In our consulting, teaching, and training work with corporations, NGOs, and governments all over the globe, we see a common struggle about how to cope with the economic turbulence and rapid change which they are enduring. The particulars may vary from sector to sector, country to country, and organization to organization, but the basic issues are remarkably similar.

The angst cuts across industries as well as sectors: from professional services to manufacturing to financial services to technology. It is found in small organizations as well as huge multinationals; although our experience is that the diagnostic challenges and the choices are more difficult for older and larger firms than those that are smaller and more nimble.

Here’s the core question, stated in a somewhat reductionist frame, but capturing the basic choice of directions so many organizations must face:

Is the current turmoil simply a bump in the road or a sea change?

If it is just a bump in the road, as so many people wish, the strategy that has been often adopted of hunkering down, and then waiting until the storm passes and a new equilibrium arrives or an old one returns might succeed. Hunkering down involves tactics such as cutting back, laying people off, and reducing costs to the bone. Many firms we work with have done all the hunkering down that is possible, and now they are doing the waiting…and hoping.

Those firms will not be well-situated if we are in the midst of a sea change, where there will be no new equilibrium, and where the current crisis will be more or less permanent for the foreseeable future.

If it is a sea change, then organizations of all varieties across all sectors have to think about how they are going to be different in the world going forward to continue to be effective in pursuing their deepest purposes in the face of a new reality.

To me, the data is pretty compelling that this is a sea change:

We are in the midst of economic uncertainty unlike any we have seen since the Great Depression.

Environmental challenges threaten sustainability for millions of people and perhaps for the livable planet.

The technological revolution has flattened the earth and turned us former typists and telephoners into technophiles and technophobes, social networkers and IMers.

The generational divides are more palpable than they have been since the 1960s. The baby boomers are retiring, or were until the stock market crashed and their retirement funds were depleted, and the millennials bring a different set of values and norms to the workplace and to the family creating conflict, miscommunication, and huge succession issues.

The era of United States world hegemony is ending.

Americans who became accustomed to power and privilege are now waiting in the long “other” line when crossing international borders. The so-called BRIC nations of Brazil, Russia, India, and China are challenging the U.S. supremacy on economic, cultural, educational, and innovation fronts.

And the world of nations is facing a new kind of international threat, from loosely connected factions undefined by national boundaries or 20th century modes of warfare.

If we are in a sea change, what passes for the new normal will be characterized by three qualities: future uncertainty, inadequate information for decision making, and constant change.

How will you, and all those other people and teams managing important organizations and institutions, have to modify their leadership to cope with this new reality?

Here are six skills which will be essential going forward, partially replacing those with which senior authorities are more familiar and comfortable: adaptation, experimentation, collaboration, orchestration, imagination, and self-preservation.

For each of us, the challenge will be to give up some of what we know how to do and do well and learn something new.
Adapt, not just execute. For decades, organizations have focused on executing well. But in the new normal, the skill of adaptation will be equally important. Adaptation requires making the hard decisions about what of all that is valued is essential and what is expendable in order to make progress.

Run experiments, not just solve problems. In a world of uncertainty and interconnectedness, problems are not discrete and do not get “solved”. Every initiative is connected to everything else and has unintended consequences. Today’s “solution”, is just a temporary resting place. People will now need to bring an experimental mindset to problem solving. Thinking that way allows managers to run multiple initiatives at the same time to see what works, to monitor them closely, to make mid-course corrections, and to treat lack of success as a learning opportunity rather than a failure.

Practice interdependence, not just self-reliance. In a flat world, practicing interdependence, internally and externally, will be an imperative. Internally, that means that the future will have to be invented by people at all levels of the organization, not just by those at the top. Externally, it means that alliances will be the norm, especially unusual ones with former adversaries and factions who previously seemed unconnected to your work.

Orchestrate conflict, not just resolve it. In a time of uncertainty and rapid change, conflict will typically represent underlying unresolved value issues. Increasingly, it will be the role of bosses to surface those issues (“Let’s talk about what kind of an organization we want to be...”), rather than to resolve them. In a conflict of values, once the senior authority takes a stand then she becomes the issue.

Look for next practices, not just best practices. In a period of deep uncertainty, the challenge will be to invent the future, rather than have it invented for you. Best practices are always useful, but when you are going where no one has ever been before, what has worked in the past is of limited utility. Those firms that have the courage to shape the future, rather than be shaped by it, are most likely to survive.

Finally, take care of yourself, rather than sacrifice your body for the cause. Uncertainty breeds anxiety and stress. People who depend on you need you to be at the top of your game. Under these circumstances, taking care of yourself is an imperative, not a self indulgence. Getting enough sleep, taking regular exercise, and eating right are the easy parts. More difficult sometimes, and certainly more sensitive to talk about, are the importance of getting the love and affection in appropriate places that you need to feel like a whole, and valued person.

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