



The New Sciences and the Learning Organization Part 6C: Leading at the Edge of Chaos

by Marilyn Herasymowych, MCE

“Many managers are uneasy with the idea of drawing an organization away from its comfort zone and skirting the abyss called chaos. Understanding the practical *do*'s and *don*'ts of these excursions reduces apprehension. The journey is, in fact, far less reckless than it may first appear.”

— Richard T. Pascale, Mark Millemann, and Linda Gioja, **Surfing the Edge of Chaos: The Laws of Nature and the New Laws of Business** (2000)

Living at the *edge of chaos* in an uncertain and changing business environment is not an easy task

(See **InfoMine** Vol. 8 No. 4). However, organizations, and the people within them, are trying to do just that — to live at the edge of chaos. Ask anyone working in an organization today to describe what it is like to work there. The answer we hear most often from senior managers to the front line is: “It’s crazy. I don’t know what I should do. I don’t know if *anyone* knows what we’re supposed to do. So, we just do what we can — and hope we’re on track.”

This is a sign that people are living at the edge of chaos, and that living there is a dangerous occupation. It’s dangerous because living at the edge cannot be sustained as long as people feel out of control. When people feel out of control, the collaborative ways of working collapse to a more chaotic state

in which people act as individuals, concerned only about themselves. They act from their fears, rather than from their rational selves. They forget that they are part of a team and an organization.

Feeling out of control creates a type of anxiety that can paralyze people within organizations. Edgar Schein, author of **The Corporate Culture Survival Guide** (1999), calls this form of anxiety *learning anxiety* (See **InfoMine** Vol. 3 No. 3). When people experience learning anxiety, they become terrified to learn anything new. They don’t feel safe, and when people don’t feel safe, they stop learning. In fact, they can become paralyzed. When people in an organization are terrified to learn, the unfortunate result is that the organization itself cannot learn to be innovative and flexible in a constantly changing environment.

According to Schein, “Learning anxiety is a combination of several specific fears, all of which may be active at any time as you contemplate having to unlearn something and learn something new.”

- **Fear of temporary incompetence:** Because learning something new often puts you into a position of *not knowing* how to do something well, you can experience a temporary form of incompetence (See **InfoMine** Vol. 3 No. 1).
- **Fear of punishment for incompetence:** In many cases in the past, people have been punished for not knowing how to do something well (See **InfoMine** Vol. 2 No. 11).

- **Fear of loss of personal identity:** Many people in organizations cannot separate themselves from the work that they do; thus, they see any criticism of their work as direct criticism of themselves (See **InfoMine** Vol. 7 No. 3).
- **Fear of loss of group membership:** People are hard-wired to *want* to belong to groups (See **InfoMine** Vol. 7 No. 2).

There is a paradox with anxiety — to truly learn and to transform, humans must experience anxiety (See **InfoMine** Vol. 3 No. 3). However, it is the form that the anxiety takes that is important. Schein believes that there are two forms of anxiety operating in people's minds: learning anxiety and *survival anxiety*. Survival anxiety is the anxiety that people feel when they "recognize the need to change, the need to give up some old habits and ways of thinking, and the necessity of learning new habits and ways of thinking". Another form of survival anxiety occurs when people become convinced that they *must* learn in order to survive — that *not changing* is more dangerous than changing. Typically, in organizations, this form of survival anxiety occurs because there is an external threat to the organization's survival. For example, if an organization is losing market share, this could be seen as a threat to the organization's ability to compete. Survival anxiety is a condition of living at the edge of chaos. In order to harness this anxiety, people's sense of survival anxiety must be greater than their sense of learning anxiety in order for

an organization to reap the benefits of living at the edge of chaos. Leaders need to be careful that they don't create the wrong form of survival anxiety. According to Schein, there are two ways in which to create survival anxiety:

- **Approach 1: Increase survival anxiety.** The belief here is that *if you can scare people badly enough, they will rise to the challenge*. The advantage of this approach is that it is easy to do and takes very little time. The disadvantage with this approach is that it increases learning anxiety, because it threatens people, and, in turn, increases their defensive responses.
- **Approach 2: Decrease learning anxiety.** The belief here is that *if you can help people to feel psychologically safe during uncertain and changing times, they will rise to the challenge*. The advantage of this approach is that, when people feel safe at a psychological level, they are willing to take risks to learn something new. People who feel psychologically safe can tap into this anxiety by realizing that the organization, including themselves, must change in order to survive. The disadvantage with this approach is that, at the beginning, it takes time and patience for people to feel psychologically safe enough to take risks.

At the edge of chaos, the most effective strategy is Approach 2 — to decrease learning anxiety by creating psychological safety. Psychological safety occurs when people feel that they are in control. Leaders can help

people to feel in control by letting them deal with the complex issues of change. Leaders can create psychological safety by listening to people and trying to understand what they are saying — by paying attention to the *noise* in the system (See **InfoMine** Vol. 8, No. 4). When this happens, people feel heard and valued; thus, they feel safe. It is only when they feel safe that they will be ready to face the challenge of living at the edge of chaos.

"Although you may hang your hat at Intel, Sears, Hewlett-Packard, or Shell, where do you hang your heart and your passion to make a difference? What form of reciprocity is necessary to motivate you to go the extra mile to make challenging ambitions possible? There are no shortcuts or easy outs. Just living fully and contributing generously, in this context, is the ultimate challenge — and it is a dangerous sport. ... Keeping the life in a living system may be hard work, but it is exhilarating, rewarding, and crucial."

— Richard T. Pascale, Mark Millemann, and Linda Gioja,
Surfing the Edge of Chaos: The Laws of Nature and the New Laws of Business (2000)

MHA Institute Inc.
Unit 248, Suite 205
259 Midpark Way SE
Calgary, Alberta T2X 1M2 Canada

Phone: (403) 257-4597
Fax: (403) 257-4649
E-mail: info@mhainstitute.com
Web: www.mhainstitute.com