



# Organizational Future Orientation

## TOWARDS A MATURITY MODEL FOR ORGANIZATIONAL FUTURE ORIENTATION

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### Phenomenon

- Even large companies fail when faced with external discontinuous change
- The average life expectancy of a Fortune 500 company is below 50 years (de Geus 1997)

### Research questions

- How can companies systematically respond to external change?
- What are the elements of organizational future orientation?

### What we can learn from literature

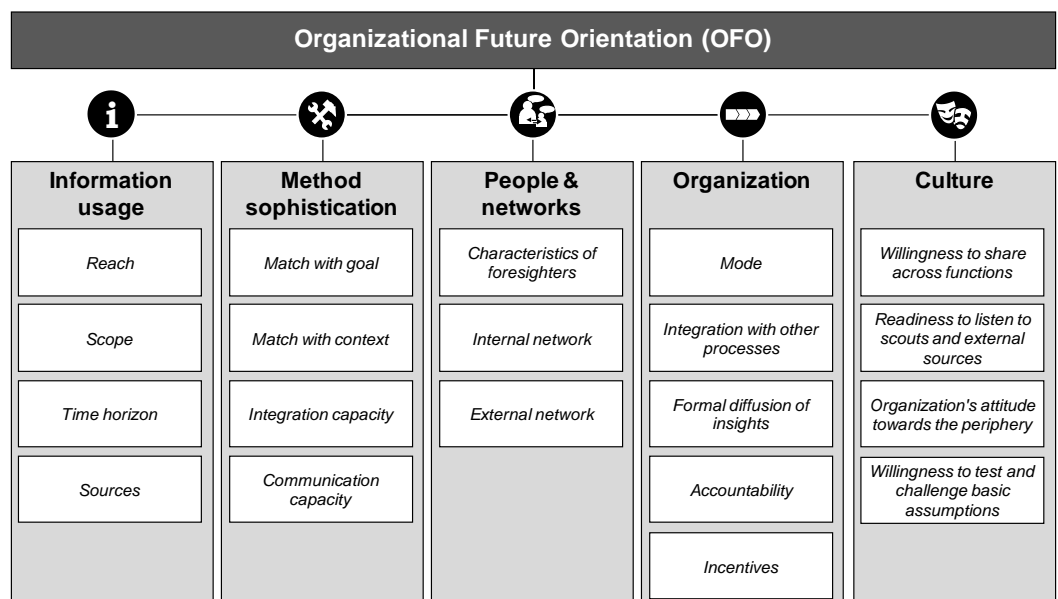
- Firms fail to respond because of
  - high rate of external change
  - ignorance of corporate sensing systems
  - inertia that prevents timely responses
- Firms need dynamic capabilities (Teece et al., 1997) to adapt their set of strategic resources to changes in their environment by:
  - sensing
  - seizing
  - transforming
- **But how** dynamic capabilities are operationalized remains unclear

### My empirical data

- 19 case studies (firms include General Electric, Philips, Siemens, British Telecom, Boss, Continental)
- 7 countries
- 108 interviews with corporate foresighters, innovation managers, R&D managers, corporate strategists, corporate development officers and CEOs
- 2 international practitioner conferences to discuss and validate my findings

### Findings part 1

- The organizational future orientation can be captured along five dimensions and operationalized with 20 elements. For each element I propose four maturity levels.



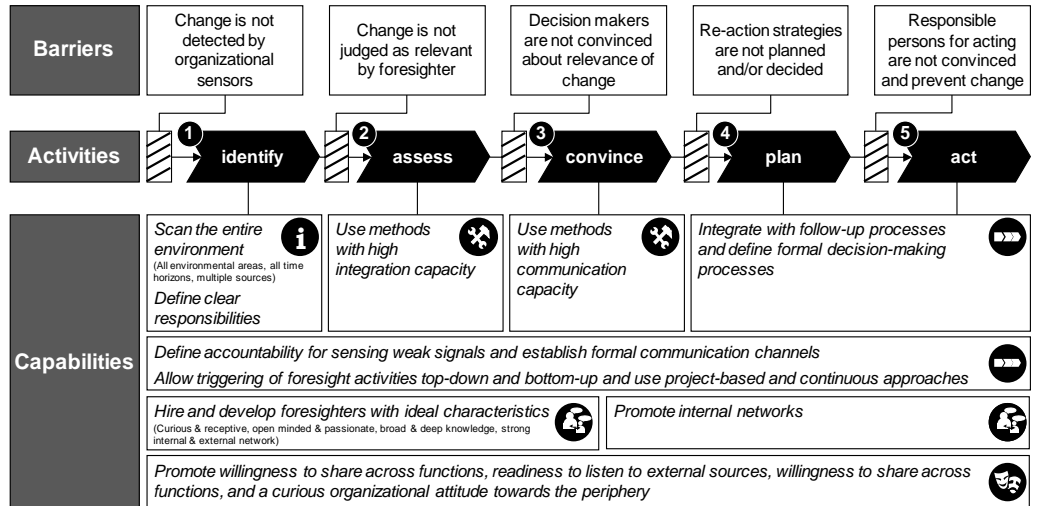
Further reading: <https://futureorientation.net>



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## Findings part 2

- To produce managerial responses five barriers need to be overcome



## Implications for practice

- There remains a **strong need** to build organizational future orientation
- The Maturity Model for Organizational Future Orientation provides a **framework for benchmarking and improving** current practices
- Seven **general recommendations** for firms:
  - Build corporate sensors dedicated to scanning for emerging change in all relevant areas and monitoring key developments.
  - Use foresight methods with high communicative and integrative capacity, such as scenario analysis and roadmapping.
  - Assign to be foresighters employees who are curious, receptive, open-minded, passionate, who have a broad knowledge and expert knowledge in at least one field, and who have strong internal and external networks.
  - Encourage every employee to scan the environment to complement the corporate sensors.
  - Ensure that bottom-up processes are in place, through which employees can alert higher management to emerging discontinuous change.
  - Encourage every employee to build, maintain, and use external and internal networks.
  - Ensure that basic assumptions and mental models are made transparent and explicit and are challenged frequently.

## Implications for academia

- This paper contributes to **dynamic capabilities theory**, by:
  - operationalization of the overall ability to renew the portfolio of strategic resources by proposing and defining a framework with 20 elements
  - proposing a process model to explain which barriers need to be overcome to create responses
- This paper contributes to organizational ambidexterity by showing that organizational future orientation contributes to a continuous exploration of new business fields

Let us stay in touch

Thank you very much for the opportunity to discuss my research at the Academy of Management Annual Meeting 2010

To continue developing the future orientation research stream we run a blog and provide an extensive bibliography at <http://futureorientation.net>