

The Burden of Tradition

Intel is indelibly associated with the credo 'Only the Paranoid Survive'. Though paranoia might not guarantee survival (see *Thriving Without Paranoia*, *Businessworld*, Nov 22), Intel is the amazing (and somewhat rare) example of a 'born-again' company. It had the courage to walk away from everything it stood for -- the things that defined its identity, especially in the mind of its corporate inhabitants. And it built something even better.

For the first 17 years of its existence Intel developed and sold memory chips as the flagship offering. Memories were Intel. Intel was memories. By 1984 Intel found itself badly outgunned in what had become a commoditised, and hence a fiercely competitive market for memory chips. To everybody in Intel it was "the" memory chip company. Yet it got out of the memory chips business and focused on microprocessors instead. Though it took an extremely agonising year for Intel leadership to reach this decision -- they played the fiddle for a fairly long time, but didn't let Rome burn. Intel was not unique in that it was hit by the

life-cycle curve. What was unique is how it handled the situation. And today Intel defines the product life cycle in its industry.

It is to the credit of the company's senior management that they chose not to be fettered by what Intel represented to them and concentrated instead on ensuring the survival of the company. Their first priority was preserving the business, not its self-image.

Companies, as they grow, tend to develop certain beliefs, some of which are derived from the values of the founders, and some that become part of the cultural fabric by default. These beliefs are operationalised as traditions that implicitly define everything the organisation does -- how it views the market, and how it views competitors, current and potential. Also, how it looks at itself.

With time these 'traditions' become deeply entrenched. But the problem is, the world around doesn't stay the same. In today's age, it changes far too fast. The marketplace evolves and so do customers, competitors and the regulatory environment, but the traditions don't. So, what once provided a certain dynamism and continuity to the organisation, now becomes a retardant of growth.

What I am trying to highlight is that traditions need to be looked at as the

means, and not an end in themselves. The well being of the business that supports these traditions comes first. Traditions without a viable business are not going to be of much use to anybody.

Yet, during the course of our consulting work we see organisations, not merely in the corporate world, but also in government, public sector and not-for-profit sector becoming prisoners to their past and struggling for survival as a result. Of course, at times, their state is due to apathy. But often it is an obsessive attachment to the traditions that becomes a drag in the journey forward. The longer an organisation endures, more the traditions; more deeply ingrained they become, and tougher the journey.

Having said that, I am not trying to suggest that traditions are the organisational equivalent of vestigial organs. Not at all. Traditions are important. You cannot build a sustainable business without them. If you grow too fast and don't have positive traditions to hold your organisation together, it is likely to implode. Also, a business run by the force of will of the leader (often the founder), without traditions to provide cohesion, is not likely to survive for long after the leader leaves.

Traditions cannot be looked at as being engraved in stone. They, too, need to evolve, in sync with the environment of the

organisation. What is required is a pragmatic approach. The worst thing one can do is to throw out the baby with the bathwater. If it makes sense to retain the tradition, keeping in mind where you are, where you want to be and where the world is likely to be soon, keep it by all means. Rather, strengthen it. But if it doesn't fit with what is needed today, or tomorrow. Kill it... before it kills you.

But it is easier said than done. Often, the ones who have the authority to review and discard traditions are the ones who created them in the first place. For the members of senior management and the board who have been associated with the organisation for a long time it is like asking them give up a piece of their heart, or worse. Emotionally, they have far too much at stake to be able to take an objective view. Also, discarding traditions cannot be done by the flick of a switch. That too is a painfully long process. These are the times when an outsider is the only answer. Of course, the biggest disadvantage an outsider has is the fact that he is an outsider. That is also the biggest advantage he has. He is unencumbered by the 'past' and other organisational dynamics – but looks at the organisation – and most importantly, its context – objectively. It is hard to like what he says, or suggests. But it is equally hard to refute. As Intel Chairman Andrew Grove comments in his book 'Only the Paranoid Survive' about his company's struggle with

letting go of deeply cherished traditions – “People who have no emotional stake in a decision can see what needs to be done [much] sooner”.

Some organisations do choose to cling to their traditions. But then, they usually meander towards oblivion. They do not remain the thriving eco-systems they once were. Hopefully, they serve as a lesson for others about what to avoid.

Does your organisation also find itself in a situation where things don't seem to work as they used to? Are you trying to do 'more-of-the-same' that made you successful? Are you trying to impose greater control? Are people, specially the good ones, beginning to leave? Chances are, some traditions have become a deadweight dragging you deeper under water. Sink or swim, the choice is yours.

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