

LEADING AT THE EDGE OF CHAOS

HOW TO CREATE
THE NIMBLE
ORGANIZATION

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MANAGING AT THE SPEED OF CHANGE

Book Leading at the Edge of Chaos

How to Create the Nimble Organization

Daryl R. Conner

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Recommendation

Daryl R. Conner's book operates under the assumption that the future of business will be steeped in chaos. Thus, it tries to prepare the leaders of the future for the kinds of challenges that result from chaos. These challenges will primarily involve employees, since every person reacts differently, and usually unfavorably, to change. The companies that marshal an agile workforce and adapt quickly to unexpected circumstances will do the best in this unstable environment. This thoroughly researched book gives leaders a decisive look at what happens when the human psyche tries to navigate change. Conner documents the problems people have when they deal with change and offers a disciplined strategy for making your organization more limber. Even if you've heard many of the key concepts presented before, as you navigate the waters of change, this calm, lucid manual will keep your hands steady at the helm. Therefore, *BooksInShort.com* recommends it to everyone who is confronting change, and that is everyone.

Take-Aways

- Organizations will not survive change without leaders who understand change.
- Solid people beat solid theory every time.
- Execute, execute, execute.
- Your employees are the shock absorbers of change in your organization - if they aren't flexible, you'll have a bumpy ride.
- People who act like change isn't hard on them are lying.
- On the playing field of life, the winners are those who can keep their balance.
- If your organization can only be known for one thing in the future, make it known for being nimble.
- That buzzing in your head-it's ambiguity. Get used to it.
- Effective change starts at the top of your organization.
- Save your best changes for the best games.

Summary

The State of Change

Change is a process. Like digestion or drunkenness, it is something that happens inside of you. You react to events in certain recognizable ways. To understand this concept, imagine that you are on a surfboard, paddling out into the ocean. When you get to a certain point in the water, everything's easy. You're totally in control, enjoying the way the sunlight is drying the beads of water on your back. Out of the corner of your eye, you see a wave approaching. You leap onto your board and join the surge of the wave. You've got balance and poise and everything is still cool, to an extent. Suddenly, the wave takes a wild turn. You start to lose your balance and your poise. You quickly shift your position on the board. It works! Your adaptation saves you from slamming into the water. The wave dies down and you ride it to the shore. You've got that feeling of control again. You know what to expect and can predict what is going to happen next: You're going to step off your board into the shallow water. Change is not represented by the wave and its wild turn; it is represented by your change cycle, your shift from control to balance to disruption to adaptation to expectation to predictability.

“All change is personal.”

Nowadays, you probably experience more than your fair number of such change cycles in your business life. With the increasing preeminence of the Internet, response time is being cut to zero. You've got to move, and you've got to move fast. To borrow from Charles Dickens, it is the best of times, and it is the worst of times. If you can hold on, this economy will treat you well. But since no one is sure where the Internet and today's other technological innovations will lead, the very act of holding on is fraught with an obscene amount of anxiety.

“The experience of organizational change is no longer what it has been, but neither has it become what it will be.”

Leadership is the key to navigating this terrain - but not leadership as you've known it. A new kind of leader must emerge in the chaotic times that are waiting just around the corner. Decisions will not only have to be reached; they will have to be implemented.

Crumbling Foundations

Your corporation has goals and your market has certain rules for success. The game, of course, is to get your organization's goals in line with your market's dictums. This is called a success formula. Warning: Don't get too comfortable with any single success formula.

“Organizations must constantly calibrate their agility against not only what it takes to successfully implement the changes they have chosen to pursue, but also the response time of their competitors for achieving similar results.”

The market is just like that wave you were riding earlier - it's subject to quick fits, wild starts, and everything in between. One day speed might be the key to success. The next day, people might be more interested in a personalized online experience. As a leader, you have to maintain the integrity of your company's goals. That means you have to be sensitive to the market and simultaneously develop goals and success formulas that continue to motivate your people to do their best work. When the market says, "jump," you've got to ask, "how high?" Fortunately, there's a process for keeping your corporate muscles limber.

“Companies that enjoy a preemptive advantage don't eliminate competitors; they intimidate and embarrass them.”

First, keep your eyes on the prize. Recognize when your organization's success is in jeopardy. Monitor the necessary internal and external factors. Once you've noticed a problem, identify the things that need adjustment and determine exactly what you're going to have to do to make those adjustments. Next, formalize the decision and the course of action. Finally, and most importantly, execute. Talk is not going to cut the mustard in the coming season of rapid-fire change. If you're not executing, you might as well go work in a diner - where all your chatter will at least earn you a few extra dollars in tips.

Forget Formulas, Remember People

If you were stranded on an island, would you rather have a survival manual or a companion with some survival skills? If you picked

the former, stop reading this and start reading some Martin Buber (he'll teach you about the importance of relationships). If you choose the latter, good for you. You're ready, at least partially, for the chaos of the near future.

“Entering the era of perpetual unrest means confusion, mixed feelings, and ambiguity are here to stay.”

Remember, change is a process that occurs within humans. If circumstances call for change - and they will - your organization will sink or swim depending on your employees' ability to answer that call. You, as a leader, can't be concerned only with the bottom line. You have to watch your employees closely as they try to adjust. How are they holding up? What can you do to ease the anxiety that accompanies change? How do you prepare your employees? Plenty of experts claim their formulas can help your company move toward survival in the future, but if you forget the human variable, you won't have a future.

Why is Change Hard? Eight Reasons

Face it: You might not have the skills to lead people through the rocky waters of change. Being a transition leader might be beyond your current abilities. That's OK. Once you've committed to the fact that people are more important than formulas, you'll be on your way to becoming a more effective leader in times of change. Now, you can begin to understand why change is so difficult for people and organizations. These eight reasons include a mixture of psychology, common sense and business factors:

1. People fear change - Change, like life, is one of those things that you have to go through on your own. No one can live your life for you, and no one can cushion you from the shocks of change. Change is a real, tangible presence. It affects people directly.
2. Organizations can only stand so much disruption - Don't ask a man with a sore back to carry cinder blocks up a hill. He might try, but his body can only do so much. He would be much better off if he took a rest and let his back heal. Then he would be ready to work. Apply this rule to your organization. The demands of transitional times can wear out your resources. Don't take on more than your resources can handle.
3. Change adds more tangles to the Web - As you get older, things get more complex. Loose ends accumulate and remain untied. Mysteries remain unsolved. Change confuses an already confused circuitry - in you, your employees, and your organization.
4. Change has many layers - Because change is a human process, it contains many layers. Some people will resist it for no apparent reason. It might create tension between friends. You can never predict the outcome of an initiative that involves a lot of change.
5. Change takes people out of their range - People are apt to use their experience whenever they can. They build up knowledge bases from all of their previous mistakes and triumphs. The problem with change is that it often throws people into unfamiliar territory where their knowledge is limited, if they have any at all.
6. People don't have nimble expectations - People expect things to stay the same. Events that fall out of the norm startle them. They have certain perceptive thresholds. When they look into the future, they draw certain conclusions based on the way things are in the present. Many times, when change comes, they just aren't ready for it because they haven't been trained to expect the unexpected.
7. People need control - This seems rather self-explanatory. People don't do their best work when things are out of control. Their life is a constant struggle to keep the needle bobbing toward the control side of the control/disorder meter.
8. People have trouble finding dynamic balance: Dynamic balance is, by definition, a bit uncomfortable; but it is also the closest that people can come to a sense of stability. If people are going to get out there and walk the balance beam of life, they have to realize that constant adjustments will be necessary - that they can be balanced and still be moving. For some reason, people fight this law. It is the most important one so far.

“Courage is not taking action fearlessly, it is acting despite feeling fearful.”

As a leader, you have to be aware of these points at all times. Your people (and maybe even you) have to deal with some if not all of these issues whenever change becomes imminent. As you become more expert at helping people work toward dynamic balance, you will be on your way to producing the nimble organization, the only kind that will thrive in the coming chaos.

The Nimble Organization

You've got to start thinking of your organization as if it were a professional athlete. You can't see how the competition is training. You

rarely know their goals and aspirations. Victory usually happens on the field - and, in a well-played match, it usually happens due to a last-second modification. Will you be ready to make that game-winning move? Are you training right now for the level of nimbleness you'll need to succeed?

“Trying to outguess a world that has grown too cryptic and abstruse to accurately forecast is a losing battle.”

Remember that all the talk in the world doesn't matter if you can't execute. Nimble organizations understand this. They are dedicated to making the quick shift, the unpredictable move. Thus, they are characterized by success in the erratic environment that the business arena is becoming. They are also marked by their ability to deal with problems that no expert could have predicted, to shift their resources to where they are needed, to reconfigure faster than an amoebae, and to find employees who can handle many tasks at once. Everyone must reprioritize their duties and expectations to fit the goals of the organization.

“Any system unable to maintain the pace and complexity presented by its surrounding environment cannot survive.”

Leaders of nimble organizations understand the need to bring in agile employees. They know that the success of their organization begins and ends with a staff that is not wearied by change. They also understand the importance of giving their employees as much notice as possible concerning impending change. Notice makes people feel like they are in control, and control is important, even to the most nimble employees. Finally, the leaders of nimble organizations are fearless in the face of ambiguity and encourage others to be so. Ignoring ambiguity won't make it disappear. You've got to perform in its teeth.

Human Due Diligence

Creating a nimble organization starts like any other mission devoted to change. You decide that it will help you, you announce it as a goal, and, finally, you execute it - you put it into action. A structured, disciplined approach will help.

“Change is not an event, it is a process triggered by an event.”

Like any other initiative, nimbleness should start at the top of the organization. If your board members don't understand nimbleness or aren't willing to embrace it fully, you haven't got a prayer. They will experience the same discomfort in the face of change as any other members of your organization. After all, they're only human. Make sure you explain the roller coaster that they're in for and make sure you prepare them mentally and physically for the challenges of change.

“As the world grows more turbulent, organizations unable to execute critical change initiatives will find themselves at a serious competitive disadvantage.”

You will also have to prepare your board to provide the increased resources that will be required in making the shift to being a nimble organization. One of the main roadblocks organizations face on the road to change is the inability to deal with increasing disruptions. They simply don't have the resources to deal with the demands of change. Therefore, you don't want to start to implement nimble features on the brink of chaos or when you're backsliding. Don't start lifting until your firm's capacities are ready for the added pressure.

At the same time you're building capacity within your organization, you've got to reduce demand. It makes sense, doesn't it? It takes a lot out of you to change one thing at a time, so why would you want to try to change a lot of things at once. You simply can't innovate everywhere simultaneously. Some investments will help you, and some will hurt you. Keep the sports analogy in mind: An amazing last-second shot (in other words, nimbleness) in a consolation game is worth a lot less than a last-second shot in the championship game being watched by millions of people worldwide.

About the Author

Daryl R. Conner is President and CEO of ODR, Inc., a research-based consulting firm. He is also the author of *Managing at the Speed of Change*.
