

Managing Complexity and Volatility

LED BY:

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EXERCISE

Consider the following questions while on your listening tour:

- How are we doing?
- What are we doing well?
- Where can we improve?
- What are your priorities?
- How can we help you?

In times of great complexity, executive leaders need to lean in. Don't be paralyzed by volatility. Find the opportunities, and capitalize on them. Be clear and confident, and build an organization where your team feels empowered to navigate rapid change.

01 SET THE COURSE

Go on a listening tour

When stepping into a new role, visit people in their place of work and ask for their perspective on the company. You can learn the most from your customers, employees, suppliers, and primary stakeholders early in your tenure. Seek clues for how the company can grow and where you should focus. Use the feedback to inform your vision.

"You're the newbie, you're in the honeymoon phase, they're going to tell you things they won't tell you after you've been in the seat for a while."

- Marillyn Hewson

If you are known within the company and worry that people may not speak candidly, acknowledge your history and how your new role may require different objectives and behaviors. Consider having people share anonymously through a consultant or coach.

Outline the vision

Define a clear, simple vision for how the company will drive profitable growth in times of complexity. Ensure people understand their role in making it a reality and how it will positively affect them. Repeat the vision constantly.

"Communicate three or four times more than you think you need to."

- Marillyn Hewson

CASE STUDY

Plan together

Marillyn brought her direct reports together once a month to talk about strategy and concerns relevant to the whole organization.

A full day's discussion was preceded by dinner the night before, with Marillyn leaving early to give the team space to talk among themselves.

Everyone was invited to help set the agenda and select the topics of discussion.

02 SET THE TONE

Change the narrative

Top executives shape the tone for both internal and external stakeholders. Admit the complexity, but be clear about why you see the future as bright despite the challenges.

Have confidence in your team, capabilities, market position, and product portfolio. Communicate what you will do, how you will do it, and why it matters. Be consistent and persistent.

"I outlined in a regular, consistent way that we are stable, we are optimistic, we have a bright future and we're going to take this company forward. You could feel the energy of that."

- Marillyn Hewson

Get people together

In times of rapid change, teams must spend time together to build trust, strengthen understanding, and reduce internal competition. The more aligned the company appears to external stakeholders, the better it will perform.

"For a team to really be a high-performance team, they've got to spend time together."

- Marillyn Hewson

Remain firm in your values

You must comply with changing regulations, but that doesn't mean stepping back from creating an environment where people feel included, connected, and able to do their best work.

CASE STUDY

Unified goals

Marillyn ran the largest business unit of Lockheed Martin before she ascended to the CEO role. She was acutely aware of the inter-unit competition for innovation resources and its detriment to the organization.

As CEO, she institutionalized processes to look at innovation as one company.

As a result, investments in the technologies that Lockheed Martin leads today – hypersonics, laser weapon systems, AI, augmented reality, autonomy – were stepped up as early as 2013.

People want to work for you when they trust your values and business judgment. You can't be fickle about that. Ensure you're not setting aside goals or targets at another group's expense.

“At the companies I come from, creating an environment that respects the individuality of everyone and wants everybody to bring their best selves forward is not a new phenomenon.”

- Marillyn Hewson

03 SET THE PRIORITIES

Define your role

There are certain things that only you can do. Know what those are and communicate them to your team. Empower them with the tools and courage to relieve you of tasks they can handle.

Have one voice

Operate as one executive team, collaborating across business units to coordinate communication and resources. Customers should feel like they are dealing with a single, unified company.

Innovate collectively

Manage innovation spending as a single budget for the whole company. Bring your business unit leaders together and prioritize the customer's priorities collectively. Reallocate innovation spending in order of customer priorities rather than by business unit. Pull funds from items at the bottom of the list and double down on those at the top.

“It was a mindset that said, we’re going to operate as leaders of Lockheed Martin, not as leaders of our business units. And with that mindset, we’re able to do what is collectively the best for the company.”

- Marillyn Hewson

Expect internal resistance, but remind leaders that long-term company growth depends on staying ahead of customer needs.

Set the rhythm

Senior leaders set the rhythm for the entire company.

Plan your calendar for the following year.

1. Include all key engagements with your direct reports—weekly staff meetings, monthly strategy sessions, and quarterly reviews.

2. Block out commitments such as investor and board meetings, essential travel, and time for family or vacation.

Establishing the rhythm early prevents disruption from last-minute leadership meetings cascading through the organization. It also strengthens the company’s resilience to external volatility by ensuring the unexpected can be managed within a stable business cadence.

Make changes early

If you’re new to the role, take time to gather information and test your hypotheses, but don’t wait long to make decisions.

If you need to remove someone, do it before they assume there won’t be changes under new leadership. Delaying retrenchments will create lasting insecurity among the team.

CASE STUDY

Improve through measurement

Marilyn aimed to spend 50% to 65% of her time on strategy, customers and driving the business, 20-25% to monitor company performance, 15% on talent, 10% on employee engagement, 10% board of directors.

She had an assistant who tracked where she spent her time and at the end of each month, reported against the goals she set.

Marilyn compared the results monthly and adjusted quickly when she saw that her time allocation did not align with her priorities.

04 MANAGE YOURSELF

Understand your time

Time is your scarcest resource, and tracking it helps align your activities with your goals. Reserve time to plan and think.

Set goals for how much time you dedicate to each activity or stakeholder and be aware of how the needs change. In your first year, you may need to spend more time on business reviews and team management as you and your teams adapt to each other and the evolving strategy.

Without a clear view of how your time is spent, you won't be able to adjust as needed.

Influence up

Strong leaders welcome input from their teams. When raising concerns, keep the discussion about the business, not your leader's behavior.

A "we're in this together" mindset helps you communicate opportunities and approach problems with solutions rather than complaints.

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