



The Marblehead Letter

October 22, 2001

Cambridge, MA

To: Members of the SoL Community

Re: SoL Leadership Dialogues

When the Society for Organizational Learning (SoL) began ten years ago as the Center for Organizational Learning at MIT, leaders from large corporations recognized that the challenges and opportunities of the future would require a new level of collaboration. Each organization made the commitment to undertake change projects in some if not all of its business, to engage in research and building learning capacities in the process, and to share the results of this work with their peers.

In the ensuing years, the pace of change and the complexity of the business environment has done nothing to lessen our convictions about collaboration. Today, we feel it is essential that leaders at many levels in organizations

- engage all their sensing capacity to identify challenges and opportunities,
- reflect on their meaning and implications,
- clarify what results the organization wants to create,
- generate a range of options to consider with appreciation for their unintended consequences,
- adopt an experimental posture to develop new skills and behaviors while testing assumptions about the issues at hand, and
- build relationships within and between organizations that creates a resilient network of resources and support.

Yet, the opportunities for genuine reflection and dialogue among organizational leaders are meager compared to the needs for such dialogue. When we, representatives from companies who have sponsored the development of the SoL global network, met in late June, we decided that we wanted to create a way to address this need. The purpose of this letter is to invite you to participate with us in this developing the SoL Leadership Dialogues.

Today, SoL communities are forming in over 30 countries on all six continents. A natural agenda of issues shaping the future of organizations is emerging in this global network. We believe these issues will be especially important for corporations with global scope like ours. These issues include:

1) The social (and economic) divide: the ever-widening gap between those participating in the increasingly interdependent global economy and those not, both between and within different countries. The so-called “digital divide” is one dimension of this. But framing the problem in this manner tends to invoke technological responses, rather than deeper inquiries into the forces behind and consequences of globalization. The anti-globalization movement is growing not because people lack access to the internet but because they feel a profound sense of dislocation and threat. Moreover, the possibilities for collaborative inquiry appear to be diminishing as fear and distrust grows. What are leading corporations doing today to address these issues, and how are they making it part of their business? What are the range of innovations – in market growth, human resources, and ownership and governance – that must be considered for the future?

2) The system seeing itself: the challenges for coordination and coherence in social systems, be they global corporations, industries, or still larger systems. Organizations traditionally oscillate between decentralization when business is good and centralization when it is not. On the one hand, autonomy by itself can produce unclarity, waste, unnecessary internal conflicts, confusion and frustration for customers, and inability to work productively for the common good, both the firm's and society's. On the other hand, central control is inevitably limited in diverse, geographically distributed enterprises. Are there alternatives to central control in achieving high levels of coordinated action? What sorts of capabilities, technologies, and infrastructures need to be developed to help people better see how local actions impact extended, interdependent systems that are invisible locally, as well as the overall performance of the enterprise? How do we balance autonomy with health of the whole?

3) Redefining growth: economic growth based on ever increasing material use and discard is inconsistent with a finite world, and finite capacity to dissipate waste. Yet, our business and financial models depend on growth: if a company fails to grow in revenues and profits, it is out of the game and others who embrace growth will take its place. This dilemma may require rethinking how growth can be brought into harmony with the natural environment. Is there a way to reconceive “growth” in a different sense? Is it possible to base healthy economies on continuing increase in value created rather than on continuing increase in material throughput? What are the implications of such a shift, for business, financial markets, customers, and investors?

4) Variety and inclusiveness: developing inclusion as a core competence in increasingly multi-cultural and diverse organizations. Issues of diversity have been mostly seen as problems to be solved rather than strategic opportunities. But those organizations that learn to learn better across cultural, gender, and ethnic boundaries and learn to make differences in how people think and learn an asset rather than a liability will have unique advantages in today’s world. Moreover, if corporations are to be a force for good in the world, they must reflect better the world’s people in their composition. Yet genuinely embracing inclusiveness is challenging. How can we develop the capacity to confront difficult issues that most corporations have not yet been willing to talk about?

5) Attracting talented people and realizing their potential: developing commitment in a world of “free agents” and “volunteer” talent. Increasingly, talented and educated people have many options in their employment choices. Indeed, the very concept of “employee” may be an Industrial Age notion that is becoming increasingly irrelevant and even counter-productive. Moreover, organizational boundaries have become more ambiguous, as mergers, acquisitions, strategic alliances and diverse forms of partnership continually reconfigure businesses. This makes people’s organizational affiliations also more ambiguous. Against this backdrop of flux and uncertainty rest unchanging personal desires for friendship and identity with meaningful work. How can we rethink the equation for loyal and generative partnership between individual and organization?

6) The role of the corporation: extending the traditional role of the corporation, especially the global corporation, to be more commensurate with its impact. (Is there also the need to create a shared understanding of the reality of the role of the corporation now?) If national governments are weakening in an era of growing globalization, will global corporations become more exposed? How do global corporations act responsibly in situations where the rule of law is deteriorating and economic power effectively supersedes political power? What can be learned from efforts such as The Global Compact about the feasibility and impact of initial moves in this direction? How can global corporations better understand what determines their “license to operate” and their “license to grow?” How can they use their visibility to be a more positive force in a complex world?

Complex, interdependent issues such as these are increasingly shaping the context for strategy. Yet the pressures created by these issues tends to keep leaders in a continual doing rather than reflecting mode. We believe that the tools and methods, and as important the quality of relationships and common concerns within the SoL community, can create unique opportunities for leaders to meet and genuinely “think together,” the real meaning of dialogue. Sustaining this opportunity may be vital in developing new capacities for shared understanding and coordinated action.

We, the sponsors and stewards of the SoL global organizing process want to continue to develop SoL as a global, enabling network where dialogue, research, collaborative action, and learning around such issues takes place at many levels, and continues to include global corporations and global not-for profit institutions; local enterprises, governments, and NGOs; and interested researchers and consultants. We believe that SoL’s diverse membership and the commitment of members to creating and maintaining a reflective and action-oriented learning environment can be of enormous value as major global enterprises are faced with decisions that not only affect our own performance but have consequences felt around the world.

We invite you to join your peers in conversation to develop a new appreciation of the issues you face and the new options that emerge from a diversity of perspective.

Sincerely,

Global SoL Network Stewards