Bullish on Uncertainty provides rare insight into the secretive world of Wall Street high finance, which has shaped influential business, governmental, and cultural leaders and keeps supplying new business practices to other organizations in dynamic and complex environments. The book studies how two highly successful Wall Street investment banks managed the uncertainty of their high-velocity environment through different work practices. One bank chose the familiar route of decreasing bankers' uncertainty. The other bank used the novel and effective practice of increasing bankers' uncertainty to make them more alert to new situations and more likely to draw on the bank's entire range of resources. Through vivid accounts of newcomers during their first two years, the book traces how the two banks' initially similar participants were transformed into fundamentally different kinds of persons by the different kinds of work practices in which they participated.

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Bullish on Uncertainty

HOW ORGANIZATIONAL CULTURES TRANSFORM PARTICIPANTS

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FOREWORD

One may detect a slow but profound shift in both the concept and practice of the contemporary organization. To be sure, the metaphor of the organization as pyramid continues to dominate, along with the familiar practices of command and control. However, as was once said of cultural modernism, it is dominant but dead. In the present context it is to say that we inherit organizational practices from the past, while simultaneously realizing that they are becoming increasingly ineffectual. And, because there is so little understanding of viable alternatives, a death-like atmosphere prevails. In the present work, Alexandra Michel and Stanton Wortham not only illuminate the problems with the traditional, modernist organization but also judiciously demonstrate the possibility for a viable field of alternatives through a powerful combination of theoretical reasoning and careful observation.

How are we to characterize this field of alternatives? Broadly put, the authors characterize the new organizational form as *organization-centered*. This is in contrast to the modernist organization in which the individual is the basic unit within the organizational machinery. In the organization-centered orientation, participants view each other not as isolated competitors but as resources. The stress on over-arching rules of action is replaced by a more situated or contingent view of what may be effective. The definition of the person as singular is replaced by an emphasis on multiplicity and plasticity. Any person may, at some point, be able to substitute for any other. The ethos of competition and conflict is replaced by an emphasis on collaboration. Policies aimed at reducing uncertainty are replaced by an emphasis on both learning from contexts of ambiguity and moving sensitively and reflexively with the flow of events.

Michel and Wortham are scarcely alone in their focus on the potentials of relational process in the organization. There are ways in which their

concerns reflect and amplify a movement of broad significance. The signals of a relational turn have been apparent for some years – in movements toward creating democracy in the workplace, flattening organizational structures, and establishing cross-functional teams, or more recently in practices spawned by the emphasis on organizational learning, information sharing, and appreciative inquiry. As many now see, the major innovations in many fields – technology noteworthy among them – emerge from collaborative processes. These workplace developments are also echoed in the sphere of organizational scholarship. The early indicators were there in the form of open systems theory, network theory, and chaos theory. More recently, however, critics of the modernist organization have explored the potentials of postmodern and critical theory to locate alternative visions of the organization. We variously find scholars likening the newer forms of organization to polyphonic singing groups, jazz musicians working improvisationally, or an extended array of conversations. Research on discursive and dialogic processes has now become a mainstay in the organizational literature, committed as they are to a view of conversation as the central ingredient of organizational efficacy.

Leadership studies are also moving away from an emphasis on the "great man," poised at the apex of the pyramid, commanding and inspiring the minions below. Slowly it is being realized that none of the qualities attributed to good leaders stands alone. Alone, one cannot be inspiring, visionary, humble, or flexible. These qualities are achievements of a co-active process in which others' affirmation is essential. To say anything about the leader as a single human being is to miss the relational confluence from which the very possibility of "the leader" emerges. Increasingly, both theorists and training programs are abandoning the endless and often contradictory lists of what it takes to be a good leader. In their place we find increasing emphasis on collaboration, empowerment, dialogue, horizontal decision-making, sharing, distribution of leadership, networking, leaderful organizations, and connectivity. The concept of individual leadership is slowly being replaced by a view of *relational leading*.

Yet, while Michel and Wortham add important theoretical depth to these emerging ventures, they also add a vital and virtually unparalleled comparison of individual and relation-centered practices in motion. They trace the differing forms of executive training in the two organizations, the differing assignment of roles, and the forms of feedback on which participants depend. They illuminate the way information is shared (or not) within the organization, the assignment or distribution of responsibilities. In certain respects, one finds here descriptive information that

could inform the development of practices across a broad organizational spectrum. At the same time, Michel and Wortham are to be credited with their judicious conclusion that, while there were many ways in which the relation-centered organization was superior, the individual orientation was not without its strengths.

For me, the central question raised by this comparison concerns the comparative efficacy of these organizational forms in terms of the broader world context in which they function. This question is also related to the fact that there is such broad and active interest and activity surrounding the move to more relation-centered theory and practice. Is this shift in sensibility simply a contemporary fad, or are there more profound issues at stake? Does the contemporary world context favor the kind of organizational functioning illuminated by Michel and Wortham? In particular, these authors have selected organizations that function effectively within a rapidly changing, complex, and unpredictable environment. Under these conditions, we gain special appreciation of relation-centered practice. Now, we may ask, is there not reason to suppose that this shift in the working context of the contemporary organization represents the "way of the world" today?

In my view, the technologies of communication, information transmission, research, and transportation act in concert to transform the challenges faced by contemporary organizations.

Specifically:

- Organizations are increasingly fragmented – through geographic expansions and the diversification of functions.
- Information accumulates more rapidly, becomes increasingly complex, and is more rapidly outdated.
- The speed of change, in economic conditions, government policies, and public opinion, outpaces assimilation. Long–term planning becomes increasingly ineffectual.
- New organizations constantly shift the terrain of competition and cooperation.
- Personal commitments to organizations diminish. Ties based on trust and long-term understandings are eroding.
- The opinion climate can change at any moment, and the range of opinions to which the organization must be sensitive constantly expands.

In my view, it is precisely in these conditions that the kind of organization illuminated and envisioned by Michel and Wortham is most effective. In this sense, the present volume may not only be understated but indeed may be prophetic.

I wish to add a touch of idealism to this vision of the future organization. Traditionally, the organization has been treated as a self-contained unit. Similar to our conception of the individual, it is generally held that the organization primarily seeks its own well-being. Indeed, organizations *should be* seeking their own success. However, as the organization increasingly recognizes the significance of relational process *within*, we may hope to see an associated transformation in the conception of the organization in its relationship to the environment. Rather than seeking its own prosperity, we may hope to see a new consciousness of relationship take root. Here, the organization would understand that its own well-being is intimately tied to its surrounds, and that a collaborative posture is essential. In their attempt to serve themselves, most organizations – business, governmental, and religious alike – have contributed to a world of alienation, conflict, and suffering. Should such organizations place their major investments in the well-being of relationship, we might anticipate a profound increment in global well-being. We might replace the Hobbesian dystopia of ''all against all'' with a vision of ''all with all.'' When relational well-being is the center of our concern, we may move toward a life-giving future.

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