

## LESSONS FROM EVEREST: THE ROLE OF COLLABORATIVE LEADERSHIP IN CRISIS

BY DORI DIGENTI

The environment's so unpredictable. The market trends you've built your business on have shifted—virtually overnight. You can't seem to gather enough facts to make good decisions, but you must do so. Quickly. One false move can lead to catastrophe. You turn to others for help, but you find that your team is really just a collection of individuals, each focused on accomplishing his or her own goals. They rely on you to set the course and lead the way. You come to the unsettling realization that all of your hard work and preparation may not be enough to ensure your company's survival as you confront one crisis after another.

**O**n May 10, 1996, 26 climbers from several expeditions reached the summit of Mt. Everest, the world's highest mountain. At 29,028 feet, the peak juts up into the jet stream, higher than some commercial airlines fly. A combination of crowded conditions, a perilous environment, and incomplete communications had already put some climbers in peril that day; a late-afternoon blizzard that sent temperatures plummeting sealed their fate.

Descending climbers were scattered along the upper reaches of the mountain when a powerful storm hit. Some people became incapacitated near the summit; others managed to get to within a few hundred yards of their tents at Camp Four (26,100 feet) before becoming lost in the

whiteout conditions. Eight climbers would die over the next day and a half. Others would suffer severe frostbite and disability from their Everest summit attempts.

The 1996 Everest climbing season was the deadliest ever in the mountain's history. The key events of the May 1996 tragedies have been analyzed thoroughly, both from a sensationalist perspective for the general public, and from a more analytical perspective by the climbing community. Now that some time for reflection has passed, we can view the events as a rich metaphor for how

organizations cope and survive, or not, under extreme conditions.

Although most of us don't face life or death situations in the office, we do operate in a volatile environment that

demands strong leadership and quick decision-making based on the best information we can gather in a short time. In this sense, we might say that our work teams scale our own Everests every day.

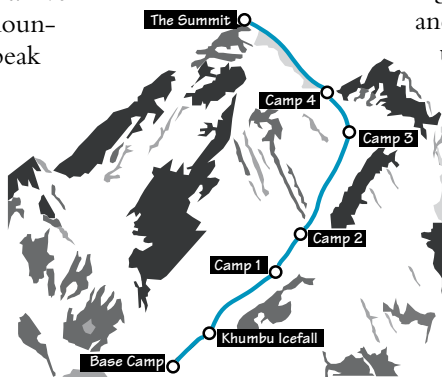
Because any significant undertaking requires leadership of a productive team effort, we begin by sketching out some of the factors essential to

“collaborative leadership.” We then examine the case of the 1996 IMAX expedition led by David Breashears as an example of effective collaborative leadership in action. We conclude by drawing lessons from Everest for business leaders.

### Collaborative Leadership

Many managers recognize the need for collaborative leadership to help them achieve their objectives in a changing business environment. They have heard that leading in new ways can enable groups to perform at higher levels. The problem is that very few managers

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really know what collaborative leadership entails or how to implement it. Many think they are leading collaboratively when they are really either just trying to keep everyone happy or continuing to rule with an iron fist couched in friendlier language.

Collaborative leadership is a set of skills for leading people as they work together to accomplish both individual and collective goals (see “Skillful Collaborative Leadership”). First and foremost, collaborative leaders must be excellent communicators

of a passionate vision. They must maintain a keen awareness of the many variables that affect their organizations, such as the availability of resources, time constraints, and shifting markets. These leaders must balance the agendas of a group of talented but very different people and work with the team as a whole to help members achieve their highest level of capability. In short, they must be able to weave many complex factors together into a plan to accomplish an overarching goal.

Collaborative leaders do not rely

on pure consensus when making decisions. Their role on the team is to stay aware of the big picture and to keep in mind all the factors that are necessary to make the goal happen. Thus, although they collect input and information from others, they must ultimately make a decision that they feel best serves the organization’s needs. This decision may go against the expressed desire of one or more team members. To keep dissenters engaged, collaborative leaders must articulate a vision so compelling that team members are willing to make their personal aspirations secondary to achieving the overall objective.

In a crisis, teams tend to fall apart as their members approach basic survival level. On Everest, survival means having enough air to breathe to keep blood circulating to the brain and staying warm enough to avoid frostbite and hypothermia. Similarly, managers of a business in a critical state must understand the organization’s core functions and find ways to sustain those activities until they can muster additional resources.

In crisis situations, people’s “fight or flight” instincts will cloud their judgment unless the leader has instilled in them a strong sense of the vision; has modeled the ability to work through the dilemma and keep moving toward the goal; can foresee possible scenarios for resolving the crisis; and can communicate the different actions needed to reach safety. A collaborative leader must master the skill of creating a complex web of relationships among team members that binds the group together and that resists the pressures that seek to separate them under stress. For when collaborative leadership is missing, personal survival and individual goals negate group goals, planning falls apart, and communication is shattered.

### **Collaborative Leadership on Everest**

During the challenging May 1996 climbing season, the IMAX expedition led by David Breashears succeeded where others failed, in that the group achieved its goals of creating footage for the IMAX Everest

## **S K I L L F U L C O L L A B O R A T I V E L E A D E R S H I P**

In exploring what makes a good collaborative leader, I drew on a series of seminal cases of “great groups” found in the book *Organizing Genius: The Secrets of Creative Collaboration* by Warren Bennis and Patricia Ward Biederman (Perseus Books, 1997). I identified three major components of skillful collaborative leadership:

### **A collaborative leader creates a safe, clear, and cohesive environment for the group’s work. He or she:**

- Functions as a kind of central switching station, monitoring the flow of ideas and work and keeping both going as smoothly as possible
- Ensures that every group member has ownership of the project
- Develops among team members the sense of being part of a unique cadre
- Works as a catalyst, mediating between the outside world and the inner world of the group
- Provides avenues for highly effective communication among team members

### **A collaborative leader has a mastery of boundary-spanning skills, including capitalizing on the group’s diversity. He or she:**

- Develops new projects in a highly collaborative manner, taking good ideas from anyone involved in the process
- Is a dealer in hope rather than guarantees
- Reduces the stress levels of the members of the group through humor and creating group cohesion
- Focuses on encouraging and enabling the group to find and draw on inner resources to meet the goal
- Uses mediation to eliminate the divisive win-lose element from arguments balanced with open but clear decision-making

### **A collaborative leader inspires the group through vision and character. He or she:**

- Realizes that you can only accomplish extraordinary achievements by involving excellent people who can do things that you cannot
- Is absolutely trustworthy and worthy of respect
- Transforms a dream into a compelling vision for the group’s work
- Conveys a sense of humility and integrity
- Has the courage to speak of personal fears
- Models the ability to cut through unconscious collusion and raise awareness of potential red flags
- Maintains grace in a crisis

movie, conducting scientific research, and putting team members on the summit safely. A measure of this success is attributable to Breashears's collaborative leadership style.

Breashears and his group were united in their personal goals to summit Everest, and in the group goal of bringing the Everest experience back to the masses through large-format cinematography. Unlike some of the other teams on the mountain, Breashears's IMAX expedition was fully funded by the film's producers and by the U.S. National Science Foundation. Because of this financial backing, Breashears had the luxury of hand-picking his crew, and he showed an outstanding ability to judge both physical and psychological readiness.

At base camp, Breashears's approach to team-building centered on creating opportunities for the team to get acquainted, bond socially, and develop a sense of mutual respect and interdependence. For example, at dinner, team members contributed delicacies from their home cultures. This rich social context and intimacy was sustained beyond base camp. As the IMAX team moved up the mountain, the process of filming the movie helped to unite the team further.

On May 8, just before several other expeditions headed out for the summit, Breashears made the difficult call to postpone his team's attempt and descend to a lower camp. His chief priority was the team's safety. Although Breashears gathered the input of his team members, no one questioned that the final decision to make or abandon the summit attempt would be his alone.

When the other teams ran into trouble on summit day, Breashears stopped filming. His group devoted all their energies to rescuing the survivors, bringing them down the mountain, and assisting in providing medical treatment. These actions saved the lives of two climbers. Breashears and his team chose to risk their chance to summit and their film project in order to respond to the immediate needs of people who were in jeopardy. The group's heroism further

cemented their bonds. Breashears's display of character under duress, for example, his refusal to film the injured climbers for profit, additionally bolstered the team's spirit.

After the tragedies and rescues of the remaining members of the other teams, Breashears's group returned to base camp to consider their options. In the end, after the memorial services and a short time to reflect, they decided to return to the mountain to make a summit attempt. Once they reached high camp, Breashears made the hard decision to cut one team member from the summit team. The climber had cracked two ribs through coughing on the way up to high camp, and Breashears judged that she would not be strong enough to safely make the summit. Again, this decision was his to make, and the team was strong enough that they accommodated the loss of one member with little loss of morale.

In preparing for the summit attempt, Breashears ran through a number of scenarios for the climb. He mused: "In my mind, I ran through all the possibilities of our summit day. When I got to the end of one scenario, I would work through another. I know that the effects of hypoxia (lack of oxygen to the brain) and sleep deprivation and the tug of Everest would cloud my decision making. I wanted to have rationalized a decision for the most likely scenarios of the day down here in the relative warmth of my sleeping bag and the security of my tent" (*High Exposure*, Simon & Schuster, 1999).

Despite the stress of the preceding events, the IMAX team successfully summited Everest and captured the glory of the highest point on earth on film. Part of the success of the expedition came from the incredibly talented team. But Breashears's ability to masterfully create both environmental and psychological sup-

port for his climbers and articulate an unwavering vision and sense of integrity bring him close to the collaborative leadership ideal.

### Unconscious Collusion

Collaborative leadership alone cannot create success. When crisis strikes, team members must rely on their own inner resources—courage, conviction, and, a more elusive resource, character—to get them through the challenges at hand. Although the leader can model and instill a vision of uniting personal and team objectives, the successful resolution of crisis ultimately rests on the strength of earlier team-building efforts.

In *Into Thin Air* (Anchor Books, 1997), the best-selling book about the May 1996 Everest climbing season, Jon Krakauer noted that in one of the other expeditions "each client (a climber who has paid to be part of a professionally guided expedition) was in it for himself." Such thinking precludes

effective collaboration. In addition, he states that many of the clients adopted a "tourist" attitude. They expected the staff to prepare the mountain for them, so that they would only need to put one foot in front of the other to succeed.

At the same time, according to Krakauer, on the morning of the summit attempt, several clients on his team expressed concerns about the summit plan they were following, but none of them discussed their doubts with their leaders. If there had been closer collaboration within the teams, such concerns may have been discussed more openly. In reflecting on these actions and attitudes, we must consider the role of *unconscious collusion*. In groups, unconscious collusion occurs when no one feels either empowered or responsible for calling out red flags that could spell trouble.

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In the rapidly changing conditions and troubled communications that Krakauer documents in his book, unconscious collusion played a central role in the tragic outcomes.

This kind of unconscious collusion can lead to poor decisions and potential disasters in companies as well. The ongoing pressures on businesses for results and nonstop success—comparable to “summit fever” (the desire to get the summit despite escalating risks) among a group of climbers—create overwhelming pressure for employees to go along with the crowd, to bury their doubts, and to ignore risks. In successful groups, someone always raises questions when they sense problems with a certain course of action. But unfortunately, unless the team has developed high levels of trust, personal ownership, responsibility, and open communication, no one will feel it is their duty or right to question a priori decisions. To counter unconscious collusion, the collaborative leader must constantly nurture team intelligence, model and reinforce the need for open communication, encourage dissenting viewpoints, and maintain an open-door policy.

### What Does This Mean for Business Collaboration?

Looking at the case of the 1996 Everest expeditions through the lens of collaborative leadership can naturally lead to the following conclusions about business collaboration under crisis:

**Consistency in collaborative leadership is vitally important.** One of the lessons we can glean from the success of the Breashears team is the critical role of consistent leadership, particularly in a crisis. The confusion that results when leaders vacillate between different leadership styles can undermine a group’s sense of teamwork and the ability of different members to step into leadership roles. In this context of blurred boundaries and roles, a sudden leadership vacuum can lead to paralysis and “every man for himself” behavior.

In contrast, over time, predictable,

consistent collaborative leadership inspires commitment, confidence, and loyalty from a team. In this atmosphere, people know what to expect from their leaders, and what their leaders expect from them. If the leader must withdraw for any reason, the team’s strength and strong vision seamlessly carry it through the temporary vacuum at the top.

**The ideal collaborative leader shares much in common with a good movie director.** David Breashears’s training as a movie director likely supported his ability to motivate

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others and lead collaboratively. The director is the leader on a movie production, but all the members of the team are mutually dependent. On a movie production, each person’s role is clear, and each task must be executed in sequence.

The movie director’s challenge, similar that of a team leader, is to:

- find and organize the best talent,
- prepare the environment for the production,
- draw on and incorporate the team’s ideas,
- create a clear goal,
- articulate a story and vision for the production, and
- weave together the complex web of aspirations and talents in the group to create a coherent and compelling end product.

The movie production process also offers a strong element of real-

time learning, in that it incorporates processes for discovering errors and correcting potential failures before the project reaches a critical stage. The director reviews “dailies” for each day of production. In collaboration with cast and crew, he or she decides which scenes work and which need to be reshot, keeping in mind time and budget constraints. This regular review process serves as an excellent way to prevent teams from falling into unconscious collusion and ignoring warning signs.

The “director” in a business setting—the leader—must ensure that team roles are clear; that members clearly understand the project’s objectives and milestones; and that the group as a whole frequently and openly assesses the progress to date against the original plan. He or she must do so in a nonthreatening setting and demonstrate flexibility in adapting the plan to changing conditions. Many businesses have adopted formal after-action review processes that occur both in the course of a project and after its completion.

**Collaborative leaders develop flexibility in the team for dealing with rapidly changing conditions.** Successful groups must recognize the need for flexibility in approaching rapidly changing conditions. For instance, in order to sustain collaboration in crisis and mitigate survival anxiety, Breashears and his team collectively reviewed potential scenarios, developed contingency plans, and stayed in touch with each other on summit day. When survival anxiety becomes too high in business, because of ill-defined or shifting management priorities, downsizings, competition, or loss of market value, managers must prepare for a strong wave of fight-or-flight reactions among team members and for a fall-off in collaborative efforts. The development of alternate strategic scenarios is an emerging business practice that can support the flexibility of project teams and help them respond quickly to changing conditions.

**Collaborative leaders are supported by interdependent team members who take ownership for achieving**

**common goals.** As Krakauer and others have noted, many of the clients on the commercial expeditions in 1996 felt they had been led to expect that they were entitled to reach the peak of Everest; that their every need would be catered to; and that the dangers were minimal if they followed the formula laid out by the expedition leaders. This overreliance on the leaders put a tremendous burden on those individuals and led to a vicious cycle: As the clients became more and more dependent, the leaders' ability to prepare "the mountain for the clients" decreased.

In the business arena, no organization can afford to cultivate dependence in its employees—and thereby put unnecessary stress on managers. Successful groups combine strong interdependence among members with individual responsibility and ownership for the outcomes of the project. This combination is vitally important in the harsh environment of the new economy.

### When Preparedness Isn't Enough

Leaders will be most successful in turbulent environments if they inspire team members to go beyond their limitations; coach them to make the teams' goals their own; practice a consistent, predictable collaborative leadership style; and present an unwavering vision. In the new business climate, managers would do well to cultivate the skills that make for a great director, rather than those that make for a great supervisor. More and more, leaders must form teams made up of contractors, partners, suppliers, and subsidiary employees—none of whom directly report to one another. They will need to organize more frequent project reviews, so that team members are continually checking their assumptions, learning in real time, and correcting mistakes before they become serious. In this way, collaborative teams can avert potential disaster.

When expedition leaders initially prepare to climb Everest, they focus tremendous energy on preparedness: physical training, supplies, equipment, portage, logistics, and staffing. Teams

that undertake these operations with skill and foresight greatly enhance their chances of success on the mountain. However, the 1996 season on Everest revealed that excellent preparation isn't enough. When a team's very survival is threatened, the quality of their interactions, relationships, and decisions become key to a successful outcome.

In business, the process of facing a new challenge is similar: Organizations devote much effort to preparedness, logistics, and resources, but they often fail to invest in promoting leadership and collaboration skills. What we learn from Everest is that it is exactly this investment in human capability that can mean the difference between success and failure. With a strong grounding in collaborative skills and effective collaborative leadership, teams can learn to pull together in times of crisis rather than fall apart. ■

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## NEXT STEPS

### Assess your organization's readiness for collaborative leadership.

Does the whole team feel ownership for the "what" and "why" of the project? Is the leader's role to provide resources and facilitate support for the project?

### Institute a failure analysis process—such as the U.S. Army's after-action review—for all projects.

Ensure that your analysis includes the role that leadership played in the project: Was it too authoritarian or laissez-faire?

**Look at how your organization deals with crises.** Is there a pattern in the responses? How could your leaders improve their ability to support teams through times of stress?

**Examine how your organization is building collaborative skills** in the next generation of leaders and how it is enhancing those skills in the current generation.

## References

- Bennis, Warren and Patricia Ward Biederman, *Organizing Genius: The Secrets of Creative Collaboration* (Perseus Books, 1997)
- Breashears, David. *High Exposure* (Simon & Schuster, 1999)
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### A Farewell—System Dynamicist Donella Meadows

Donella Meadows died on February 20 after a brief illness. She was a leader in the field of system dynamics, adjunct professor at Dartmouth College, and director of the Sustainability Institute. In 1972 Meadows was on the team at MIT that produced the global computer model "World3" for the Club of Rome. She coauthored the book *The Limits to Growth*, which described the model and sold millions of copies in 28 languages. In 1991 she collaborated with her coauthors, Dennis Meadows and Jorgen Randers, on a 20-year update called *Beyond the Limits*.

Among her other accomplishments, Dana was nominated for a Pulitzer Prize; cofounded the Balaton Group; developed the PBS series "Race to Save the Planet"; was awarded a MacArthur Fellowship; and served as a director for several foundations. In 1999 she moved to Cobb Hill in Hartland Four Corners, Vermont. There she worked with others to found an eco-village, maintain an organic farm, and establish headquarters for the Sustainability Institute.

Dana's mother, Phoebe Quist, has referred to her daughter as an "earth missionary." Meadows described herself as "an opinionated columnist, perpetual fund-raiser, fanatic gardener, opera-lover, baker, farmer, teacher and global gadfly." Dana was a true pioneer and visionary who was committed to—and succeeded in—making the world a better place. For copies of her "The Global Citizen" columns and information about the Sustainability Institute, go to [www.sustainer.org](http://www.sustainer.org). For more details about Dana's life and work, go to [www.pegasus.com](http://www.pegasus.com).

A memorial service will be announced at a later date. Memorial donations may be made to The Sustainability Institute or to Cobb Hill Cohousing, both at P.O. Box 174, Hartland Four Corners, VT 05049.



## GUIDELINES FOR DAILY SYSTEMS THINKING PRACTICE

BY LINDA BOOTH SWEENEY

### Individual Practice

Becoming a seasoned systems thinker starts with a strong commitment to developing your own awarenesses and skills.

**Ask Different Questions.** Systems thinking offers a framework for defining problems as well as solving them. To practice thinking from a more systemic perspective, start by paying attention to the questions you ask. Try to ask questions that get at underlying structural relationships or patterns of behavior exhibited over time; that focus your attention on potential delays, balancing or reinforcing processes, and unintended consequences; and that help you understand what time intervals you're focusing on and how you and others are perceiving situations.

**Learn to Experience Time Differently.** When faced with complex problems, we are often strongly influenced by society's messages about what constitutes enough time. Typically, we focus on shorter time intervals than we should.

To combat this, try making explicit the time horizon with which you are working. For example, are you interested in the behavior of oil prices as they move over a two-month period or a two-year period? What might be an appropriate time horizon for understanding the impact of nuclear-waste disposal?

Also, extend your sense of what constitutes "the present." Try thinking in terms of a longer block of time as "now"—say, one year past and one year ahead. Ask yourself what was happening a year ago. What is happening now? What does the next year hold? By extending our sense of "now," we can grasp interconnections that we may not have seen before.

Try slowing down so that you can align more effectively with the

systems you are trying to understand. In his book *The Fifth Discipline*, Peter Senge observes that "learning to see slow, gradual processes requires slowing down our frenetic pace and paying attention to the subtle as well as the dramatic." Take a walk outside. Sit under a tree for 20 minutes. Shadows will move. A leaf may fall. See what you can observe by slowing down.

**Notice the Systems Around You.** Try looking for feedback loops in everyday situations. For example, has your company launched a new product whose sales really took off, only to plateau out eventually? This may indicate a reinforcing process that suddenly is affected by a balancing process. Are you feeling pulled like a yo-yo between two extremes? If so, there is likely a balancing loop at work.

Keep an eye out for signs of systemic processes in your personal life as well, such as the impact your actions have on your family system or natural cycles. Might a reinforcing loop be broken if you picked your socks up off the floor? What might happen if you—and others—turned off the water while brushing your teeth?

**Draw a Loop-a-Day (or one a week).** Every morning, sit down with your cup of coffee, the newspaper, a pad of paper, and a pen, and look for news stories that you can explore through causal loop diagrams. Search for stories that describe patterns of behavior over time. (For example, "The unemployment rate rose over the past 10 years, as did the number of families seeking welfare assistance.") Sketch the systemic structure that you think is producing those patterns. This is a great way to practice recognizing systemic structures and mastering causal loop diagramming. *The Economist* magazine is a particularly rich source of systems-oriented stories.

### Collaborative Learning

For many people, real insights come in the company of others. Likewise, the use of systems thinking concepts and tools is most powerful in a group or team.

**Find a Coach or Mentor.** Establish an apprenticeship with a seasoned systems thinker. Shadow that person during part of a workday or a consulting engagement. Or, identify a systems thinking coach or mentor. Pick one example a week from your daily coffee-and-causal-loop exercise and fax or e-mail the article and your diagram to your mentor. Discuss the loops and consider alternative explanations, key questions, data you'd want to collect, and possible interventions.

**Start a Book Group.** Find a partner or group with whom you can connect on a regular basis to read an article or book related to systems thinking or organizational learning. Read a chapter or article a week and then discuss it (in person or by phone or e-mail). Or, convene a group to try exercises in experientially based books such as *The Fifth Discipline Fieldbook*, *Systems Thinking Basics*, *The Dance of Change*, or *The Systems Thinking Playbook*.

**Form Learning Communities.** Gather with others who are interested in systems thinking, either in person or on-line. If you live near people interested in building their systems thinking skills, try meeting once a month. Have members bring stories from their business experiences, and select one to discuss as a group. Explore the roots of the problem through inquiry and causal loop diagramming. ■

This article is an update of some of the material in "Life-Long Systems Thinking Practice" by Linda Booth Sweeney, THE SYSTEMS THINKER V7N8. An expanded version of these guidelines is available in pocket-guide format; for information, go to [www.pegasus.com](http://www.pegasus.com).



## MAKING BEAUTIFUL MUSIC BY MANAGING COMPLEXITY

BY JANICE MOLLOY

**W**hat words do we use to describe a team that's functioning well? Whether we realize it or not, we often use musical terminology: We say we're "in unison"; we're making a "concerted" effort; we're "attuned" to each others' concerns; and, at our best, we're "harmonious." In a sterile office environment, it may be difficult to draw more substantive parallels between our workgroups and a highly trained, professional orchestra. Yet Roger Nierenberg, musical director of the Stamford Symphony Orchestra in Connecticut, has designed an interactive experience that lets businesspeople learn lessons about collaboration and leadership from *within* a world-class musical ensemble.

Nierenberg calls his program "The Music Paradigm." In addition to serving as a conductor and musical director, since 1996, Nierenberg has presented his unusual brand of seminar for a wide diversity of companies, including Lucent Technologies, Lockheed Martin, and Bristol-Myers Squibb. What do executives of these organizations hope their employees will gain from a 90-minute immersion into the inner workings of a symphony orchestra? Unique and memorable insights about the contribution that each "player" makes to the whole, the importance of effective teamwork, and the impact of different leadership styles on performance.

### Up Close and Personal

When participants enter the room for the program, they expect to take part in a normal business meeting or training session. Instead, they encounter a philharmonic, its members clad in formal performance garb, waiting to play. Attendees can choose to sit in front

of, next to, or behind the musicians, who are grouped in "functional teams" throughout the venue.

The orchestra for any given performance comprises professional musicians, who participate in the program on a freelance basis. They meet for the first time an hour before the

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presentation to rehearse a selection of classical music, such as Mozart's 41st or Brahms's 1st Symphony. After a brief familiarization period, the group soon produces beautiful music together.

To the delight of the participants, the session begins with a 10-minute concert. Nierenberg then asks the audience to think creatively about the orchestra as an organization of highly trained, accomplished professionals. As the businesspeople observe, he leads the musicians through a series of exercises to illustrate key characteristics and practices of high-performing teams.

### "Functional" and "Dysfunctional" Performances

A symphonic performance serves as an ideal laboratory for studying orga-

nizational dynamics for several reasons: Observers can easily view the entire system at once; communication among players is transparent and instantaneous; and the connection between behavior and results happens immediately. When the parallels between an orchestra and a business seem less intuitive, Nierenberg translates the musicians' behavior into terms that managers can understand and relate to. For instance, he points out that an orchestra has an "org chart": Each "division"—such as strings, woodwinds, brass, and percussion—is divided into "teams." The string division consists of five teams: first violins, second violins, violas, cellos, and double basses.

In the teamwork activities, the audience compares the results when the orchestra plays normally and when, for instance, the first violins play slightly out of sync or when the violas and double basses are missing. In each case, the differences between the "functional" and "dysfunctional" performances are subtle but audible. The participants gain a dramatic understanding of the interdependence of the group as a whole, and of the importance of each individual and each team to the quality of the final "product."

As part of the session, the musicians also describe their experiences of playing in these counterintuitive ways—it takes effort to contradict the instincts they've developed through many years of practice and performance. Because the conductor works with a different group of artists each time he conducts a session, the performers find the exercises as surprising as the participants. In unscripted and unrehearsed responses, they convey

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the richness of the flow of information that travels throughout the ensemble. By following the conductor, taking cues from each other, listening to feedback, and making continual, minute adjustments, the players are able to remain together and on key.

### From Neglect to Micro-management

But the most striking aspect of the presentation involves leadership. To dramatize the impact of different leadership approaches on performance, the orchestra plays the same selection in several ways: as they normally would with a conductor, on their own without a conductor, with the conductor carefully controlling every aspect of the performance, and with a “guest conductor”—an employee from the organization participating in the session, guided by Nierenberg’s gentle and expressive hand.

Even the untrained ear can perceive variations in the style and tone of the various scenarios. When asked to play without a leader, the orchestra plays accurately, but the music lacks emotion and pace. When Nierenberg micro-manages the performance, the group sounds stilted and somewhat flat. When the inexperienced conductor stands in, the performance is tentative and uneven. But when the maestro confidently wields the baton once again, the musicians respond with a lush and expansive rendition.

Nierenberg describes the group’s performance without a conductor as “business as usual.” In the absence of guidance from the podium, the players turn their eyes to the concertmaster and listen to each other with greater intensity. In this way, they manage to work together remarkably well.

So, if an orchestra—or, by extension, an organization—can function

successfully without a leader, then what purpose does a conductor—or general manager, president, or CEO—serve? Nierenberg suggests that the leader’s first job is to provide others with a sense of the big picture. From his or her central position, a conductor is able to see and hear the whole, gather information from the music, and convey that information to the group. At the end of the session, Nierenberg invites the participants to stand behind the podium as he conducts, to better understand the unique perspective of the entire system that the leader holds.

Even more important, a skilled conductor infuses the notes of a musical score with meaning, inspiring the orchestra to perform with richness, depth, and emotion. In this way,

Nierenberg argues, strategic, visionary leadership can make a *qualitative* difference in a team’s functioning. Noting that a conductor must provide guidance in advance of—not simultaneous to—the orchestra’s playing a note, he states that “leaders

are people who commit themselves to things that haven’t yet happened.” If they make a commitment—and engage others in creating a vision—when the time comes for people to act, they know what they need to do to bring that vision to life.

For conductors don’t make music directly; the people they lead do. Similarly, leaders can’t precisely control their organizations’ operation—but the people who work for them can. For that reason, an effective conductor focuses on *enabling* people to execute their jobs well: revealing things about the music to the players, showing them what’s important, and lifting them out of their silos to gain a sense of the whole.

In contrast, when asked to describe their experiences under a controlling leadership style, the musicians report that the group may be

more together in terms of timing, but they give less emotionally and feel less able to make their own unique contributions to the overall effort. The leader’s dominant style actually prevents them from doing their jobs effectively by blocking the flow of information, isolating the players from their network of colleagues, and squelching their creativity.

### The Power of Feedback

It’s easy to overstate the parallels between an orchestra and a company. Obviously, vast differences exist. For one thing, members of a musical ensemble perform at the same place and the same time, while company employees generally conduct their business in different locations and sometimes even in different time zones. Also, feedback processes in a business are seldom as direct and instantaneous as those that take place during a musical recital. For instance, the musicians respond to feedback as they tune their instruments, making subtle adjustments until their output corresponds to that of the oboe. This process generally takes seconds to accomplish. In an organization, we may not receive data about the results of a certain activity until months—even years—after we took the initial action.

Nevertheless, this kind of multimedia session offers a powerful alternative to the “talking-head” approach so prevalent in many training programs. Just as with a computer simulation, participants in these workshops witness in real-time the results of different scenarios and the impact that changes in certain variables have on an organization’s performance. And for those of us not in the position of leading a large enterprise—and even for those of us who are—the experience of standing behind the podium as the music swells serves as a tangible reminder of the beauty and promise in effective teamwork and inspirational leadership. ■

Janice Molloy is content director at Pegasus Communications and serves as managing editor of *THE SYSTEMS THINKER*.





# A CALIFORNIA DREAM BECOMES A NIGHTMARE

BY LAUREN KELLER JOHNSON

“The verdict is in: California’s experiment with energy deregulation is not just a mess; it’s a certifiable failure.”

—“The California Power Quagmire” by Charles Feldman, CNN.com, January 4, 2001

**W**e’ve all heard the saying “Be careful about what you wish for; you just might get it.” In the case of the California power crunch, this pithy little phrase has particular meaning. Back in the early 1990s, Pete Wilson, California’s governor, decided to run for president. To woo California businesses—which were clamoring for cheaper electricity—he proposed a utilities deregulation plan that he had seen work in England (see B1 in “California’s Power Nightmare”). The plan won unanimous support in California’s senate, and Wilson signed it into law in 1996.

The deal looked like this:

- On the assumption that privatization would lower consumers’ electricity bills, the plan required California’s investor-owned utilities to sell some of their power-generating plants to other private companies and buy wholesale electric power on the open market.
- These same utilities couldn’t pass on any price increases to customers until at least March 31, 2002.
- Given the state’s tough environmental laws, California would not allow the building of any new power plants.

## Deregulation Downers

Initially, results looked promising. The new market in wholesale power kicked in during April 1998. Cheap imported power gushed in from private energy suppliers in California and nearby states. Industrial users who had paid 7 cents a kilowatt now paid only 3 cents.

But everyone involved had forgotten two facts: (1) Energy prices can rise as well as fall, and (2) good times demand increased supplies. The

California law didn’t include provisions for boosting capacity. As one observer said, the deregulation plan was “an accident waiting to happen.”

In summer 2000, that accident happened. Demand for power peaked as the weather turned especially hot and dry, and supplies decreased as the water reservoirs used by generators shrank. Prices skyrocketed.

The deregulation deal itself put the final fizzle on the situation. Because the utilities couldn’t pass higher costs on to their customers, their cash flow dried up. Banks avoided lending them money, and generators avoided selling them power. The strapped utilities couldn’t supply enough electricity to meet demand.

The solution? The state declared a “Stage 3” alert, which requires consumers to adopt strict energy-conservation measures and endure “rolling blackouts” (R2). The state also approved emergency rate hikes—ranging from 7 to 15 percent—to try to bail out California’s two largest utilities. In a recent move that would have made famed free-market author Ayn Rand shudder, a federal judge extended an order forcing an independent Texas power supplier to keep selling to California.

## Lessons Learned?

As system dynamicist Donella Meadows explains, California—as well as the nearly two dozen additional states considering deregulation—can learn some things from this debacle:

- When restructuring an

essential commodity, plan for the welfare of the whole system—not just the utilities or the big consumers.

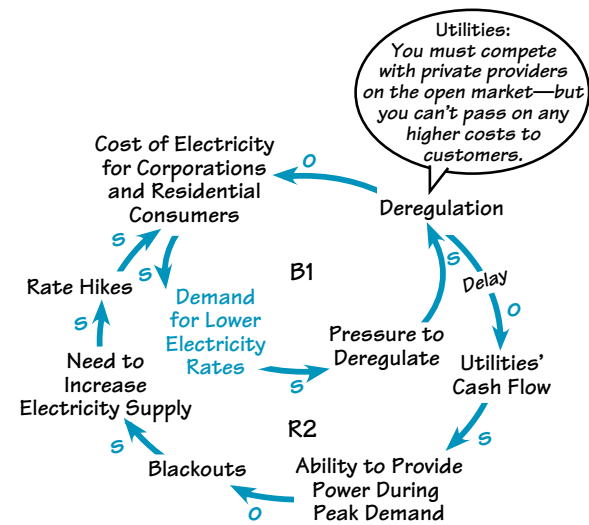
- Rather than boosting supply, reduce demand (for example, through raising conservation awareness)—it’s cheaper and cleaner.
- Don’t try to control prices in just one part of the system—the impact affects all parts.

Kind of turns a lightbulb on over one’s head, doesn’t it? ■

**Additional sources:** “Electricity Restructuring and Faith in the Market” by Donella Meadows, *The Daily News*, January 21, 2001; “What Went Right?” by David Warsh, *The Boston Globe*, January 28, 2001.

Lauren Keller Johnson is a freelance writer and editor living in Lincoln, MA.

## CALIFORNIA’S POWER NIGHTMARE

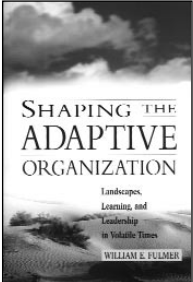


California’s utilities deregulation law lowered electrical costs for customers (B1). Because deregulation limited the utilities’ ability to pass cost increases on to consumers, over time, the utilities’ cash flow dried up. In response to the resulting blackouts, the state approved emergency rate hikes, leading to higher consumer costs (R2).



## PLANNING TO DEAL WITH THE UNPREDICTABLE

BY BILL GODFREY



**Shaping the Adaptive Organization: Landscapes, Learning, and Leadership in Volatile Times**  
by William E. Fulmer

It is increasingly accepted that the metaphor of the organization as a complex adaptive system gives a better understanding of management issues than the established metaphor of the organization as a mechanism operating in a world tending to equilibrium. However, acceptance of the concept far outruns changes in practice. In *Shaping the Adaptive Organization: Landscapes, Learning, and Leadership in Volatile Times* (AMACOM, 2000), William E. Fulmer helps reinforce our understanding of what is implied by operating in a world of complexity. He offers simple ways of comprehending what he calls the business “landscape” and tools for building an organization that is effective in adapting to its context. This is not a one-time adaptation, but a profound transformation to a capacity to adapt continuously to changing conditions.

The book begins with a brief review of the rise of complexity theory and its application to business and economics. The key point is that we operate in a systemic world, in which relationships are usually non-linear. As a result, the consequences of our actions (and the actions of others) are, of their nature, unpredictable.

Thus, predicting the future is not just difficult but impossible. Our common response of meeting uncertainty with ever greater efforts at prediction and control is not just pointless but profoundly dangerous. The point is not that planning is useless—it is valu-

able—but that planning has to be done with the aim of equipping the organization and its people to deal with the unpredictable.

### The Three Ls

Fulmer focuses his discussion on three major areas:

- the need to understand the “landscape” in which we operate and respond to it appropriately
- the need to pay attention to learning at all levels
- the role of the leader in creating an environment of success

Regarding the first topic, he asks organizations to consider the following questions:

- What is the relevant landscape in which they operate?
- How “rugged” is the landscape, that is, how high are the barriers to entry and so on?
- How fit is their organization to compete in this landscape?

The responses to these queries serve to inform the strategic planning process. According to the author, strategic planning must include:

- active observation;
- a deep understanding of the organization’s core competencies;
- scenario planning or other “what if?” tools;
- a clear direction that incorporates core values;
- a sense of opportunism within this framework; and
- a continual evolution of the process.

In order to change an organization’s culture, the author emphasizes encouraging individual learning and leveraging that learning by creating ways for people to share what they know. This process requires assigning genuine value—and therefore time—to these activities. It also requires an external focus; diversity; responsible risk taking; and openness, trust, and a

sense of partnership throughout the organization.

A chapter on structure centers on the fact that complex adaptive systems function best “at the edge of chaos.” Fulmer states that “Structure influences strategy and strategy influences structure but both should be influenced by landscape.” According to the author:

- Decentralize and move decision-making to where the action is.
- Organize for people who can say “yes.”
- Use temporary structures (teams and project management) as much as possible, and form strategic alliances across organizational boundaries.
- Develop powerful information- and knowledge-exchange systems.
- Maintain flexibility in whatever structure you have so that it constantly evolves.

Finally, Fulmer encourages leaders to enact these precepts in order to create an environment of success:

- Build a network of relationships.
- Study the landscape.
- Set high expectations.
- Get out of people’s way.
- Be available.
- Choose the measures on which to focus (for example, the balanced scorecard).
- Communicate a direction.
- Be decisive, particularly on the hard decisions.
- Prepare a successor.
- Act with energy.

None of this is rocket science, nor are the ideas new, but they are well put together in a readable way. The devil, of course, is not so much in the detail as in achieving the change in mindset that allows the precepts to be put into effect. ■

Bill Godfrey is a management consultant and the founder of Bookwatch, a Web-based service that selects and reviews the best books for managers of change (<http://www.bookwatch.com.au>).



## MOVING BEYOND THE E-VENT LEVEL

**W**e all need to vent once in a while, right? Each of us has times in the office when we're pushed beyond the bounds of our patience. A coworker fails to complete her end of an important project by the deadline—again. Or, worse, the management team pursues a strategy that we think is doomed to failure—and disregards our fervent warnings. So, what do we do to resolve our anger and frustration? We often turn to a third person, not to help us find ways to make our feelings known to the individual who has aggrieved us, but merely to blow off steam.

Blowing off steam to a neutral party has its place. It can diffuse unproductive emotions over minor slights and let us get back to work without the need for a major confrontation. Venting can also give us a chance to collect additional information to bolster our argument if we decide to try again to make our opinion heard. And, if we're lucky and rant to the right person, sometimes our grievances can actually effect change. But chances are just as high that news of our backbiting will seep beyond the cubicle walls and directly to the object of our tirade, potentially escalating the conflict.

### Disgruntled Workers of the World Unite!

Vault.com seeks to make a profit by providing forums for the disgruntled workers of the world to express their frustration about hard-nosed bosses and dwindling stock options—anonously. The dot.com's founders believe that employees who publicly disclose their company's shortcomings can actually improve their workplaces by pressuring leaders to alter troubling policies or chastise ineffective supervisors. The so-called Electronic Watercooler™ also serves as a source

**YOUR WORKOUT CHALLENGE**

*Systems Thinking Workout* is designed to help you flex your systems thinking muscles. In this column, we introduce scenarios that contain interesting systemic structures. We then encourage you to read the story; identify what you see as the most relevant structures and themes; capture them graphically in causal loop diagrams, behavior over time graphs, or stock and flow diagrams; and, if you choose, send the diagrams to us with comments about why the dynamics you identified are important and where

you think leverage might be for making lasting change. We'll publish selected diagrams and comments in a subsequent issue of the newsletter. Fax your diagrams and analysis to (781) 894-7175, or e-mail them to [editorial@pegasuscom.com](mailto:editorial@pegasuscom.com).

**Receive a Free Audiotape!** Please send your responses by **April 23**. Those whose responses are published will receive an organizational learning audiotape from a previous Pegasus conference—free!

of insider information on the benefits of working for a particular company, providing a free source of recruiting PR.

Discussions on the bulletin boards range from a female job candidate warning others about an interviewer's sexism to an employee boasting about his organization's bonus policy. But under the guise of "free speech," participants' rhetoric sometimes degenerates into childish name-calling and rumor-mongering. Entries such as "The CTO is a complete idiot!" and "XYZ company's hiring policies suck" are commonplace. Unfortunately, such faceless tirades seem unlikely to lead to constructive change in the target individual or organization.

### What Goes Around . . .

To prove the company's dedication to workers' right to vent, Vault.com even provides an anonymous electronic bulletin board for its own employees. The forum became quite active, with staffers frequently sounding off about their disgruntlements. Trouble started when contributors began to suspect that certain posts were being deleted. In response, two employees set up an alternative bulletin board at Bitch-

vault.com, where they invited Vault.com workers to chat without fear of censorship.

What Vault.com executives might have learned the hard way is that, like familiarity, anonymity breeds contempt—and undermines more constructive ways to address complaints. To combat employees' reliance on venting to handle their frustrations, companies would be better served by building cultures of trust and openness, where people feel comfortable airing their grievances openly. For once staffers "own" their observations about a problem, they can contribute to finding a solution—something they can't do by merely ranting and raving to outsiders. ■

—Janice Molloy

Source: "Bitch, Bitch, Bitch" by Janelle Brown, Salon.com, February 1, 2001

**YOUR THOUGHTS**

Please send your comments about any of the articles in **THE SYSTEMS THINKER** to [editorial@pegasuscom.com](mailto:editorial@pegasuscom.com). We will publish selected letters in a future "Feedback/Followup" column. Your input is valuable!



## FROM THE FIELD

### SoL Connections

The Society for Organizational Learning (SoL) invites individuals interested in organizational learning to join its affiliates' program, called "Connections." SoL is a global learning community dedicated to building knowledge about fundamental institutional change. For \$100.00 a year, affiliates receive *Reflections, the SoL Journal* four times a year; gain access to online discussions, exercises, and resources; receive updates on news and events; have the ability to locate peers to create local learning groups; and other benefits. To learn more about the Connections program, including information about how to join, go to <http://www.solonline.org/connections/>, or contact Jennifer Harris at 617-491-2230 or [jj@solonline.org](mailto:jj@solonline.org).

### "Wattbug" Wins Viridian International Design Competition

In November, The Sustainability Institute announced the winner of the first Viridian International Design Competition. Designers from around the world rose to the challenge of creating an electric meter that would look good, be commercially feasible, and help users change wasteful habits. The winning entry, the Wattbug, came from a Turkish team led by industrial designer Inci Mutlu. Compact enough to perch on a tabletop, the Wattbug receives information about the flow of electrical current in a house from a transmitter wired into the fuse box. It purrs and glows a soothing shade of green when electrical usage is low; at high energy levels, the Wattbug scowls, and its tail flashes red. For more contest results, go to <http://www.sustainer.org/Viridian/>.



## PEGASUS NOTES

### Kellie Wardman O'Reilly Departs Pegasus

Kellie Wardman O'Reilly, Pegasus's most senior staff member, is moving on to a new adventure. A position with the Manchester, New Hampshire, YMCA will put an end to her often marathon commutes to our Waltham office, but not to her abiding affection for Pegasus and its work. Kellie joined the company in 1992 as a writer for *THE SYSTEMS THINKER* and marketing coordinator. In the years since, she has served as publications director and marketing director—often simultaneously. Kellie founded Pegasus's book publishing unit, and most recently, she was instrumental in shepherding *When a Butterfly Sneezes* through the development and production process. We will greatly miss Kellie's devotion to the fields of Human Dynamics, systems thinking, and system dynamics; legendary organizational skills; well-honed editorial talents; and mature leadership and coaching abilities. Pegasus wouldn't be the company it is today without her input and passion.

### *The Essentials of Servant-Leadership* by Ann McGee-Cooper and Gary Looer (Pegasus Communications, 2001)

In the latest volume in Pegasus Communications' newly revised *Innovations in Management* Series, Ann-McGee Cooper and Gary Looer differentiate servant-leadership from traditional leadership models, share case studies from companies that are experimenting with how they define leadership, and offer practical suggestions for putting servant-leadership to work—at any time, in any setting or industry. Order #IMS016, 16-pages, softcover, \$10.95. Volume discounts are available. To order, go to [www.pegasuscom.com](http://www.pegasuscom.com) or call 1-800-272-0945.

## LEARNING QUOTES

**"There are only two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle."**

—Albert Einstein

**"There are some things you learn best in calm, and some in storm."**

—Willa Cather

**"The measure of success is not whether you have a tough problem to deal with, but whether it's the same problem you had last year."**

—John Foster Dulles

**For information about reading and using causal loop diagrams, go to <http://www.pegasuscom.com/cld.html>.**

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