



**Andrew Day** is a consultant at Ashridge Consulting.

He works with individuals, groups and organisations to help them change and develop. He has worked with a range of large organisations, particularly within the automotive and telecommunications industries.

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Email: [andrew.day@ashridge.org.uk](mailto:andrew.day@ashridge.org.uk)

## Living in uncertain times: Organisation dynamics in response to uncertainty

**What happens in organisations when their environment moves from relative stability and predictability to one of turbulence, uncertainty and continuous change?**

**Andrew Day describes how people reacted to greater uncertainty, and outlines how leaders can support people to adapt to such environments.**

### **An emerging context for organisations**

In the last two decades, organisations have experienced a shift in both the rate of change and the degree of change. This shift is emerging as one aspect of globalisation and technological advancement which is linked to societal changes, intense competition, deregulation of markets, dramatically

shifting markets and political uncertainty. Change and instability now constitute the 'typical' environment for organisations creating a world where the future is increasingly uncertain and 'unknowable'. This 'turbulent' environment is experienced by individuals and groups in organisations as being uncertain, unpredictable and at times, chaotic.

## Organisation dynamics that emerge in response to uncertainty

Whilst undertaking consulting work with five large UK organisations in the Energy, Telecommunications, Healthcare, Charitable and Publishing sectors, I conducted field research on how individuals and groups were reacting to uncertainty and change in their organisations. Each of the organisations was confronted with the need to respond to significant strategic challenges and change which had resulted in a period of ongoing uncertainty and unpredictability. In each project, the consulting work took the form of individual and organisation development to help individuals to make sense of organisational change and develop their capacity to undertake their work. The consulting relationship in each case lasted between six months and two years. The primary sources of data were the author's field notes, interviews conducted as part of the consulting work and observations of the dynamics that emerged during work with groups. These forms of data were also supplemented from my own experience whilst being 'in' the organisation and reflections on these experiences.

The common themes that emerged across this field work and were present in at least three of the organisations were:

- Feelings of disorientation and loss of identity
- Tensions between groups: 'Reformists' versus 'Traditionalists'
- Blurring of boundaries and fragmentation
- Painful emotions: hostility, anger and fear
- Heightened political behaviour
- Manic activity and 'firefighting'
- Heightened energy, creativity and personal development.

In each organisation, the evidence suggested that employees, at all levels of the organisation, were engaged with a process of trying to find meaning in their work. This process provoked considerable conscious and unconscious anxiety. Some individuals and groups responded to their anxiety by engaging with the challenges of their situation and exercising their creativity to find new ways of working and 'being'. Other individuals and groups were overwhelmed by their anxiety and responded by acting 'as if' they were powerless or helpless, unable to influence the organisation.

## Feelings of disorientation and loss of identity

In each organisation, individuals experienced a loss of familiar and stable patterns of interaction within the organisation. They reported feelings of loss of control and security, in addition to losses associated with identity, power, competence and their hopes for the future. Many individuals appeared to be overwhelmed by feelings of helplessness. For instance, a middle manager commented in a meeting about the changes in his organisation: "*There is nothing we can do*". For a significant proportion of individuals the loss of familiarity, security and stability is profoundly disorienting<sup>1</sup>.

As the familiar structures and patterns disappeared in each organisation, individuals and groups started to experience confusion around their identities. To cope with their subsequent feelings of loss they would often respond by idealising the past. A frequently heard wish from individuals was for a return to the past. Individuals talked about how positive things "used to be" in the organisation. This process of 'idealisation of the past' seems to serve a critical psychological purpose in helping individuals and groups to maintain positive self esteem in periods of uncertainty and instability. However, managers would often interpret such responses as "resistance to change".

Their experiences of loss and disorientation reflected an underlying struggle to find meaning from their work. This struggle provoked significant anxiety for individuals who experienced a threat to their very existence and identity in the organisation. They were left with a deep sense of ambivalence about their organisations. On the one hand, they longed for a return to the stability and security of the past; whilst on the other they wanted to move on and address the difficulties of the present.

These findings indicate that 'grief for loss' is an important psychological process in organisations. People need to be able to grieve if they are to be able to accept their losses and create new meaning in their worlds. Marris<sup>2</sup> defines grief as: *"The expression of a profound conflict between contradictory impulses – to consolidate all that is still valuable and important in the past, and to preserve it from loss; and at the same time, to re-establish a meaningful pattern of relationships, in which the loss is accepted"*. The signs of grief include: shock and numbness, an inability to surrender the past, being unable to comprehend the loss, hostility against others, feelings of regret and deep sadness, and an inability to engage with the future.

### **Tensions between groups: 'Reformists' versus 'Traditionalists'**

A common tension that was present in each organisation was between groups who were proponents of a particular change and groups who wanted to hold onto ways of being from the past. Each group tended to see the other group in a negative and pejorative light, labelling them as 'out of touch', 'unrealistic', 'resistant to change' or 'unmotivated'. Often the existence of different camps was not publicly acknowledged but existed as the 'known which cannot be acknowledged'. For instance, a senior leader in one organisation said: *"Under the veneer of compliance amongst the senior team, there is a lot of covert resistance to decisions and*

*disagreement about strategy and vision."*

Often this process of 'splitting' occurred between two existing groups; for instance, between the head office and the regional offices or between senior management and middle management. Each group retreated to 'tribal' boundaries whereby they displaced their ambivalence about the organisation onto the other group. This process meant that neither group had to deal with the tension between holding onto the past and realising a different future. Each group simplified their perception of their context, making it less anxiety provoking. Group members no longer needed to acknowledge the uncertainty of the situation but could hold onto the belief that they are 'right' and the 'others' are 'wrong'. For instance, in one organisation the regional offices argued that they were embracing change (and 'were not the problem') but saw themselves as hindered in their efforts by the head office where managers were trying to stop change in the organisation.

### **Blurring of boundaries and fragmentation**

Each of the organisations in the research was engaged in a process of changing their structures as a way of responding to external pressures. This created uncertainty around roles, tasks and responsibilities. Who was required to do what was a common source of anxiety within each organisation. This led to tensions throughout the hierarchy. Those at the top were left feeling disconnected from the bottom. Middle managers felt pulled between the demands of the top and the bottom, whilst the bottom of the organisation felt that individuals in positions of authority were not listening to their concerns and frustrations<sup>3</sup>. Equally, fragmentation occurred horizontally with different task groups becoming disconnected from each other and working 'as if' they were not interdependent on each other.

The Leader/Follower relationship needs to shift in contexts of uncertainty from

'command and control' to a more negotiated authority relationship<sup>4</sup>. These changes have ramifications for leaders and their followers. Managers are required to relinquish control whilst followers are required to take greater responsibility for their work. In changing their relationship, both leaders and followers make themselves more vulnerable<sup>5</sup>. Managers need to trust their followers, which leaves them feeling exposed to mistakes or abuses of trust; whilst followers take greater risks when they take on higher levels of responsibility. In this research, both managers and their followers were left feeling confused about their relationship and what each can expect from the other. Senior managers would often protect themselves from their own anxiety by acting 'as if' they alone can control their organisation's destiny and deliver performance outcomes and financial results.

### **Painful emotions: Hostility, anger and fear**

Strong feelings of hostility, anger and fear emerged when individuals were confronted with the loss of the familiar and high levels of uncertainty about the future. Many individuals felt victimised and expressed resentment about their experiences in the organisation. Often behind these emotions were feelings of failure, vulnerability or incompetence. To defend against such feelings, individuals and groups often resort to psychological defences, including denial, fight or flight responses and dependency. In many instances, individuals or groups created 'scapegoats' who they blamed for their situation. In one organisation, managers felt it was their senior management who were responsible for their difficulties. A middle manager in this organisation commented that: *'I see myself as a shield between the ravages of bad management and my teams'*. In another, the middle management at the centre was attacked from above and below for not changing. Often this hostility took the form of demanding that managers provide answers or clarity about the situation. The

underlying wish was in fact that they take away any uncertainty.

Managers often expressed fear that the feelings of hostility and anger would be directed towards them. Paradoxically, where negative feelings were ignored there seemed to be the highest levels of resentment, mistrust or suspicion. There was also evidence that uncertainty evoked feelings of paranoia on the part of individuals and groups. Other groups or individuals were often experienced as 'the enemy' or 'being out to get them'.

It is not surprising that some individuals protected themselves from the anxiety and emotional pressures by withdrawing. They disconnected from the emotional life of their organisations, becoming apathetic, depressed and cynical about organisational life. They tended to lose trust in individuals in authority and their colleagues.

### **Heightened political behaviour**

In all the organisations, individuals acted politically when they felt unsafe. They did this by connecting with individuals with common political interests and motives and avoiding those who they experience as having different agendas and interests.

When individuals feel unsafe in their world then they present a 'false self' to the world to manage impressions and keep their 'real self' backstage<sup>6</sup>. This creates an environment in which individuals talk about issues within the organisation without commitment or exposing their vulnerabilities or fears. In several of the organisations, decisions would be made without individuals taking the opportunity to express their concerns or frustrations within public forums and meetings. However, individuals would then complain and attack the decision in the safety of informal groups. The decision makers would then complain that no one implemented the decision in practice. One group of managers compared their experience with George Orwell's 1984. The

### Manic activity and 'firefighting'

In three of the organisations, individuals and groups were to some degree engaged in a form of 'manic' activity. This was possibly an attempt to avoid feelings of anxiety associated with feeling out of control. This took the form of keeping oneself very busy and initiating many different and varied strategies to improve the situation. These organisations suffered from initiative overload which contributed to individuals feeling overwhelmed and weary. It is possible to interpret this behaviour as reflecting an unconscious desire for the organisation to return to a state of stability and certainty.

For instance, senior managers in one organisation complained of feeling constantly weary and tired because "*too much is going on just now*". However, any suggestions to stop any of the activities was met with repeated arguments that this was simply unrealistic and not possible, despite acknowledgements from individuals that they could not adequately perform what was being asked of them (even though they were working very long days).

### Heightened energy, creativity and personal development

In all the organisations studied, there were individuals and groups who were energised and excited about changes that were taking place in the organisation. They actively engaged with the challenges which confronted them and took responsibility for making change happen. Interestingly, these individuals were focused on acting locally where they felt they had control and influence. This was in contrast to individuals or groups who became fixated on debating problems that were beyond their control and influence. These individuals were often left feeling helpless and demoralised.

Where individuals and groups were actively engaged in working with the challenges they encountered there was evidence of creativity and innovation. Individuals were experimenting with new ways of

working and enthusiastically applying their ideas in their work. These individuals also reported that the challenges that they were addressing were stretching their capabilities and providing them with opportunities for personal growth and development. Whilst they experienced their contexts as 'difficult' or 'demanding' they were able to point to their own development and growth.

### Supporting people in periods of uncertainty and change

Leaders should recognise that the dynamics explored above are natural and healthy human responses to ambiguity and uncertainty. Their presence indicates that people are engaged in a process of transitioning to a new 'reality'. They are only problematic if they become *stuck* or *repetitive* patterns. In each of the five organisations, individuals were gradually accepting and adapting to an organisational life that was characterised by greater uncertainty and complexity.

Under certain conditions groups will naturally self-organise and develop new ways of organising that are adapted to their environments<sup>7</sup>. Paradoxically, these conditions require leaders to relinquish control and engage with facilitating a healthy process of interaction between individuals and groups in the organisation.

Leaders can help support people in this process in the following ways:

- Recognising that it is not possible to predict the future and make detailed plans that will guarantee a specific outcome. They can however encourage and lead the development of plans that provide a sense of direction, co-ordinate activity and contain flexibility to accommodate the 'not known' and 'unpredictable'. In times of change and uncertainty, developing a framework to co-ordinate activity helps to contain individuals' and groups' anxieties and develop a sense of confidence.

- Taking care of themselves emotionally and physically in their leadership role. If leaders are going to be able to help their teams to work through the process of change then they need to work from a position from which they feel secure and confident where their needs are met.
- Talking to people about their hopes, fears, doubts and frustrations. Connecting with people helps them to understand and engage with their experience of change and disruption to their lives and find new meaning. People often comment that it is helpful to hear about others' experience of the organisation and how it affects them.
- Encouraging risk taking and not punishing people for making mistakes. This creates an environment where people can talk openly about their challenges and experiences which facilitates learning about how to be effective in the new environment.
- Negotiating and agreeing new boundaries between groups and different activities and then providing autonomy and freedom for groups to self-organise and find creative and new ways of working and adapting to their challenges. Leaders need to put in place the minimum requisite structures to enable groups to manage and co-ordinate their work.

### Concluding thoughts

When organisations are confronted with uncertainty they require leaders who will be able to work with the complexity of their worlds and the tension of 'not knowing', rather than promising 'salvation' through Utopian solutions<sup>9</sup>. If they create the right conditions and connect with their employees then together they can find ways to actively shape and engage with their organisations rather than withdraw into a passive or defensive role. They can create a new working environment that offers individuals meaning, excitement, challenge and opportunities for personal growth and fulfilment.

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Reprinted from *360° – The Ashridge Journal*, Autumn 2007

Ashridge, Berkhamsted, Hertfordshire HP4 1NS, United Kingdom  
Telephone: +44 (0)1442 843491 Facsimile: +44 (0)1442 841209  
Email: [info@ashridge.org.uk](mailto:info@ashridge.org.uk) Corporate website: [www.ashridge.org.uk](http://www.ashridge.org.uk)  
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