Homa Bahrami is a Senior Lecturer at the Haas School of Business, Management & Organization Group, and an international educator, advisor, board member and author, specializing in enterprise flexibility and dynamic leadership in global, knowledge-based industries. Professor Bahrami is the Faculty Director for the New Manager Boot Camp, Boot Camp for Experienced Leaders at Berkeley ExecEd. Dr. Bahrami spoke with Exec Ed about organizational flexibility, survival, adaptation and other lessons from Silicon Valley.

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ExecEd: Today, our podcast interview is with Dr. Homa Bahrami, an international educator, advisor, and author specializing in organizational flexibility in dynamic knowledge-based industries. Homa is a senior lecturer at the Haas School of Business University of California Berkeley where she is also a faculty director at the Berkeley Center for Executive Education. Homa serves on two public technology boards, and is active in executive education in the U.S., Europe, and Asia. She works with executive teams on complex reorganizations, team transitions, and team effectiveness, and with HR and OD professionals on executive development and learning interventions. Homa is the author of many books including 'Superflexibility for Knowledge Enterprises' which will be a focus of our conversation today. Welcome, Homa.

Homa Bahrami: Thank you very much for having me, Joanne.

ExecEd: Thank you for joining us. I want to talk a little bit about your research which you've been doing for over 20 years. I am very curious to know what inspires you. In fact, why have you decided to focus on adaptation and flexibility?

Homa Bahrami: I came to the United States more specifically to Silicon Valley during the early 1980's. I did my PhD work in the U.K. looking at organizational systems of large industrial multinational corporations, companies like Shell, BP, Cadbury Schweppes, Dunlop, the industrial giants of the 20th century. I came over to Silicon Valley and I noticed that it was like

arriving on a different planet. This was a time when Apple was a few years old, Oracle was a couple of years old. I remember meeting Sandy Lerner who was the IT manager at the Stanford Business School where I was a postdoc. She was the one who gave me my first email account, and I do remember when Cisco first got started.

I have the good fortune of having looked at these industrial companies in the U.K. and Europe. Then, arriving in Silicon Valley, I'm looking at the entrepreneurial digital companies of what we call now the 'Knowledge Era' or the 'Digital Era'. It was like arriving on two different planets. One of the themes shat I was very interested in is what accounts for some of the differences? One of the key differences I observed is that the companies here were much more dynamic, flexible, they constantly adapted, they iterated their strategy, business models, organizational structures, and that was one of the key reasons I became interested in this topic.

Also, my colleague, Stuart Evans who had done his PhD work on flexibility and I really joined forces, and we started looking at this issue through two different academic lenses. Stuart's focus was more on strategy, and my focus was more on organization. Together, we started really exploring what accounts for the ability of these young, knowledge-based technology companies of Silicon Valley to constantly adapt to a changing environment.

ExecEd: Yes. Right. Speaking of the adaptation, I know in your book, you talk about three modes of adaptation. Could you talk about that? Maybe give us some examples of what you're talking about.

Homa Bahrami: It's interesting. When you look at the whole notion of adaptation and you look at it historically, you find it's generally happened as a forced response to a difficult situation. For example, after the oil crisis of the 1970's, you found many firms having to adapt. Not wanting to adapt, but having to adapt. As we looked at Silicon Valley companies, we really started unraveling these three different modes, deliberate, accidental, and forced.

Forced adaptation is when you have no choice but to adapt. Think about a turnaround situation. Your performance declines, your share price declines, your technologies become obsolete, you have to reinvent yourself because otherwise, you go out of business. If you think of for example Nokia in more

recent years, Nokia was the darling of the mobile phone industry. As we know, when the smartphone came out and the iPhone came out, really, Nokia was left in a situation that they really have to adapt, and their mode of adaptation was to be acquired.

We have numerous examples. If you look at HP for example in more recent years, they're split into two different businesses because quite frankly, the business environment has changed, and the original model under which they operated no longer is relevant, so it makes a lot more sense to divide themselves into two separate entities with two different areas of focus. Forced adaptation is when the market realities and your performance and situation is such that you have to reinvent yourself. Deliberate adaptation is much more intentional. It is about adapting when nothing is really forcing you in a crisis-driven way.

If you look at many successful companies in Silicon Valley, if you look at Google, if you look at Facebook … Just taking a couple of examples from the more recent times. If you look at Apple during the last five years, Apple could have cruised along on the success of its iPhone and iPad. Instead, they constantly are thinking about new products whether it's the watch, whether it's getting into a payment systems. They are really trying to think about new avenues for growth and for innovation and differentiation. Then, accidental adaptation is when you're not forced to and you're not doing this in a deliberate intentional way, but you find yourself in the situation that things turn up in a different way than what you expected.

Let's take the example of Amazon. Amazon is the pioneer of the cloud many would say, along with companies like Salesforce for example, but the original idea of the cloud is that they have spare capacity because they had all the storage capacity that they used during Christmas period, during holiday period. During the rest of the year, what do you do with your spare capacity? You can rent it out to other players that have a need for it. That might be an example of accidental adaptation. Facebook started as a dating service for Harvard undergraduates in its very, very original form, but it evolved to become of course as the biggest social media company.

I would say these three modes are not so distinct as to be separate. Of

course, many times, they overlap, but I think for the sake of clarity, I think we need to really think about adaptation in these three modes, and we can use human analogies too. For example, if you think about people changing their lifestyle, eating habits, exercise regime, smoking habits after a heart attack, they're forced to do that because that triggering event makes it necessary. Whereas, if you say "I'm just going to eat healthy and I'm going to keep up my exercises because I want to be healthy", that's much more a deliberate intentional proactive approach.

ExecEd: Then, of those three, is there one that a business organization should strive for?

Homa Bahrami: Obviously, at any given point in time, you want to be in the driving seat of your destiny. I don't know of any organization that says they want to be forced into anything, so I would say really, start thinking like a driver and deliberate intentional adaptation is what you want. Anticipate what's going to make you obsolete. Anticipate the technologies that are going to come along and make your product a commodity. Anticipate the customers that are going to drop you, and you have to find new entities. I think any business to be successful in the long run has to think in a much more intentional, deliberate way.

ExecEd: Now, you live and work in Silicon Valley and you're bringing up many examples of companies that are in Silicon Valley, yet when we're thinking of flexibility and adaptation, are these lessons that other companies that are not based in Silicon Valley should take heat off?

Homa Bahrami: Silicon Valley is a very good laboratory for understanding and studying adaptation because by definition, you have to. The recipe for success is adapt or die. It's a Darwinian environment. It's a place full of innovative people and ideas and companies, so if you're not flexible, there is no way that you could survive and succeed. For somebody who's studying adaptation is interested in that, it's a perfect laboratory.

Now, is it relevant for other industries, other companies? Absolutely. They may not have the same necessity that Silicon Valley companies do to reinvent themselves on a more regular basis, but it's ... Look at the oil and gas industry today. Many companies in the oil and gas industry are trying to

adapt and reinvent their business models, their organizational systems, their strategic trajectories because of the low price of oil.

Go inside many companies that are in the consumer goods industry. What has the social media done to help them engage with their customers? Do they have to adapt? Do the retail companies have to adapt with the advent of online shopping?

ExecEd: Right.

Homa Bahrami: I think you find financial services. This is the other industry that has been around for a long time, but there is this burgeoning segment called 'FinTech', Financial Technology which is going to really disrupt the industry. I would say today, no industry is immune from having to adapt to new realities that have been unleashed by the accelerated pace of technological innovation.

ExecEd: When businesses are thinking about adaptation, is it more of a strategy or is it more of a culture?

Homa Bahrami: At the end of the day, strategy and culture are two sides of the same coin. Strategy to me, it's about where you want to go and what is the destination you have in mind. Culture is about your execution mechanism, how do you want to set up your organization to get there. To me, the two of them are two sides of the coin. It's a kind of a chicken and egg situation.

However, having said that, I think for more established companies, culture becomes a more important driver of adaptation, because there are so many barriers that culture can create. If you're an established industry, if you're an older organization, if you've got a lot of legacy, your culture can certainly get in the way of adaptation. I would say in general, in theory, we'd like to think of it as two sides of the coin. They're both important. They coexist, but at the same time, when we look at more established entities, I think culture is becoming the biggest barrier to adaptation, so because of that, we have to think about that in a more focused way.

ExecEd: Businesses are built on teams, and you've done a lot of research on

what you call 'Dynamic Teams'. How does that fit in with what we're talking about in terms of culture? Can you talk a little bit about that?

Homa Bahrami: If you look at organizations today, in our industrial age organizations, we used to think about the individual as the focal point. Just think about the notion of an organization chart. What is an organization chart? It's a name of a lot of individuals and their titles, and their reporting relationships that depicts the formal dynamics of an organization. Today, the world has become much faster, more dynamic, more fluid, more unpredictable, more complex. It's what many called the 'VUCA World', volatile, uncertain, complex, ambiguous.

In this kind of an environment in the new world that we're entering, teams are becoming the key building block of an organization. No individual on their own has the knowledge, the capacity to really drive major activities. Because of that, we are really thinking about teams today as the key driver of organizational success. I've spent a lot of time looking at what enables some teams to succeed and others to fail. Secondly, I would say our teams are now much more global in nature. They're distributed. They are located in different parts of the world, so what do we mean by teams has foundationally changed?

Before teams used to live under one roof, they were co-located, and now, they're distributed. They're multicultural. That also adds a new set of dynamics and complexity to managing teams. That's why you cannot think about organizational success without thinking about how you configure your teams, how you lead your teams, how you evolve and adapt your teams, how you interact with your team members. The different aspects of team dynamics are going to become much more significant.

ExecEd: In your book and in your research, you talk a lot about the diagnostic framework for teams and the anatomy circulation personality. Could you share some of that?

Homa Bahrami: When you look at a team, you have to think about it as a human living entity. I'd like to give my students and my executives a simple framework so they can assess the health of their teams on a regular basis. I am not a believer in magic formulas that are going to suddenly improve the

health of a team. I'm much more of a believer that you have to be a diagnostician and diagnose the health of your team on a regular basis. Given that assumption, I like to think of teams in terms of having three foundational building blocks, the anatomy, the personality, and the circulation.

The anatomy of the team is basically the foundation of a team. It's about the goals, priorities of a team, roles and responsibilities of team members, how they measure success, performance metrics for assessing the team performance. It's about the stakeholder relationships. Who are the stakeholders that have to be engaged and involved with the team on a regular basis? That is the anatomical foundational building block of a team.

Secondly, we move on to the personality of a team. That is really foundationally about the team culture. It's really about the chemistry between the team members. It's about the profile of team members. It's about the team leader's approach, style, personality. It's about the size of a team and how team members basically coalesce together.

When I think about the team personality, I think about the behavior of the team. How do they deal with conflict for example. How do they make decisions? How do they interact together? Thirdly, we think about the team circulation.

Circulation is about how team members interact and communicate with each other. Do they have simple ground rules? Do they have ways of segmenting their meetings and their interactions? Do they have common tools and templates that they use to keep each other informed? Circulation is particularly important if you are having a distributed team that is not co-located, because you do not have the informal mechanism of seeing each other at the watercooler, interacting in the car park, seeing each other on a more regular basis.

These are the three key building blocks, the anatomy, the personality, and the circulation. Circulation as I said is becoming much more significant today because of the phenomenon of global distributed teams.

ExecEd: It's a great analogy or metaphor. How do you consult? How do you

advise leaders to use this? What are they doing with this information? How are they diagnosing?

Homa Bahrami: I use the diagnostic framework in several different ways. First of all, I have an executive program called 'Bootcamp for Experienced Leaders' which is focused foundationally on teams. I have developed a proprietary survey based on my research which I use with my participants, so we diagnose what they think about their team and what their team members think about the team, and then, we use the survey to assess the gap between their team perception and their own perception. The executive program, it's a three-day program, and we use the diagnostic and the various team tools as a way of really making this concept very hands-on, very actionable. Secondly, I have an executive MBA class where we take the 'CAP framework' as we call it. CAP stands for circulation, anatomy, personality.

We use that in a more extensive way in my executive MBA courses, and we combine that with a whole host of cases and other material that basically augment and support the diagnostic. Then, I use that in my advisory and consulting work with my companies, because if you can identify the team pain points proactively on a regular basis, if you can identify the difference between how the leader thinks and what the team members think, you can make appropriate interventions on time. If you don't have a diagnostic capability, unfortunately, it's like waiting until the disease is fully developed. Your treatment options are much more limited. The diagnostic is used to really be proactive in identifying the pain points and making appropriate interventions.

ExecEd: Do you hear from your participants that they're getting 'Ah-huh' moments? In other words, people struggle all the time with creating the most effective team.

Homa Bahrami: The 'Aha' moment really comes from my participants when they see the gap between what their assessment of the team health is and what their team members assessment is. That is the biggest 'Ah-huh'. "I did not realize that this was the big issue. I did not realize that they're not clear about their roles and responsibilities. I thought I had communicated the priorities to them really effectively."

That is the 'Ah-huh' moment. It's just like someone going for their annual check-up and finding out that their blood sugar has really increased and saying, "Wow. I had no idea. I thought I was eating well. I was keeping my blood sugar and my cholesterol in check."

That is the biggest 'Ah-huh', and that gives us a springboard for then thinking about "What are you going to do about it?" Basically, what I hear from my executives is they tend to use this what I call the 'CAP check-up tool' on a very regular basis with their teams. Sometimes, they use it monthly. Sometimes, they use it quarterly. I know one team that uses it on a semi-annual basis when they have a big team offsite and they use the survey as a way of identifying their challenges and then use the offsite to brainstorm solutions. It's used in a variety of different ways, but it's what I call a 'Check-up tool'.

ExecEd: Yes.

Homa Bahrami: You can use it in different ways depending on how frequently you want to assess the health of your team.

ExecEd: Wanted to circle back again on the topic of flexibility. The book is titled 'Superflexibility'. What's the distinction?

Homa Bahrami: We coined the term 'Superflexibility' when we wrote the first edition of 'Superflexibility For Knowledge Enterprises'. The main reason for this is that if you look at the literature on flexibility, you find many different concepts, anything from hedging, to liquidity, malleability, resilience, robustness, agility, versatility. These concepts are found in different disciplines. The basic point is flexibility is a multifaceted, multidimensional, what we call in the academic literature 'Polymorphous concept'. When people say to me "To be flexible, you have to be agile", that's one component of it.

To be flexible, you have to be resilient. That's one component. To be flexible, you have to hedge your bets. That's one component. We wanted a term that could subsume all these different concepts and give it one umbrella term. That is how we came up with the notion of superflexibility. Some of these concepts under the superflexibility umbrella are actually about withstanding

turbulence.

If you think about for example the nation of robustness, and if you go to nature, you think of a crocodile. A crocodile is very robust. It hasn't changed a lot over the Millennia.

ExecEd: Yes.

Homa Bahrami: It can withstand many pressures and perturbations. It's got a very strong digestive system. It's got strong jaws. It has a strong armor. Really, when you think of crocodile, you would say "It's not flexible at all", but robustness is one of the aspects of flexibility because it's your ability to withstand turbulence.

On the other hand, if you think about a chameleon, a chameleon changes its color constantly to adapt and re-adapt to its changing surrounding. That in the literature we call 'Versatility'. Chameleon is very versatile. You can think about a triathlete as being very versatile, not just specializing in one thing. Superflexibility in a nutshell is an umbrella term that encompasses the different facets, dimensions, and definitions of flexibility, from robustness and resilience to agility, versatility, hedging, and so on.

ExecEd: When you're advising and consulting the businesses, are you advising that they need all those different components?

Homa Bahrami: When I talk to business leaders, I say "You have to think about the world you live in in terms of having a toolbox, and your toolbox has got to include the different aspects of flexibility." Sometimes, you need to be very agile. A competitor is going to come out with a competing product, and you need to make sure you're first. Sometimes, you need to be very versatile. The other day, I was talking to a leader in a biotechnology company, and he was saying that he has cross-trained his specialist team members so they can deal with multiple therapeutic areas rather than a single therapeutic area, because their budgets have been cut, they've had to streamline, so they cannot afford to have a team of specialist for every disease area that they're focused on.

That is an example of creating a versatile talent pool in that regard.

Sometimes, you have to hedge your bets. If you think of for example companies dealing with currency fluctuations, why do they hedge? Because they anticipate that there's going to be movement or volatility in certain currencies that are important to them, and they need to hedge their situation. The practical advice that we give is you think about the different aspects of superflexibility in terms of a toolbox, and you need to mix and match the tools depending on what your needs are at a given point in time.

That is one practical application of our toolbox. The second one is how you configure your team. For example, on a team, you want to have a blend of different capabilities. You want somebody who is going to be a fixer and helps you address the challenges that you face on a regular basis. They have a resilient DNA.

They are more like a starfish. You want somebody who is a visionary on your team and is really charting the course and setting out the destination. You want somebody who is a planner, more like a camel is anticipating different scenarios and thinking about plan A, plan B, and plan C. You want somebody who is more like a cheetah, your juggler, is impatient and has a sense of urgency. You need to configure your team in a way that you have these complimentary, what we call 'Adaptive DNAs' that enable your team to be superflexible as it finds itself in very dynamic situations.

ExecEd: Yes. Getting back to the question of "How can individuals and organizations, teams succeed in a constantly changing dynamic world?", is that the secret sauce then? Is that it, superflexibility?

Homa Bahrami: When I think about adaptation and flexibility, I would say today, it is not a nice to have. It's a must have. Now, for some businesses, it is the only must have because if you're in a technology business and you have to constantly keep ahead of your competitors, you constantly have to think about new market opportunities, new growth drivers, etcetera. In some other businesses, it might be more of a nice to have, but I would argue as I look around retail, publishing, oil and gas, energy sector, I honestly cannot think about any business that does not need to adapt to new realities of business world. I would say A, you have to think about it as a must have rather than a nice to have. Secondly, I like to bring up the famous Charles

Darwin quote which is "It is not the strongest or the most intelligent that survive. It's the most adaptable."

If you look at history, you will find that individuals, teams, and organizations that have survived and succeeded over time, not at a given point in time, but over time, they have had this capacity to adapt and reinvent themselves. My advice to individuals, teams, and organizations is engage in regular spring cleaning. What do I need to add? What do I need to throw out? What do I need to keep based on the reality that I, my team, my organization finds itself in? That regular spring cleaning has got to be a prelude to adaptation on a regular basis.

ExecEd: What drives this adaptability within organizations? Does it come from the top? Is it a groundswell from the bottom? How does an organization succeed?

Homa Bahrami: The leaders of an organization of course have a very critical role to play because they signal whether adaptation is something that is necessary or not. They create that momentum, that sense of urgency, but at the same time, the frontliners are the ones that are picking up all the signals from the market, from the customers, from the competitors, so the best strategy is to use a top-down and a bottom-up. The generals, the leaders have to create the platform, the stage, the conditions, the momentum for adaptation, and the frontliners have to be engaged because they are the ones that are dealing with market realities on a regular basis. I would always like to recommend that the generals and the frontliners are in constant communication so that as new realities come in, they can be strategically interpreted and built in to the organizational direction. Otherwise, you end up with what many call the 'Dinosaur effect'. The brain is so far removed from the muscles that your reactions are very, very slow. That becomes a big challenge.

One of the questions I'm often asked is "What's a tipping point for flexibility? How much flexibility? Is it too much to be flexible on the one side?" In some cases, we have to stay the course and be stable. This is precisely the idea behind superflexibility rather than just flexibility, because when we talk about superflexibility, it's about a balancing act, the ability to withstand

turbulence and stay the course, and the ability to adapt, transform, and reinvent yourself.

Think about the crocodile on the one hand and the chameleon on the other hand. That is what you really want to do, is where do I need to be consistent, stable, and not change, and where do I need to reinvent myself? In most cases, your culture and your value system is not going to change overnight. It's like human personality. I cannot suddenly become somebody else. I am who I am.

I would say your culture, your core competence, your broad strategic intention in your marketplace, those elements that have to withstand turbulence, you can't reinvent ... I give you an example of Apple back in 1984. When Steve Jobs launched Macintosh, he was talking about technology for the rest of us. That was the mission, the purpose of Apple at that time. If you bring it all the way up-to-date to today, that is still the purpose and the mission of Apple is taking the best of breed technology and developing products that you and I can use in an easy to use, intuitive way.

When you think about superflexibility, think about this balancing act. Where do I need to stay the course and be stable, and not change my trajectory, and where do I need to adapt, reinvent, and change course? As I said, the two images that come to mind is the crocodile and the chameleon. This is where I see many leaders have a big challenge because they tend to think either or. Either I've got to throw everything up in the air and I've got to completely transform myself as an organization, or I have to stay the course and be who we are because we're a hundred years old, and we've got to keep this pedigree.

Of course, the secret sauce of superflexibility is in addressing this balancing act. That's why I'd like to engage my leaders in this diagnostic exercise which says "Where do you need to stay the course and be stable, and keep what you've got, and where do you need to add new ingredients because the world has changed and you need it, and where do you need to throw things out because they worked at one time perfectly, but they don't work anymore?" This is what I call 'Spring cleaning', the ability to really engage in this diagnostic reflection exercise. What do I keep? What do I throw out, and

what do I add?

Again, this is much easier said than done. If you're running a 200,000 person organization, if you're running an established business with a lot of customers and a lot of history, that conversation becomes very challenging because you have many vested interests. You have a lot of people who are going to push back and want to keep their legacy at any cost, so that balancing act becomes the real deciding factor.

ExecEd: What are the industries ... I know you've consulted across many different international industries, not just Silicon Valley. Are they still looking towards Silicon Valley as the best example or how I can get some of that? What are they doing?

Homa Bahrami: Today, Silicon Valley is viewed as the innovation capital certainly in the technology space of the world. We are seeing not just entrepreneurs and businesses. Actually, entrepreneurs are moving to Silicon Valley because they think their chances of not just funding, but having mentors and advisors, and leveraging the ecosystem is going to be much stronger in Silicon Valley, but others come to Silicon Valley. I host quite a few executive teams and boards who like to come to Silicon Valley because they want to experience the culture of Silicon Valley. They want to experience the mindset of Silicon Valley leaders, because of course exposure is the first prelude.

If you come here, I was talking to executives from a big European bank not long ago, and they were saying they're coming to Silicon Valley because they know technology is going to disrupt their business in a huge way. It already is disrupting their business, so how can we expose our leaders to new ways of doing things so that they can go back to their organizations and start benefiting from some of those lessons? I would say that Silicon Valley is a great learning laboratory, and I would encourage many business leaders to take the time if they find bad ... Adaptation is an important factor for them. Reinvention is an important element in their future trajectory to take the time and come and learn from some of the approaches, practices, lessons that companies, individuals, and teams have developed in Silicon Valley.

ExecEd: You referenced the culture again, and Silicon Valley definitely has a

different kind of culture. We know that there's Amazon, there's Netflix, there's Facebook. Are there examples where it's working and where it's not? I mean ...

Homa Bahrami: I think to succeed in Silicon Valley, first of all, you're going to find companies of different shades and sizes. You're going to find different industries. What you may find in the biotech segment for example, they have much longer product life cycles, they have to have much more robust clinical trials, so they have a different set of constraints and opportunities to operate in. Compare that with what's going on in social media where you can develop an app, and you can throw it out there and test drive it with customers in a matter of days. I don't want to say Silicon Valley is one monolith. It is not.

It is made up of different segments, different sizes, different industries, different entrepreneurs, different mindset, different recipes. What you find in the semiconductor industry and the telecommunications industry is very different than what you find in the software industry. Having said that, there are some common cultural themes. One of the themes is that this is a Darwinian environment. There are no artificial life support system, so you basically have to ... You could call it 'Survival of the fittest', but it's a meritocracy fundamentally.

You cannot survive for long if nobody buys your product, if as an employee, you're not delivering the goods. That is one cultural dimension. We call it a 'Darwinian setting'. You could call it a meritocracy. Secondly, this is a place which is all about experimentation. This is a place where people learn by doing, learn by trying, learn by failing.

Many people have written about how failure is not a stigma. In Silicon Valley, I would say this is one of the other big differences. Meritocracy, the importance of learning by doing, learning by experimenting, learning by failing, and then thirdly, accessibility and approachability, and informality. This is not an ecosystem where if you are the founder and the CEO, you sit in your ivory tower, and you might be treated as semi-god. You are approachable. You sit with the troops.

It is a non-hierarchical networked environment, and I would say approachability, accessibility, and informality are very important to the

success of any innovation-driven company in Silicon Valley, because a lot of your great ideas come from the frontliners. They come from the troops. You have experts that are located at different levels, different parts of the organization, so that really enables you to cross-pollinate. The fourth element is this place is all about learning from each other and recycling. It is a notion that we call in the book, 'Cross-pollinating and recycling'.

No innovation is brand new. It is always a combination of multiple innovations that might have existed in other contexts, but you bring them together in a novel way. That ability to cross-pollinate, to recycle ideas, to combine them in a way is also a hallmark of the Silicon Valley culture. In a nutshell, I would say those four themes, Darwinian, meritocratic culture, the importance of cross-pollinating, and recycling, the importance of learning by doing, experimenting and failing, and the importance of being accessible, open, and informal so that you can build relationships and you can nurture talent.

ExecEd: Following up on what you're talking about in terms of Silicon Valley, we know that a lot of the teams that reside in these companies move on. They move on to the next great thing. What lessons have you learned in your research and how do you advise the organizations to do a better job at retaining the talent that they've nurtured?

Homa Bahrami: This issue of retention is always a hot topic in Silicon Valley, and many people say that Silicon Valley has more of a mercenary talent pool people come and people go. There's certainly some truth to that. I mean, as we know, we have many different companies here. The life cycle of an employee is much, much shorter in Silicon Valley compared to many other locations and industries, so I would say the first thing is that you really have to assess what we call the 'Cultural fit' between the employee and the company. Not everybody is suitable for a company at every stage of its development. I was just talking to someone who said "I loved being in this company when it had less than 500 people. Now, we're 1,200 people, and this is not for me."

I think step number one is you've got to acknowledge and accept that you're not going to keep everybody forever and you have to really zoom in on this

fit question. Not just culture fit, but stage of life fit. If you have young kids, do you want to have somebody who's got to travel all the time? This is probably not going to be a good thing. The first thing is really determine what the reality of your organization is, and then identify candidate pool that is going to be more of a cultural and a life cycle fit for your organization.

Secondly, I would say Silicon Valley uses a lot of contingent employees, a lot of contractors, consultants, temporary workers. The second thing is you have to develop a flexible talent pool. More recently, as you know, many companies like Netflix, Adobe have started having generous maternity, paternity leaves because they want to create the condition so that their employees at different stages of their life cycle can really deal with their life, and yet stay with the company. The second issue is really put yourself in the shoes of the employees you want to keep, and what do they want. It's always not about more money or more stock options. It's not about the money most of the time. It's more about lifestyle consideration.

Then thirdly, view transient workforce as also an opportunity for adaptation. I know this is contrary to popular wisdom that you've got to keep everybody at any cost, but I find adaptation is obviously enabled when you have fresh eyes, set eyes on a new project, a new situation, a new context. By bringing fresh blood in, you can start looking at things in a new way. I would say turn the transient workforce as long as it's not extreme into an opportunity for fresh out of the box thinking. I know not many people talk about that or think about that, but I think certainly, from an adaptation point of view, fresh eyes are going to be a key enabler for new thinking and innovative thinking.

ExecEd: Just going back to something you referenced Netflix and on culture, it was sort of breakthrough when they came out with the freedom and responsibility, Culture Deck that they came out with many years ago. Do you recommend ... Is this something that companies should make an effort to produce? Should they have a Culture Deck when they are thinking about attracting the right fit?

Homa Bahrami: I think that companies need to codify and be very clear and explicit about the cultural values and norms that they embody and they value. I'm not so keen on posters and decks and all that because I think a lot

of the time, you do that, and then people's expectations are raised, and then if you don't walk the talk, people are very disappointed, but I do think it's very important for every organization and the leadership of every organization, and for every team to think about "What are the norms and the rules and the values we want to live by? What really matters to us here?", and to be very clear and explicit about it. Now, if you want to be explicit about it by codifying it in a deck or you want to put it on a card, or you want to put it in a poster, that's up to you. If you do do that, make sure you live it.

My push back to many companies that put together a deck is tell me the practical steps that you are taking to reinforce and live these values. It's easy to talk about these things. It's easy to say freedom and responsibility, but what does that mean for me as a frontline worker? How are you going to manage me? Does this mean I have complete freedom? What behaviors do you expect of me?

I would say it's important to clarify, codify, specify, but then take that and turn it into tangible daily behaviors that people can relate to, because unless people can relate to it, it looks good on a PowerPoint, on a deck, on a poster, but it's not going to have the impact you desire and practice.

ExecEd: We're here at the Berkeley campus, and Dean Lyons was a big proponent to come up with the four guiding principles that are guiding Berkeley and Haas.

Homa Bahrami: The four Haas principles are those that I personally relate to very directly, so challenge the status quo. My research is not about looking at something others have looked at over many decades. I want to understand the new realities of organizing and leading in a dynamic world. Hopefully, one challenge is the status quo and things about new themes, new approaches, new ways of operating.

Students always, unless we learn, we cannot adapt. Learning and adaptability basically go together beyond yourself. One of the themes I particularly value about Berkeley Haas is as a public institution, we're about giving back, giving back to the community, enabling our students to give back, giving back as an institution. At the end of the day, we want our students and ourselves to be confident about what we're doing, but not be arrogant, not have an attitude.

At the end of the day, I judge my success as an educator on the fact "Are my students, are my executives, can I send them out there with a level of confidence that they can operate in a dynamic world, but not have an attitude or be arrogant about themselves and their challenges?" It is something that I personally relate to, and I think Berkeley is an optimal, ideal institution to espouse and promote those values.

ExecEd: Any final worlds of advice to business leaders who are navigating those seas of dynamic change in this world? Any final advice?

Homa Bahrami: This is the advice I always give to my students. I always say "Be more like a sponge, and not like porcelain." If you think about a constantly changing world, a world where nothing is a constant and you have to adapt and readapt on a regular basis, your success is going to be dependent on your ability to learn on a constant basis. That's why I use the analogy of a sponge. A sponge is open. It absorbs. It molds. It remolds its shape based on what it has absorbed.

Now, compare that with porcelain. Nothing penetrates. You're not open. You're closed. You might think you know everything.

I would say my one piece of advice for what it's worth to executives, to knowledge workers, professionals, my students is be more like a sponge, be curious, and learn on a continuous basis because learning is a prelude to adaptation and flexibility.

ExecEd: Wonderful on that note of learning. Thank you so much for the conversation.

Homa Bahrami: Thank you for having me.

ExecEd: This has been fascinating.

Homa Bahrami: Really enjoyed it. Thank you.