideas and tools for practicing managers and leaders interested in development dynamics of their organizations. It is a road map for individuals at any level who want to lead by considering the time and scale context of their organization and who believe that neoclassical economics with its emphasis on equilibrium neither represents a proper mental model for solving problems in the modern society nor serves as the foundation for developing proper answers. Another book that these readers could find interesting is that written by Barry Johnson, *Polarity Management: Identifying and Managing Unsolvable Problems* (HRD Press, 1996), which develops some similar ideas to Hurst as they are also based on the concept of the infinity loop. Hurst's book can be also of interest to strategic management scholars even if deep fundamental analysis of the proposed models is missing.

## REFERENCES

- Hurst, D. K. 2002. *Crisis and Renewal: Meeting the challenge of organizational change*. Harvard Business School Press.
- Johnson, B. 1996. *Polarity management: Identifying and managing unsolvable problems*. Amherst, MA: HRD Press.

***Pursuits of Wisdom: Six Ways of Life in Ancient Philosophy From Socrates to Plotinus***, by John M. Cooper, 2012. Princeton, NJ: Princeton University Press.

Reviewed by **David Rooney**, The University of Queensland Business School, Australia.

John M. Cooper's book is important for organizational wisdom scholars and practitioners because it presents a sustained and necessary corrective.