Management and Change
Principles of successful management of instability
The main project of today is to create a worldwide network by connecting people, societies and markets (phase of self-enhancement):

- explosion of communication- and data-transfer-technologies
- intensive cultural exchange by travelling and mass media
- more and more free trade with goods and services (discount law...)
- companies merge to global units
- internationally operating capital

The Internet is only a technological symbol for a fundamental economical and social revolution which starts right now.

Complexity and rapidity of change are the price of connectivity.

Three ways of slowing down: reducing connectivity, developmental restriction by law, selective valuation by ethical decisions.
To be able to connect to a communication network anywhere and at any time has become every day life.

Number of personal e-mails (worldwide) in billion:

- 1995: 100 billion
- 1996: 200 billion
- 1997: 400 billion
- 1998: 800 billion
- 1999: 1500 billion
- 2000: 2800 billion
- 2001: 4200 billion
- 2002: 5600 billion
- 2003: 8000 billion

Forecast 2006:
- 38 billion e-mails a day

48 million e-mails only US-congress in 2000
Enhanced connectivity of the global markets enhances the environmental complexity and dynamics. The competition is continuously increasing.
Mere optimisation of the status quo does not meet the current challenges in global competitive markets (benchmarking).
Merely optimising the existing is often insufficient in the face of local and global competition (two modes of change).
Strength and duration of influence of management vogues during the last centuries (see R.T. Pascale 1995).
Self-organization or chaos theory is a *meta*-theory. The theory offers a robust and general concept to describe and understand the behavior of dynamic systems between chaos and order.
Stability: steering and regulating

Leadership requirements:

- exact target definition
- the knowledge to plan ahead
- precise realisation of objectives
- factual motivation

Comparing target and actual value
Instability: self-organization

Leadership requirements:
- convincing idea (emotion)
- process-understanding (costs)
- step-by-step movement (iteration)
- high tolerance for uncertainty (instability)
- personal credibility (leadership)

Columbus:
- movement creates targets

Vision

sailing metaphor
If there is no convincing vision in a company there is always a lot of creativity.

To explain, why change will not work:

- "We' ve never done it before". "Nobody else has ever done it before". .......

- "We tried it before." "Another company has already tried it before."
  "Why change- it's working o.k." .......

- "It won't work in a small company." "It won't work in a large company" .......

- "The boss will never buy it". "The risk is too high". "It's too much trouble to change"

More in the internet: www.universum.de
What is the situation? Does it suffice to optimise the existing or is it necessary to re-organize creatively?

managing stability:

*analysing the existing, eliminating weaknesses and errors*  
*→ effectiveness*

managing instability:

*motivating vision, scenarios*  
*error-friendliness*  
*→ innovation*
A culture of change needs a balanced co-operation between people able to optimise and people able to give innovative impulses (Andy Nilarp ABB).
The active creation of instability is a necessary condition for change. In instability small causes have greater effects ("butterfly-effect").

**Local stability:**
- Disturbances are damped down
- Regulation and steering
- Predictability of development

**Instability:**
- Small cause - greater effect
- Self-organisation
- Unpredictability of effect
The learned emotional values of the limbic system are decisive for what we see, think or do. The decisions are fast and most of the time unconscious.

The „knowing-doing-gap“
Language is also a process of self-dynamic order formation by means of the active solution of ambiguity.

„Häng him, not mercy!“
„Häng him not, mercy!“

„Last night I shot an elephant in my pyjamas.“

“What the hell an elephant was doing in your pyjamas? “
Particularly social perception, in its complexity, is a highly efficient process of constructing stable experience reality.

Social Perception

Creative misunderstanding

Environmental perception is always the active resolution of ambiguity and therefore the construction of reality.
Eight recommendable rules for a complete standstill in your company and to help you decrease the danger of uncalculated change:

1. Managers should either give total freedom (“do what you like”), or they should try to control everything (“do nothing without instruction”).
   Die Führungskräfte sollten sich raushalten („macht mal“) oder versuchen, „wirklich alles im Griff zu haben“.

2. Discussions about objectives and possible changes are to be held strictly on the informal level (create rumours).
   Diskussionen über Ziele und Inhalte möglicher Veränderungen sollten konsequent nur auf der informellen Ebene geführt werden.

3. As much activities as possible are to be launched simultaneously. A permanent project overflow is to be guaranteed (operative hectic).
   Möglichst viele Aktivitäten sollten gleichzeitig angezettelt werden. Es ist für ständige Überforderung zu sorgen (operative Hektik).

4. An internal competition is to be established. Everyone ought to know that only the fittest will survive in the company (reinforce crab baskets).
   Es sollte ein umfassender Wettbewerb ausgerufen werden. Jeder ist darauf hinzuweisen, daß nur der Einsatzbereiteste besteht.
Eight recommendable rules for a complete standstill in your company and to help you decrease the danger of uncalculated change:

5. Everyone should intensively search for the one and only responsible party. Please find out who or what is guilty (analyse the “real” causes).

Es sollte stets ausdauernd und unnachgiebig nach den „wirklichen“ Verursachern von Problemen gesucht werden.

6. Do not ever discuss the meaning of existing rules in public. Never introduce new rules (keep the rules unconscious).

Es sollte auf keinen Fall öffentlich über den Sinn und Unsinn von bestehenden Regeln diskutiert werden. Keine neuen Regeln!!!

7. Agreements should, on a formal level, reach commitment quickly to then become entirely questioned on an informal level.

Beschlüsse sollten auf der formellen Ebene schnell konsensfähig sein, um dann informell ausgiebig in frage gestellt zu werden.

8. The change pace on decision level should always exceed the pace with which decisions are put into practice.

Die Veränderungsgeschwindigkeit auf der Beschlußebene sollte stets größer sein als auf der Umsetzungsebene.
Simple psychological principles can be used to generate instability or stability in an every day situation:

- behaving according to present rules
- establishing symbols
- quick and clear information
- emotional vision
- identity

- breaking existing rules
- alteration of established symbols
- spreading of contradictory information
- information stop
- information overflow

stabilising

destabilising

breaking rules
Systems always try to maintain stability. Stable conditions are self-preserving. The willingness to change depends on the active creation of instability.
„As I was tired of searching, I started to learn finding“

Friedrich Nietzsche