

Managing the Unexpected: Assuring High Performance in an Age of Complexity. By Karl E. Weick and Kathleen M. Sutcliffe. 224 pages. San Francisco: Jossey-Bass, 2001.

By some estimates, executives and managers spend nearly half their time in activities related to planning: developing an organizational vision; translating that vision into a strategic plan; communicating the plan; deploying the plan via subordinate – e.g., operational, business, financial, human capital, and individual performance – plans, monitoring progress of plans; initiating corrective action when plans go off track; articulating reasons why the plans failed to achieve desired outcomes; and rewarding individuals and teams for their parts in successful execution of the plans.

But why plan? In today's fast-paced, highly complex transformational environment, it could be argued that planning is obsolete. Because the environment is so chaotic – because the future is therefore so fraught with uncertainty – it is impossible to predict the future. And that is why some organizations have given up on planning: They see it as a waste of precious time that could be used reacting to unpredicted (unpredictable?) events.

That is the impression one might get from a first reading of the book under consideration. Weick and Sutcliffe tell us, among other things, that planning might not only be obsolete; it might be dysfunctional. Picture this: An organization has strategic plans, operational plans, annual business plans, and contingency plans – all expertly crafted, deployed, and executed – yet a series of unexpected events (Murphy's Law in action) derail the plans and cause disaster. Weick and Sutcliffe argue that the mere fact of such extensive planning tends to detract executives' and managers' attention away from those aberrations that fall outside the plans. Organizational leaders may assume that these pesky little anomalies are simply random occurrences when, in fact, they are part of a larger, more insidious pattern coming into play – one that is not recognized until the damage is done.

But wait! Does this mean that we should give up on planning and just “wing it?” Absolutely not. What Weick and Sutcliffe are really saying is that planning is necessary, but not sufficient, for success in today's chaotic environment. In addition to planning – or, perhaps, *as a part of* planning – organizations need to be able to engage in five processes in order to avert the effects of unpredictable events.

First, organizations must be more preoccupied with their failures than with their successes. They must clearly and quickly understand the causes of performance failures that may occur, and take rapid action to correct them. For one thing, organizations that are preoccupied with failure will be vigilant with respect to identifying failures, will effectively record information regarding failures, and share information about them throughout the organization. These activities will enable organizations more effectively to anticipate and respond to failures, thus preventing small failures from escalating into catastrophic ones.

Second, organizations must be reluctant to simplify interpretations of what is going on (and, especially, what is going wrong) in their environment. Occam's Razor – “All things being equal, the simplest solution tends to be the best one” – should be avoided; rather, rigorous root cause analysis techniques should be used, with a view to seeking complex explanations to problems.

This is the essence – and one of the significant legacies – of the Total Quality Management movement of a few years ago: Effective management requires a comprehensive understanding of organizational processes – to the extent that managers can identify out-of-tolerance conditions as soon as they appear, and recognize within-tolerance trends that, if left unchecked, would lead to out-of-tolerance performance.

Third, Weick and Sutcliffe argue that organizations should be sensitive to operations. That is, executives and managers should not merely look at their organizations and their activities from the “30,000-foot, big-picture level,” but should develop the practice of paying attention to the front line, where the real work gets done. Such front-line knowledge is often the determining factor in the organization’s success or failure, as emerging trends and environmental changes are often seen at that level long before they become evident at the “30,000-foot level.”

Fourth, organizations need to develop a commitment to resilience. Organizations need to have capabilities to detect, contain, and bounce back from those errors and problems of an indeterminate world. “Resilience,” according to Weick and Sutcliffe, is “a combination of keeping errors small and of improvising workarounds that keep the system functioning.” This definition is an elegant redefinition of the term “agility,” one of the core values upon which the Baldrige Criteria for Performance Excellence are based. A commitment to resilience can be aided by a culture that focuses on detecting unexpected errors and problems; developing and sharing methods to contain those errors and problems at the lowest level; and devising processes for reacting to those problems – without reverting to the all-too-common practice of “fixing the blame but not the problem.” Such a culture, particularly in times of chaotic transformation, enables organizations quickly and effectively to identify and respond to in both internal and external changes. And the enhanced ability to respond to change is reflected in organizations’ ability to meet the changing requirements of customers, stakeholders, partners, and employees.

Finally, organizations need to adopt a paradigm of deference to expertise. While executives and managers may have a “30,000-foot, big-picture level” concept of what’s going on, it is the expertise of the workers at the front line who know what is going on in the “here and now” – and probably can identify and solve problems before they get out of control. For this reason, diversity in expertise is to valued and cultivated; front-line workers need to be empowered to solve problems at their level; and reporting of problems and errors should be rewarded. This requires an organizational culture that fosters and rewards extensive, candid 360-degree communication at all levels and in all sectors of the organization. Such a culture makes it possible for leaders of organizations to tap into the expertise of front-line workers, develop repositories of problems identified at the front line, and share those problems throughout the organization, all with a view to effective problem resolution and organizational performance improvement.

Weick and Sutcliffe provide a unique perspective on how problems develop. Moreover, they provide similarly unique insight on problem identification and resolution. *Managing the Unexpected* is a must-read for all executives, managers, and change management practitioners.

Reviewed by Michael J. Novak, Office of Research, Internal Revenue Service, (202) 874-0335; michael.j.novak@irs.gov, June 2007.