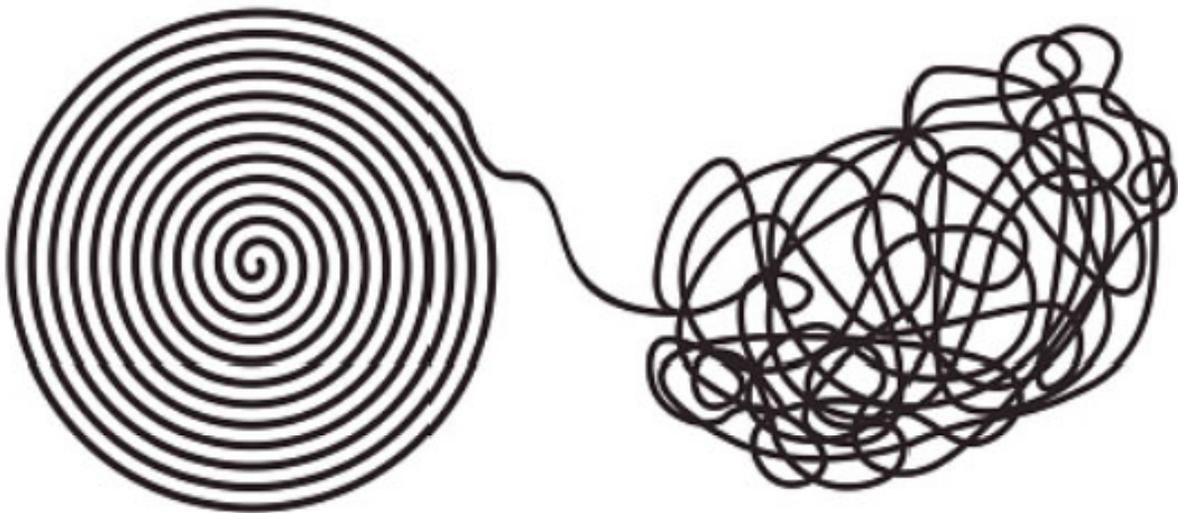




Leading During Chaos

New Rules For A New Era

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Welcome to Chaos

This is a very short primer, aimed at busy leaders like yourself to squeeze in between meetings. I'm going to speak to you as though we were sitting next to each other, trying to fit in a quick chat before the phone rings, or the email chimes, or a meeting starts, or the next crisis hits.

I spend a lot of my time talking corporate and government leaders off the roof, these days. It seems as though all the rules have changed, as though there's chaos and uncertainty everywhere, as though nobody knows what's going to happen next (whatever they may claim) and as though there's just no rational basis on which to make any decision.

The most important thing I want to say to you is that you are not alone. Nothing is worse than that feeling of being on your own, that everyone else seems to have a better handle on things than you do, that you're in a terrible long grey tunnel that will never end. I am here to tell you that the tunnel will end, that all things change, and that everyone else is uncertain too.

This short paper is about current times, when chaos seems to be the only rule. The great news is that chaos is fairly well understood, initially in the world of math and then in the world of people. I'm lucky enough to have been trained in both these worlds, and after about 25 years' experience running team and leadership programs I'd like to share with you some things that we know for sure about managing during chaos. I hope this helps you as much as it has helped me.

How We Got Here

In the fifties, we thought about teamwork and leadership in mechanical terms. It was the era of great big things, of engineering marvels, of the beginnings of space travel, of terrific cars from Detroit. It was no wonder that management gurus thought of organizations as machines, of people as cogs, and of the whole thing fitting together like a fine automobile. Leadership gurus like Dale Carnegie and Peter Drucker showed us how we could manipulate the cogs to fit into a pattern of our own design, and how we could get the whole thing calmly automated.

The sixties brought great strides in civil rights, and workplaces began to highlight the rights of the individual. Protest became an acceptable instrument of social change. Management experts like Edward Deming taught us to include people and to seek their opinions, collective bargaining began, and so did the era of designing pleasant workspaces. The mathematician John Nash (see the movie "A Beautiful Mind") revolutionized economics and workplace dynamics, showing that a team strategy focused entirely on personal benefit can in some cases also benefit the organization as a whole - lending academic weight to a developing focus on the self.

The seventies and eighties were all about automation. Originally a large machine in the corner office, computers now emerged on desktops, and rows of people with their heads bent over keyboards became a common sight. Leading thinkers on radio and TV talked about replacing labor with capital, of machines doing almost all the work of people, and of a society in which very few people had real jobs. These decades were characterized in workplaces by worry over

job security, massive corporate layoffs, massive expansions and then further massive layoffs, and a focus on climbing the corporate hierarchy so as to become important and financially safe.

The nineties saw a return to personal growth. Gurus like Tony Robbins and Tom Peters built large empires through encouraging people to look beyond their jobs and the corporate hierarchy for satisfaction and self-fulfillment. People embraced the notion that work might be just that – work – and not the place to find a sense of tribe or belonging. Self-discovery workshops became popular, and were filled with people convinced that there must be something more to life.

In the following two decades, most workplaces felt as if the world had suddenly sped up and simultaneously fallen apart. Great empires collapsed, the actions of small groups had an unprecedented effect on people at large and on daily life, and a pandemic only equaled a hundred years previously touched every workplace. When people in jobs were asked to describe their reality, the answer was often something like “You can’t depend on anything.” Outcomes could not be predicted, nor careers planned, in the way that had been possible for the previous fifty years. All the old rules went out the window.

The Age Of Chaos had arrived.

Chaos is too often seen as purely negative, and it’s very poorly understood in most organizations. In fact, handling chaos is a lot like surfing. You can be dumped by the surf and pounded painfully into the sand, but equally, you can learn to ride the waves into shore.

That’s what the rest of this White Paper is about.

Riding The Wave

There’s been a long string of Nobel laureates whose work has led to our current understanding of chaos – just in time for the era of chaos that now defines the life of every leader. From the Russian chemist Ilya Prigogine who won the Nobel in 1977, to John Nash who won the Nobel in 1994, to Daniel Kahneman who won the Nobel (also for economics) in 2002, to Richard Thaler whose 2017 Nobel applied the ideas of chaos to psychology and team behavior.

Here's what we know about chaotic systems that’s useful to you and to me as working leaders.

Chaos always occurs during change. When systems like a workplace try to move to a new state – from office work to telework back to mixed work styles, say – the transition is never smooth. There will always be a period of chaos on each end of the stable state, and the trick is to understand it at that level, rather than to get distracted by small symptoms of chaotic change that will assail you at every stage. Your goal is to help people ride the chaos toward the next steady state in an environment where most believe the steady state will never come.

Steady states are temporary. The next steady state will come, even if your people don’t believe it. But it will not last for long. In a connected modern world where everything affects everything

else and everyone gets a say, there are just too many variables involved. Use the steady state to help your people get ready for the next chaotic transition. Don't let them go to sleep.

You must plan when you can't plan. You must also get your people to do the same. It sounds like the old joke about the magician opening a locked trunk with the key that's inside it, but that's exactly what you need to do. In reality, there's always something you can plan. If you can't plan the facts of the task because they're still in chaos, you can still plan your teamwork, your communication, your flexibility and resilience, and your planning itself. Modern teams that invest in their team dynamics and maintain a high capability to react, keep their team rhythm and handle whatever comes will thrive. Teams with a rigid, traditional picture will become extinct.

You need to be calm. Calmness doesn't mean complacency or putting your feet on the desk, but it does mean not panicking and losing your picture with each wave of chaos symptoms that splashes into your boat. You may sometimes be the only one not in a state of anxiety about their own survival, but what people want from you above all other things is a sense that you will keep the boat upright and that you have their backs. You do not need to know everything – leaders who “know everything” usually have a bad reputation – but you do need to radiate calm and competence. Practice, find a mentor, and get overwhelmed or despair on your own time.

Know that you are not alone. There's a well-known tendency among humans to think that every situation is happening to them for the first time, and also to think that any situation presently happening will continue to happen. In fact, many people have been there before you, and everything ends. How chaotic would the Bubonic Plague have felt to those experiencing it? There are many diaries of the times in which people believed it would never end. How about World War II if you were a family in Europe? Or even the Wall Street crash of the nineties if you had your retirement invested? To say nothing of pandemics. Help your people to understand that they are not alone, not the first, and don't have to solve everything themselves.

Finally, **work up to it.** Don't expect your people to be comfortable with chaotic transition the first time they see it, or when the stakes or the downside risks of failure are high. Let them practice. Give them simulated situations (What would we do if our budget was cut? If we lost some key people? If our mission changed?) to work on and test their strategies. The answers they come up with are much less important than the benefit they get from rehearsing their team dynamics to preserve the things that transcend chaos – team rhythm, team unity, flexibility, resilience, a sense of humor and human joy. I know from first-hand experience doing intelligence support in the field that nobody is funnier than special forces teams when they have downtime. That's because they practice team dynamics every day, and because they understand that humor is the biggest skill that conquers chaos – even in very serious situations.



A Chaos Checklist

Step One.

Talk to your people about it. Find out their concerns by asking. Don't assume, assign opinions or try to read their minds. Let them talk, and make time to listen till they're finished.

Step Two.

Create excitement. Human excitement and joy move people toward a goal and diminish uncertainty and doubt. Give them a picture so exciting that they wonder if they can do it.

Step Three.

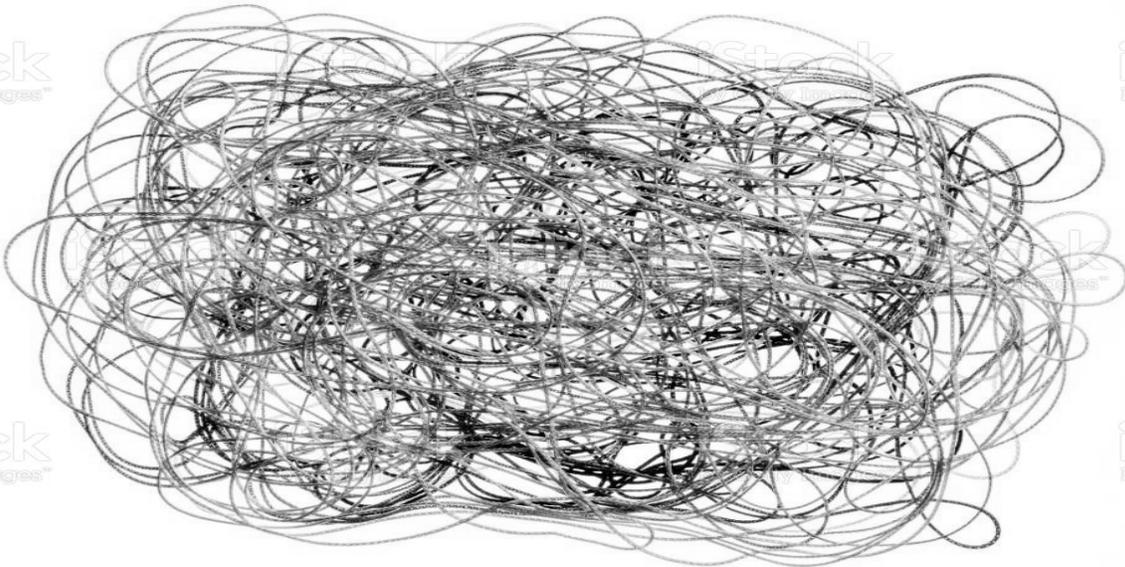
Encourage people. Too many leaders worry that excessive encouragement is cheesy and sounds silly. It will indeed be cheesy and silly when you start, but humans get better with practice. Become one of those leaders who always has a genuine encouraging word.

Step Four.

Find out what your people really want – what their own personal Holy Grail is. That's *their* steady state in a chaotic world. Help them toward that goal and they'll follow you anywhere.

Step Five.

Be serious about the mission, the goal, the plan, the purpose, the formidable uncertainties and barriers, the people themselves – but never about yourself. The less attention you have on yourself, the better. People first, mission second, self last. Please note that this is not an excuse to run yourself into an early grave – staying healthy and happy is not selfish leadership but just common sense.



Suggested Further Reading

Gladwell, M. *The Tipping Point : How Little Things Make a Big Difference*, Back Bay Books, ISBN 978-0-316-31696-5

Guastello, S.J. *Managing Emergent Phenomena*, Lawrence Elbaum Associates, ISBN 0805831630

Kolm, J and Ring, P. *Crocodile Charlie and the Holy Grail: How To Find Your Own Answers At Work And In Life*, Penguin, ISBN 0-14-300123-X

Kahneman, D. *Thinking Fast and Slow*, Farrar, Straus and Giroux, ISBN 978-0374533557

Stuster, J. *Bold Endeavors*, Naval Institute Press, Stuster, ISBN 1-55750-749-X