



## Leading in Turbulent Times

By Cathy Perme & Anne Knapp

Does this sound familiar? You are sitting in your office taking a brief break in a day filled with back-to-back meetings. There are stacks of “to read” folders on your desk. Your Blackberry vibrates incessantly signaling incoming mail and you have half a dozen callbacks to make before going home. Just a typical day at the office...

...At the same time, the economic downturn has impacted your clients and revenue is down across the company. To keep expenses in line you’ve had to lay off staff and reduce investments. Employee morale is low. Nevertheless, you are expected to strengthen your products, services, and client relationships, and to come out ready to compete and win.

As a manager, what do you do? Every time you think you have a plan, the ground shifts. The more you try to predict what will happen, the less things happen the way you expect. How can you lead effectively if you can’t control anything? Based on what we know about turbulent systems, the best things you can do now are:

1. **Confront reality** – You are in a new, evolving landscape. The future is uncertain and there are lots of divergent opinions about what to do (see diagram). The old notions that you can plan and control your environment simply don’t apply. Accept this and begin to adopt new leadership techniques.
2. **Look for patterns** – Ask questions and engage employees, customers, and others in discussions about what they see happening and why. Look for patterns that help you understand the forces, direction and pace of change.
3. **Create focus** – Based on what you’ve learned, define the boundaries of the new landscape. Clarify objectives (the more turbulent the environment, the more short term and tangible the objectives need to be). Identify the variables that matter and set “simple rules” for how you want people to behave.
4. **Let the people “go!”** -- Direct your employees to focus on the variables that matter; empower them to act and make decisions based on the “simple rules.” Rely on real-time information, not tight supervision, to guide their efforts.
5. **Structure robust feedback loops** – Information is oxygen in rapidly changing environments. Deploy regular communication mechanisms that loop information continually between you, your employees, and your customers: get people together, encourage exchanges, report performance, solicit feedback. Use the information to inform action.

At some point, you may find that things do settle down again (i.e. become more certain and you can all agree on what to do.) At that point you have moved back into more predictable space, where you can plan and control. In the current landscape however, as in white water, you need to paddle fast and shoot for the “V!” Good luck and enjoy the journey. □

*Cathy Perme and Anne Knapp are co-authors of a half-day leadership workshop in which participants engage with one another and with research and best practices to learn new techniques for leading in turbulent times. For more info, contact them at 952-831-4131 or email [info@cmperme.com](mailto:info@cmperme.com).*

### Simple Rules – Why They Help in Turbulent Times

One of the most useful concepts to come out of complex systems theory is the concept of “simple rules.” “Simple rules” are short, concrete rules that create patterns in a system. They are an excellent way to guide individual and group behavior in rapidly changing environments.

An example? Take white-water rafting. In a churning river, things are moving too fast for a paddler to analyze and plan each action. He or she must rely on a few simple rules to survive:

- 1) Paddle faster than the current (which enables steering), and
- 2) Shoot for the “V” (usually a path in the water between the rocks).

To work, “simple rules” must be short, direct, and few. They must prescribe specific actions or behaviors and address the most important variables in the system. Some powerful “simple rules” that businesses use include:

- “Do the right thing.”
- “Share information.”
- “Look for underserved markets.”
- “Take prudent risks.”