

horses into a frenzy, careening hither and yon. It is about developing a sensitive awareness of the terrain and of what the team is capable of doing in it and thereby helping to set and maintain direction, coaxing everyone along.

Action, and especially change, need no introduction, of course. Everybody today understands them and the need for them. That's the problem.

There is now an overwhelming emphasis on action at the expense of reflection. The Red Cross Federation is unusual, not in experiencing this problem, but in being aware of it. In addition, people are obsessed with change these days. We are told, relentlessly, that we live in times of great upheaval, that everything is changing, so we had better be in a constant state of alert. Change or else.

Well, then, look around.

What do you see that has changed recently? Your clothing? (Your grandparents wore cotton and wool; they too buttoned buttons.) Your car? (It uses the basic technology of the Model T.) The airplane you're flying in? (That technology is newer: the first commercial jet aircraft took flight in 1952.) Your telephone? (That changed - about ten years ago. Unless, of course, you are not using a cellular phone.)

Our point is not that nothing is changing. No, something is always changing. Right now it is information technology. But many other things are not changing at all - and these we don't notice (like buttons). We tend to focus on what is changing and conclude that everything is. That is hardly a reflective mind-set, and it is detrimental as well to the action mind-set. We have to sober up to the reality that change is not pervasive, and that the phenomenon of change is not new. If the reflective mind-set has to respect history, then the action mind-set could use a little humility.

Change has no meaning without continuity. There is a name for everything changing all the time: anarchy. No one wants to live with that, certainly no organization that wishes to survive. Businesses are judged by the products they sell and the services they render, not the changes they make. So change cannot be managed without continuity. Accordingly, the trick in the action mind-set is to

mobilize energy around those things that need changing, while being careful to maintain the rest. And make no mistake about it, managing continuity is no easier than managing change. Remember those wild horses.

The dominant view of managing change is Cartesian: Action results from deliberate strategies, carefully planned, that unfold as systematically managed sequences of decisions. That is the analytic mind-set, not the action one. Monsanto went into genetically engineered agriculture with that approach, with its strategy all worked out in

## Two Ways to Manage

### Heroic management (based on self)

Managers are important people, separate from those who develop products and deliver services.

The higher "up" these managers go, the more important they become. At the "top," the chief executive is the corporation.

Down the hierarchy comes the strategy - clear, deliberate, and bold - emanating from the chief, who makes the dramatic moves. Everyone else "implements."

Implementation is the problem because, while the chief embraces change, most others resist it. That is why outsiders must be favored over insiders.

To manage is to make decisions and allocate resources - including human resources. Managing thus means analyzing, often calculating, based on facts from reports.

Rewards for increasing performance go to the leaders. What matters is what's measured - shareholder value, in particular.

Leadership is thrust upon those who thrust their will upon others.

### Engaging management (based on collaboration)

Managers are important to the extent that they help other people do the important work of developing products and delivering services.

An organization is an interacting network, not a vertical hierarchy. Effective leaders work throughout; they do not sit on top.

Out of the network emerge strategies, as engaged people solve little problems that grow into big initiatives.

Implementation is the problem because it cannot be separated from formulation. That is why committed insiders are necessary to come up with the key changes.

To manage is to bring out the positive energy that exists naturally within people. Managing thus means inspiring and engaging, based on judgment that is rooted in context.

Rewards for making the organization a better place go to everyone. Human values, many of which cannot be measured, matter.

Leadership is a sacred trust earned through the respect of others.