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WRITINGS

When Change is Out of Our Control
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Uncertain Times

In June, 2002, the Chief Financial Officer of Oracle Corporation, spoke on prospects for the second half of the year. His comments were radically different than the upbeat statements typical of one in his position: "We are hoping for a revenue recovery in the second half of the year. But I said that same thing six months ago and I have lost confidence in my ability to predict the future." In his humility, this CFO described the new world of the 21st century--this interconnected planet of increased uncertainty and volatility. Organizations are now confronted with two sources of change: the traditional type that is initiated and managed; and external changes over which no one has control. We are just beginning to experience what it is like to operate in a global environment of increasing chaos, of events beyond our control that have a devastating impact on our internal operations and culture.

The business news is filled with stories of the perils of interconnectedness. One country suffers economic problems, and analysts are quick to say that their problems will not affect other countries. Then we watch as an entire continent and those beyond are pulled into economic recession by the web of interdependence. Or we read how the actions of a few corrupt executives bring down an entire company (and industry), even though tens of thousands of people work there with integrity.

Interconnected systems are always this sensitive. Activities occurring in one part of the system always affect many other parts of the system. The nature of the global business environment guarantees that no matter how hard we work to create a stable and healthy organization, our organization will continue to experience dramatic changes far beyond our control. For example, Continental Airlines had spent years developing a strong culture. "Our employees believe in this company and will do anything for our president." (All quotes in this article are from personal interviews conducted in July, 2002 by the author.) But then came September 11th, and Continental, like all airlines, suddenly found its entire industry and business model at risk.

There is no company, industry, or nation that is immune to these potentially devastating system effects. One executive in a large corporation commented: "It was always dysfunctional, but it was working. Now it's not. It's a different feeling than years ago. Now we can't influence outcomes. We're 'at the top' but feeling that things are being 'done to' us." Another executive said simply: "What used to work, doesn't. The old strategies don't work."

When so much is beyond our control, when senior leaders reveal their own feelings of powerlessness, what skills can we call upon to successfully maneuver and survive the turbulence?

New organizational dynamics

In an era of increasing uncertainty, new organizational dynamics appear and old ones intensify at all levels of the organization. It is important to notice how these new dynamics affect employees, leaders, and core operating functions.

Employee behaviors

Uncertainty leads to increased fear. As fear levels rise, it is normal for people to focus on personal security and safety. We tend to withdraw, become more self-serving, and more defensive. We focus on smaller and smaller details, those things we can control. It becomes more difficult to work together, and nearly impossible to focus on the bigger picture. And there are physiological impacts as well. Stress deprives the human brain of its ability to see patterns. People become reactive and lose the capacity to understand their work as part of a larger system. We also have difficulty with memory and become forgetful. And then there are the physical manifestations of sleeplessness, restlessness, sudden anger and unpredictable tears.

Obviously, each of these has negative consequences on work behaviors for individuals and teams. As people experience their growing incapacity to get work done well, they often blame themselves for failing to produce. One woman executive expressed that, "So many good people are failing at the changes they're committed to."

Pressure on Leaders

Because of increased fear, many people turn to leaders with unreasonable demands. We want someone to rescue us, to save us, to provide answers, to give us firm ground or strong life rafts. We push for a strong leader to get us out of this mess, even if it means surrendering individual freedom to gain security. But the causes of insecurity are complex and systemic. There is no one simple answer, and not even the strongest of leaders can deliver on the promise of stability and security. We seldom acknowledge that; instead, we fire the leader and continue searching for the perfect one. A troubled male executive described it this way: "We still charge the leader to provide solutions. When he doesn't, we then sacrifice the king/priest to atone for the sins of the system."

It is critical that leaders resist assuming the role of savior, even as people beg for it. This can be extremely difficult as people grow more fearful and fragile. Sophisticated emotional skills are required, especially if people have been directly affected by

external events. In these cases, the leader must simultaneously struggle to provide emotional support while also working to maintain decent levels of productivity. If the leader has also been personally affected by recent organizational challenges, it becomes very difficult to inspire confidence. As one woman leader asked: "How do you maintain credibility when you (as the leader) are not sure you want to be there?"

Core Functions

It wasn't long ago that companies engaged in five year strategic planning. Those sweet, slow days seem very distant now. Many of the primary functions of business, and of Human Resources--planning, forecasting, budgeting, staffing, individual development plans-only worked because we could bring the future into focus, because the future felt within our control. Shortly after September 11th, the CEO of a major technology company reported that it was impossible to do a reliable budget for the coming year, even though they had a very good record at budget forecasting in the past. His proposed solution for dealing with so much uncertainty was to submit five alternative budget scenarios to his board.

It is important to note how many people in organizations have honed their skills at predicting or anticipating the future. Businesses have depended upon and rewarded their expertise. But now these skills can be a liability. They may lull the organization into a false sense of security about a predictable future and thereby keep people from staying alert to what's going on around them in the present. Yet even though they may be a liability, often such experts are charged with bringing stability back to the organization. The organization may clamor for new planning tools and processes, and push hard on planning staff to find new modes of prediction. Such staff often suffer severe burn-out as they work zealously on the impossible task of stabilizing an inherently temperamental world. A wise planning executive commented on how he has changed expectations of his function: " I tell people we're not going to get any more clarity. This is as good as it gets."

The Great Paradox

I have painted a fairly grim picture of these new organizational dynamics spawned by tumultuous times. However, there is a great paradox that points to the hopeful path ahead. **It is possible to prepare for the future without knowing what it will be.** The primary way to prepare for the unknown is to attend to the quality of our relationships, to how well we know and trust one another. In New York City and Oklahoma City, as well as many other disaster situations, people had engaged in emergency preparedness drills prior to having to deal with the real thing. Working together on these simulations, they developed cohesive, trusting relationships and inter-agency cooperation. They had only prepared for simpler disasters, but when terror struck, they knew they could rely on each other. Elizabeth Dole, when President of the American Red Cross, said that she didn't wait until the river was flooding at two in the morning to pick up the phone and establish a relationship.

When people know they can rely on each other, when there is a true sense of community, it is amazing how well people perform. This was the experience of the community of Halifax, Nova Scotia on September 11th. Forty-two planes were grounded at their small airport, and eight thousand distressed and stranded passengers suddenly appeared on their doorstep. The community's open-hearted response transformed the city, and led to relationships with strangers that will last a lifetime. "It was one of those times when nothing was planned but everything went so smoothly. Everybody just kind of pulled together."

New Organizational Capabilities

In order to counter the negative organizational dynamics stimulated by stress and uncertainty, we must give full attention to the quality of our relationships. Nothing else works, no new tools or technical applications, no redesigned organizational chart. *The solution is each other*. If we can rely on one another, we can cope with almost anything. Without each other, we retreat into fear.

There is one core principle for developing these relationships. **People must be engaged in meaningful work together if they are to transcend individual concerns and develop new capacities.** Here are several ways to put this principle into practices.

Nourish a clear organizational identity. As confusion and fear swirls about the organization, people find stability and security in purpose, not in plans. Organizational identity describes who we are, the enduring values we work from, the shared aspirations of who we want to be in and for the world. When chaos wipes the ground from beneath us, the organization's identity gives us some place to stand. When the situation grows confusing, our values provide the means to make clear and good decisions. A clear sense of organizational (and personal) identity gives people the capacity to respond intelligently in the moment, and to choose actions that are congruent with each other. Times of crisis alway display the coherence or incoherence at the heart of our organization. Are we pulling together, or rushing off in many different directions? Are people's actions and choices congruent with the stated values, or are they basing their decisions on different values. If they are using different values, are these the true albeit unspoken values, the real rules of the game?

It is crucial to keep organizational purpose and values in the spotlight. The values come to life not through speeches and plaques, but as we hear the stories of other employees who embody those values. It is important to use all existing communication tools, and invent new ones, to highlight these personal experiences. In the year following September 11th, United Airlines communicated this type of story twice weekly as one means to support employees during very difficult times.

Focus people on the bigger picture. People who are stressed lose the ability to recognize patterns, to see the bigger picture. And as people become overloaded and overwhelmed with their tasks, they have no time or interest to look beyond the demands of the moment. Therefore, it is essential that the organization sponsor processes that bring people together so that they can learn of one another's perspectives and challenges. If the organization doesn't make these processes happen, people will continue to spiral inward. This inward spiraling has a devastating impact on performance. People become overwhelmed by the volume of tasks, they lose all sense of meaning for their work, and they feel increasingly isolated and alone.

Everybody is busier and more frantic, but the major thing they are producing is more stress. The other serious consequence is that both individual and organizational intelligence decline dramatically as people lose the larger context for their work.

It is important that the processes used for bringing people together not be formal. People need less formality and more conviviality. They need time to decompress and to relax enough to be able to listen to one another. Processes, such as conversation and story-telling, help us connect at a depth not available through charts and Powerpoint presentations. However, people don't recognize how much they need this time, and usually resist such informal gatherings--until they attend one and notice what they've been missing.

Demand honest, forthright communication. In a true disaster or crisis, the continuous flow of information gives people the capacity to respond intelligently as they seek to rescue or save people and property. They are hungry for information so that they can respond well to urgent human needs. They take in the information, make fast judgment calls, try something, quickly reject it if it doesn't work, and then try something else. They call to one another, exchanging information and learnings. They contribute what they can to everyone becoming more effective in the rescue effort.

Even though most organizations don't deal with this level of crisis, the lessons are important. People deal far better with uncertainty and stress when they know what's going on, even if the information is incomplete and only temporarily correct. Freely circulating information helps create trust, and it turns us into rapid learners and more effective workers. Often, it is not the actual situation that induces stress as much as it is that people aren't told what's going on, or feel deceived. The greater the crisis, the more we need to know. The more affected we are by the situation, the more information we need. After every commercial air crash, family who have lost loved ones complain about not being adequately informed by the airlines. They want to know details of how their loved one died, a disclosure that often brings relief to those grieving. Yet the airlines are constrained by potential legal liability from sharing the details that would ease their grief. The families end up suing the airline to get the information, and add emotional damages to their suit. This devastating cycle is fed by feelings of rage and loss that are exacerbated by lack of information.

Prepare for the unknown. The U.S. military has invested large sums of money in the development and use of complex simulations that prepare troops for different battle scenarios. Similar simulations now are used by most civil defense and community agencies. Yet it is surprising how few companies engage in any type of simulation or scenario work. The evidence is dramatically clear that this type of preparation allows people to move into the unknown with greater skillfulness and capacity. While traditional planning processes no longer work, it is dangerous to abandon thinking about the future. We need to explore these newer methods that project us into *alternative* futures. As people engage in processes such as scenario building or disaster simulations, they feel more capable to deal with uncertainty. Individual and collective intelligence increase dramatically, as people become better informed big-picture thinkers. And trusting relationships develop that make it possible to call on one another when chaos strikes.

Keep meaning at the forefront. Often in organizations we forget that meaning is the most powerful motivator of human behavior. People gain energy and resolve if they understand how their work contributes to something beyond themselves. When we are frightened, we may first focus on our own survival, but we're capable of more generous and altruistic responses if we discover a greater purpose to our troubles. Why is my work worth doing? Who will be helped if I respond well? Am I contributing to some greater good?

Of course, the work truly does have to contribute to something meaningful. People don't step forward in order to support greed or egotists or to benefit faceless entities such as shareholders. We need to know that our work contributes to helping other human beings. My favorite example of this desire to contribute was expressed in the mission statement created by employees at a facility that manufactured dog food. They expressed how their work was serving a greater good when they wrote: "Pets contribute to human health."

Use rituals and symbols. As shrines appear on streets mourning the dead, and other demonstrations of grief flare on TV screens throughout this sorrowing world, we are becoming aware of the deep human need for shared symbolic expression when we experience something tragic. And also the need for celebration when we've experienced something wonderful.

The use of ritual and symbols is common in all cultures, although they almost disappeared in the U.S. until our lives became so stressful and isolatory. Now we are rediscovering this basic human behavior. Because it is so basic to humans, symbols and rituals appear spontaneously, even in organizations. No one department has to create them (a scary thought), but the organization does need to notice them when they appear, and to honor them by offering support and resources.

Pay attention to individuals. There is no substitute for direct, personal contact with employees. Even though managers are more stressed and have less time, it is crucial to pick up the phone and connect with those you want to retain. Personal conversations with key people, with experienced workers, with innovators, with those just joining the organization, with younger workers new to the workforce-all of these and more need to know that their leader is thinking about them. When people feel cared for, their stress is reduced and they contribute more to the organization. One of the key findings in the field of Knowledge Management is that people share their knowledge *only* when they feel cared for and when they care for the organization. It is not new technology that makes for knowledge exchanges, but quality human relationships.

The difficulty in investing in relationships

None of these suggested behaviors is new organizational advice. Most of us have had enough experience in organizations to know the importance of relationships. So why, as the storm clouds thicken, are we not investing in creating healthy, trusting relationships? One answer is that many organizations, as a matter of policy, deliberately distance themselves from their employees. They hold a dangerous assumption, which is that organizational flexibility is achieved by being able to let go

employees when times get hard. The ability to remain efficient is primarily found the organization's ability to downsize staff. If you need to downsize, so the assumption goes, you don't want to know your employees or get personally involved with them.

What is most dangerous about this belief is that it is partly true. Organizations do need to be able to shrink and grow as times demand. But it is absolutely possible to achieve this workforce flexibility without sacrificing loyal, dedicated, and smart workers. Years ago, Harley-Davidson had to let go nearly 40% of their workforce. This was a wrenching but crucial decision for the survival of the company. However, they took the time and paid attention to those individuals who were leaving and those who were staying. Every employee had a personal conversation with the CEO, and received complete information about the company's circumstances. People understood why they were being let go, appreciated the personal conversation, and expressed their love and support for the company going forward. Over the years, many of those employees stayed in contact and were rehired as Harley prospered.

One prediction about the future

There is only one prediction about the future that I feel confident to make. During this period of random and unpredictable change, any organization that distances itself from its employees and refuses to cultivate meaningful relationships with them, is destined to fail. Those organizations who will succeed are those that evoke our greatest human capacities-our need to be in good relationships, and our desire to contribute to something beyond ourselves. These qualities cannot be evoked through procedures and policies. They only are available in organizations where people feel trusted and welcome, and where people know that their work matters. The evidence is all around us, and here's one powerful story.

On September 11th, the Federal Aviation Authority (FAA) cleared the skies of nearly 4500 planes carrying 350,000 passengers in just a few hours. (75% of them landed within the first hour, more than one landing per second.) It was an unprecedented feat for the agency, one that had not been simulated since the end of the Cold War. And it was the first day on the job for the top FAA official who gave the initial order to clear the skies. Controllers had to land these planes, while also staying vigilant for signs that any other planes had been hijacked. They succeeded through intense cooperation, absolute focus and dedication, and because they made decisions locally, including some that were outside of policies. In the months following, officials started to try and capture this astonishing feat in new procedures, but then they scrapped the idea. "A lot of things were done intuitively, things that you can't write down in a textbook or you can't train somebody to do." What is the FAA's policy and plan for preparing for another crisis of unknown dimensions? They will rely on the judgment, intuition, and commitment of its controllers and managers.

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Bio

Margaret Wheatley is a well-respected writer, speaker, and teacher for how we can accomplish our work, sustain our relationships, and willingly step forward to serve in this troubling time. She has written six books: *Walk Out Walk On* (with Deborah Frieze, 2011); *Perseverance* (2010); *Leadership and the New Science*; *Turning to One Another: Simple Conversations to Restore Hope to the Future*; *A Simpler Way* (with Myron Rogers); and *Finding Our Way: Leadership for an Uncertain Time*. Each of her books has been translated into several languages; Leadership and the New Science appears in 18 languages. She is co-founder and President emerita of The Berkana Institute, which works in partnership with a rich diversity of people and communities around the world, especially in the Global South. These communities find their health and resilience by discovering the wisdom and wealth already present in their people, traditions and environment (www.berkana.org). Wheatley received her doctorate in Organizational Behavior and Change from Harvard University, and a Masters in Media Ecology from New York University. She's been an organizational consultant since 1973, a global citizen since her youth, a professor in two graduate business programs, a prolific writer, and a happy mother and grandmother. She has received numerous awards and honorary doctorates. You may read her complete bio at http://margaretwheatley.com/bio.html, and may download any of her many articles (free) at http://margaretwheatley.com/writing.html.

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