## **Overcoming Active Non-Action**

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While the knowledge-gap remains an important challenge, not knowing what to do is typically not the gravest problem in management. The most critical gap lies between knowledge and action.<sup>1</sup> Most managers know what they need to do, at least roughly. The problem is that knowing what they should do, few actually do it. At the level of senior managers, this action-gap has its effects not so much in the sphere of day-to-day maintenance activities, but in the areas of strategic actions that are vital for leading change and renewal.

One of the central traps of today's management is that "being active" is confused with action. Most managers are not passive. On the contrary, looking at what managers do shows that their day is usually busy and there is seldom any relief from the workload. There is practically no interruption in doing – attending meetings, making conversations, writing mails, and so on. During a typical day, managers face a constant stream of demands for their time and attention. Usually more problems arise than they can deal with.

However, the strategic importance of a problem is rarely the basis for determining whether it will be recognized and handled. Rather, managers tend to ignore or postpone problems which require reflection, systematic planning or creative thinking, and for which there is no external pressure for immediate action.

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<sup>&</sup>lt;sup>1</sup> Professors Jeffrey Pfeffer and Robert Sutton have already flagged this issue in the Pages of HBR: The smart-talk trap, Vol. 77, pp. 135-142.

Fuzzy, complex problems, or those that require additional resources, large blocks of time or support are squeezed out by activities of coping with immediate operational issues. Capacities of many managers get absorbed in daily routines, superficial behavioral patterns, poorly prioritized or unfocused activities – briefly, in active non-action. Active non-action is, according to our observations, a central behavioral hazard of today's managers.

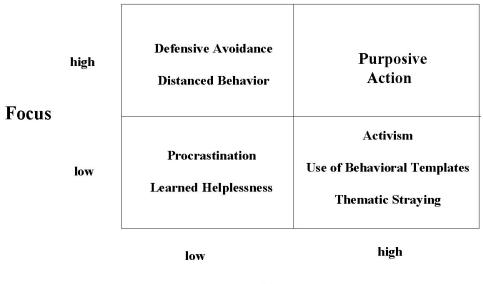
Situational factors are rarely the reason for this lack of purposive action. In fact, managers can act. As a rule, their jobs provide sufficient scope and freedom, and yet relatively <u>few managers actually make deliberate use of their action-taking opportunities.</u> Most, in contrast, get lost in the stream of their own activities. They spend their time making the inevitable happen, instead of purposively making happen what otherwise would not happen.

What is the difference between "being active" and taking purposive action? To further understand the difference, we need to understand the different forces and forms of active non-action.

#### **Forces of Non-Action**

Over the last decade, we have closely followed one company – Lufthansa, the German aviation group – and observed first-hand its experiments and experiences with managing change and renewal. Over this period, the company has changed utterly – from near-bankruptcy and a DM 730 million loss in 1991, to a record profit of DM 2.5 billion in 2000 and the status of global leadership in most of its business areas. While led firmly from the top by CEO Jürgen Weber, this widely acclaimed transformation of Lufthansa was the product of more than a hundred projects initiated and executed by middle-level managers in different parts of the company. We have followed several of these projects, some extremely effective and others less so, and observed action and non-action on the part of the managers responsible for them.

These observations have revealed certain typical behavioral patterns and insights about why managers often fall victim to active non-action (see figure 1). We discovered two central causes of active non-action: lack of energy and lack of focus.



Energy

### Figure 1: Types of Non-Action

#### Low energy

Action demands energy. Some managers we studied failed to take purposive action simply because <u>they lacked the energy</u> – at least for the activities necessary to drive the change. Some of them were exhausted or burnt out from the stress and did not have the inner resources to re-energize themselves for the required change efforts. For others, the lack of energy was relevant to the specific projects which somehow were not subjectively meaningful to them.

In all cases the concerned managers continued to perform their routine tasks – attending meetings, writing notes, making phone calls, and so on. But they were unable to marshal self-initiated and self-driven energy around the non-routine tasks of their projects. This lack of energy manifested itself in a variety of ways.

Instead of acknowledging the need for change, some practiced <u>"defensive</u> <u>avoidance"</u>, allowing them to perpetuate their accustomed patterns of thinking and doing that had been continuously reinforced and refined over long periods of time. Instead of actively coping with problems, <u>they refused to put any energy into</u> reflecting on the need for change and even less into doing something about it. On

the contrary, they were investing their energies into legitimizing their unwillingness to confront reality, and their avoidance of the need to act.

Defensive avoidance was indeed the central reason for the "late awakening" of Lufthansa when it was at the brink of bankruptcy in 1991. Although the need for fundamental change was obvious and the entire industry faced a severe market downturn, the company realized the need to act far later than many other airlines. Engaged in an expansionary strategy grounded in the belief that in the airline industry only the biggest would survive, Lufthansa managers continued to ignore or reinterpret market signals, convincing themselves that there was no internal problem and that their planned course of action was right. Although an awareness of a serious crisis began to spread in early 1992, most of them were so programmed on growth and success that employment continued to rise over the first six months despite massive operating losses. It needed a deep emotional shock to unleash the energies for action that had been blocked in defensive avoidance until the middle of 1992.

Even after the turnaround had started, several managers considered the change to be "not that important". "Lufthansa – THE German airline - could never die" was their ultimate recourse. Others distanced themselves personally from their roles in the transformation, having problems, for instance, with reducing the workforce. Still others were frustrated about the bad situation, expected the change efforts not to be successful or did not see how their activities contributed to the overall transformation process and therefore only halfheartedly engaged in the change. All of them practiced what we have labeled as <u>"distanced behavior"</u>.

In all cases, distanced behavior stemmed from a feeling of being forced to do something that lacked subjective meaning. Not standing fully behind their activities, managers performed them with half energy. In consequence, their doing was short of drive and in most cases ineffective. Due to their inner reservations, they refused to take initiative.

Paradoxically, such half-hearted action was more exhausting than highly energetic behavior. Being mostly reactive, their distanced behavior involved little foresight so that most incidents occurred unexpectedly. This, in turn, created emotional and cognitive overload and managers engaged in distanced behavior suffered far more from stress or burnout than their more energetic colleagues. Furthermore, they were also exhausted from the emotional costs of not being involved – the energy needed for justifying and protecting their inner distance.

Low focus

Lack of focus in managerial activity is even more common and more critical than <u>deficient energy</u>. Particularly for motivated managers, an energetic but unfocussed behavior is probably the most dangerous seductiveness of non-action.

In the face of a subjectively high need to act, especially in combination with time pressure, some managers tended to "activism" – highly energetic behavior which is superficially or insufficiently planned, not consciously chosen and not directed to specific, well-directed goals. As one of the project leaders told us, "Everybody knew and felt that we had to do everything possible to reduce costs... so I started trying to make savings in my area and – I have to admit – not always using my brain. It's only human that in such situations you are dominated by the feeling that something has to happen quickly and you just can't think. In that process, I made major mistakes, which we had to later correct at considerable cost. Afterwards it was clear to me, but not at that moment."

Managers are more likely to fall victim to activism in situations of crisis. However, our observations reveal that almost every manager has a weakness for the "doer tendency" that is typical of activism. Even in non-turbulent business situations, many managers create a subjective quasi-crisis, drive themselves and others in their organization into a state of frenzy, and experience an enormous time pressure – for no objective reason. Their doer tendency shows up in the form of short-sighted strategies, dealing with immediate problems while neglecting long-term issues and an increased readiness to react rashly or on impulse. Being driven by the moment, their activities show neither strategic foresight nor reflection on the goals, purpose or consequences of their behavior. Decisions are made quickly, the necessary time-spans for implementing strategies are underestimated and new courses of activity are adopted without adequate analysis and consideration of the risks and long-term implications. As a result, these activities turn out to be inefficient, wrongly directed and often cause actual and serious damage in the long-term.

For some other Lufthansa managers, a lack of focus showed up in the use of established "behavioral templates". Faced with a crisis, they continued to do what they used to do earlier, but increased their effort. In essence, they practiced their outdated behavior more intensively instead of generating new and more appropriate strategies. Others developed new behavioral strategies, but without proper reflection and internalization. Not having consciously understood the reasons for abandoning their former habits, in situations of urgency they fell back on outdated patterns of behavior and ingrained ways of doing things. Some were overwhelmed by negative emotions such as anger, rage, depression or strong anxiety and resorted to panic behaviors - trying to leave the field, irrational displacement activities or extensive uncontrolled trial-and-error.

A third kind of non-action and a particularly seductive one - indeed, we observed several managers actually enjoying it - is <u>"thematic straying"</u>. Out of the

excitement of the moment, a number of Lufthansa managers got involved in several different projects. After a first phase of euphoria, <u>they lost interest in the projects</u>, had difficulties concentrating on one thing or were overwhelmed by the extent and diversity of demands resulting from the projects. Many ended up in fire fighting activities. Others <u>simply abandoned</u> their projects. Some of them got into intense inner conversations on the advantages and disadvantages of different activities without even starting execution of any.

These managers pursued many different objectives without having a clear notion of priorities. Following many different goals with about the same priority, they were unable to select and commit to a particular project. They failed not because they tried to do too little, but because they tried to do too much.

## Low energy and low focus

Reflecting back on why their projects did not lead to desired outcomes, a number of managers agonized: "I could have done it but God knows for what reason, I hesitated and postponed – I somehow could not get started". This is "procrastination" – a very common form of human behavior and typically a result of both low energy and low focus. Particularly in the face of deadlines or projects of high importance, managers often fall a victim to procrastination. They know that they have to do a certain thing, are motivated to do it and yet do not do it. Instead they postpone, evade and engage in displacement activities.

Why did some Lufthansa managers procrastinate? One group of managers tried to avoid the activity for reasons of negative energy. Some of them took the task too seriously, were insecure, overexcited or anxious about failure. Others felt uncomfortable with the task and expected not to have fun doing it. A few were insufficiently involved and not committed to the project. They exhibited exaggerated sensation-seeking, showed a low degree of discipline and evaded serious engagement with the project. Knowing that they had agreed to the projects yet they did not really care about them personally – be it because the tasks were not challenging enough, the cost of not getting them done was seen to be too low or the purpose of the projects were not really exciting for them - all of them lacked energy as well as focus in their activities while being very engaged in terms of displacement pursuits.

While almost every manager tended to procrastinate at certain situations, some managers suffered from a <u>persistent deficiency of energy and focus and coasted</u> along in a state of "learned helplessness".<sup>2</sup> After experiencing several times that

<sup>&</sup>lt;sup>2</sup> The term "learned helplessness" was coined by M. Seligman in Learned Helplessness, San Francisco: Freeman, 1975.

despite making an effort they could not make a difference, they had drawn the conclusion that taking action was not worth the trouble. As a consequence, they failed not only to activate supplementary energy for change activities but also to direct their activities towards a particular goal or intention. They simply gave up because "it was hopeless to try to achieve anything, anyway".

<u>Middle managers are particularly prone to learned helplessness because of a feeling of being externally controlled</u>. During Lufthansa's transformation, most managers' jobs were highly unstructured and involved a high degree of complexity and uncertainty. Counterintuitively, this complexity and lack of clarity actually had the effect of people feeling free to take action on their own steam.

Later, when the circumstances became relatively more normal, bureaucracy and formal procedures began to grow again, creating multiple administrative constraints for middle managers. Especially managers who had gotten used to being in control had problems dealing with their growing lack of autonomy. Feeling unable to actively impact their environments, several managers "learned" that it was not worth taking initiative any more, withdrew their energy and switched to a passive mode.

Critical about learned helplessness is that – as opposed to most of the other forms of non-action – it describes a relatively stable behavioral tendency. It is based on a deeply internalized perception of lack of control coupled with a highly passive self-understanding. As a consequence, it is one of the most common and debilitating causes of active non-action in companies.

#### **Strategies for Action-Taking**

Lufthansa's exceptional transformation came about because of managers who acted. Observing how the behavior of managers actively dealing with the change problems differed from those who struggled, took a reactive stance or remained passive, we found a special combination of two dimensions.

First, acting managers' behaviors were highly energetic. Their doing involved an exertion significantly exceeding the effort made in routine activities. Nobody had forced them to this degree of exertion. Their total engagement and drive came purely from within themselves - nurtured by a deep personal conviction to do the right thing. Overall, their behavior was characterized by a higher form of personal involvement distinguishing action from "just doing something".

Second, their behavior was also <u>highly focused</u>. Action-taking managers distinguished themselves clearly from those who showed blind activism, unreflectingly used outdated behavioral templates or negligently dissipated their

energies; they consciously concentrated their energies and channeled them toward certain projects or goals.

What enabled them to maintain high levels of both personal energy and focus throughout the execution of their projects? We found that they adopted one or more of three core strategies for overcoming the trap of active non-action.

## **Building personal volition**

While most others had difficulties in articulating the purpose and goals of their doing, action-taking managers had a clear notion of what they were doing and why. This does not mean that every step of their acting was strictly defined. Some, particularly those responsible for projects involving high levels of complexity and uncertainty, could only roughly anticipate and plan their activities. Action was sometimes the result of a rather spontaneous or volatile planning process. However, their behavior never emerged "by chance". It always involved a certain degree of awareness of and reflection on the purpose of their activities.

Indeed, all the action-taking managers were not only aware of the purpose of their doing but <u>also attached high significance to it</u>. They were personally convinced that their activities served certain higher needs, contributed to something bigger, and were important for the organization. Managers who were involved in the turnaround explained, for example, that their engagement was needed to save Lufthansa. This is what gave meaning to their actions: as several of them emphasized, their initiatives directly supported the "fighting for survival", "staunching the loss of blood" or provided "first aid" to the corporation. In all cases, a rather rational personal conviction of "doing the right thing" was accompanied by a high emotional arousal and a feeling of strong personal responsibility for their activities.

This strong sense of ownership was - without exception – the product of a commitment that was both initiated from within and driven from within. Managers who acted developed goals outside their role expectations and adopted problems proactively rather than waiting to be told what to do or being forced by an objective need to react.

For Lufthansa's managers, the turnaround involved an immense number of unplanned, unexpected and unregulated events. Those who acted actually enjoyed this situation. As opposed to those who felt threatened or helpless by the drastically increased uncertainty, they perceived it as enlarged freedom and opportunity allowing them to take initiative, to make use of creative ways and to push their projects quickly forward. One manager told us, for example: "I took advantage of the irregular situation – I developed the philosophy: When nobody is responsible, I am responsible. I can own that issue, and do what I think is

necessary. And I acted accordingly - unless and until Jürgen Weber pulled me back."

In essence, acting managers interpreted the turnaround as a great opportunity – freed from constraints, they saw undefined demands and large open spaces allowing and requiring self-initiated activity. Interestingly, most of these managers did not throttle their self-driven behavior when the turbulence of the turnaround had eased off. On the contrary, although the immediate demands had disappeared and there was no external pressure to do something, action of the drivers of change did not loose momentum.

One of many examples of action-taking after the actual crises had been successfully overcome was "Programm 15" - a strategic cost saving program that was launched in 1996, soon after the success of the turnaround was reported in the press and people were ready to celebrate Lufthansa's victory. Following his conviction that Lufthansa had to continue cost saving in order to guarantee sustaining success, a middle manager took charge of this initially counterintuitive and unpopular project and convinced the organization that the change had just begun. As a consequence, Lufthansa started cost saving after deep cost cuts had been made during the turnaround.

What allowed these managers to overcome active non-action and enabled them to take focused, energetic initiative instead was one decisive force – their unclouded commitment. Action-taking managers stood with head and heart behind their projects. They had moved beyond mere motivation to engaging their personal volition: beyond <u>"I would like to" to "I shall"</u>. Volition is the will to achieve a certain goal. Volition assures channeling attention, emotion and activities toward a certain intention. It suppresses doubts, receptiveness to distractions and provides force to deal with setbacks or obstacles.

Conscious choice is the foundation of the will to act. All these managers had gone through a difficult inner decision process. Some of them described their unquestioned commitment as being the result of a resolution that followed an inner conflict, hesitation or weighing up. As one of them, who had taken up a particularly difficult role in the operations team that was put in place to ensure implementation of all the projects, told us: "I was fully committed. One central moment was in the beginning when a Board member asked me: 'Do you really want to do this? You may upset everybody during the process and may have to leave the company afterwards, do you have a problem with that? Do you really want to do this job – think about it.' I really struggled for a couple of days. Afterwards I was sure: 'I really want to do it'."

Most managers with a strong will reported similar experiences. At first they had reservations, inner conflicts or doubts. They took time for intensive inner questioning until they were sure what they wanted. After this engagement of personal will they were rarely bothered by reservations, dissonance or questioning thoughts. Most of the managers explained that from a certain point on they knew that they would do everything to lead their projects to success.

In contrast, managers who had made spontaneous, ill-considered or un-thought through agreements faced difficulties in staying focused on their projects. Typically, they had agreed to do the project in a moment of euphoria, often in the process of an emotionally-charged group meeting. Or they had assumed that others - their bosses, colleagues or followers - expected them to engage and did not want to disappoint them. They did not ask themselves what the task meant for them and whether they really wanted to do it. External forces rather than their free will had driven them into their projects. In turn, they showed pseudo-commitment or superficial compliance but not a real inner commitment. Having not conducted an inner battle earlier, they were constantly struggling with "inner noise" - reservations, dissonance, the question "why"? – in the later phases of their projects.

## Shaping own action context

Typical managerial work environments are not conducive to purposive action-taking. At the same time, managerial work is essentially discretionary in nature, and all managers influence their own work environments, whether knowingly or not. Unfortunately, only a few make use of this opportunity to actively shape their own action contexts.

A second key strategy adopted by those who were able to take purposive action was to consciously create contextual conditions that allowed them to act. As opposed to others who did not reflect on their working context, action-taking managers had a high sensitivity for their job environment. They knew precisely about the hazards of losing focus, they were aware of potential drains of their energy and they were also conscious about constraints, expectations of others, and their choices. And they used this understanding to reshape their work environments, making them more conducive to purposeful action-taking.

They did this in various ways: Some altered the nature of their work to reduce fragmentation; others refused to respond to e-mails, phone-calls or visitors outside certain periods of the day; still others reserved specific time windows for reflection. Many actually bundled most of their interactions with colleagues and some even concentrated their working relationships on selected core partnerships, while minimizing contact with others.

Some deliberately took "time off" in order not to loose sight of strategic issues. One manager explained to us, while in the middle of his highly demanding restructuring project: "The processes are so turbulent that I am constantly facing the hazard of getting overwhelmed by the vehemence of all the different forces – expectations, meetings, people, not enough time (...). At times everything starts turning in my head – I am almost not master of my doing any more. Just in those moments I slow down and take time off to reflect on what I actually want to achieve. I kind of clean up my head to get a clear picture again of what matters and what is irrelevant 'noise'. And then I force myself to do what is most important. You can actually leave many things out if you develop the discipline to. Otherwise you plan to do certain things in the morning and when you leave in the evening you haven't done a single piece of what you intended to do."

Another way of building an action context lies in broadening the scope of discretionary behavior. A major drain of managers' energy is the perception of having limited influence. It nurtures the feeling of being externally determined, leads to distancing behavior and undermines identification with the work. As a rule managerial jobs include choices. However, they are usually insufficiently perceived and exploited. Managers who took strategic action were often not only more aware of their choices and made conscious use of them, they also systematically extended their freedom to act - in particular by making themselves less reactive and dependent upon the demands of others. They managed the expectations of their superiors, found ways of independently accessing required resources, developed strong network relationships with influential people within the organization, and built specific competencies or a high standing that contributed to broadening their personal space for action and gave them a "strategic voice".

One of the consequences of being able to shape their action context was that these managers were also able to operate with a long-term focus. The combination of discipline, broadened personal space for action and strategic voice allowed these managers to resist the pressure for quick results and engage in issues of long-term strategic priority, even during the initial turnaround phase when an intense short-term orientation dominated the psyche of the organization.

For example, one manager who was in charge of wage agreements with the unions initiated the so-called "structure groups" as a mechanism to build constructive engagement with the unions. He explained to us: "The structure groups involved three members of the executive board and three union representatives. They met every two weeks for three hours in order to coordinate all steps of the change and to monitor progress. The purpose of the project was to build trust – it was a symbol of security. At first the executive board members were hesitant because they did not see the point of participating - the whole thing cost a lot of time and during this phase time was the one thing they did not have. And there was no direct output, in the sense that the group's work, by itself, did not bring about any

concrete and measurable improvement of performance. But I always had in mind that with a short-term orientation we wouldn't get very far in our transformation – we couldn't do without the employees. It wouldn't have made sense to hurry." A result of this and other similar initiatives was the absence of strikes and a high level of consensus between management and labor unions – both remarkable features of the Lufthansa transformation story. Wage concessions that Lufthansa achieved in agreements with the unions were unique in German history.

For action-taking managers, the basis of their long-term orientation was a behavior that involved significantly more preparatory activities as well as a better understanding of processes and potential action strategies. The strategic perspective of their activities allowed them to maintain control over their doing. Reactive or impulsive behavioral patterns, in contrast, implied little foresight, forcing managers to react to situational influences and being constrained by immediate needs of the current moment.

## Maintaining emotional force

Energetic and focused action-taking needs a great deal of emotional force. Yet, managers' jobs, in general, and crisis situations, in particular, are often highly stressful and involve many potential drains of energy. One of the key <u>energy</u> depleters is emotional stress, while positive emotions are the fuel for action-taking.

In the case of Lufthansa's transformation, every manager was confronted with painful tasks under difficult circumstances. Most of them not only experienced a substantially increased workload and long-term strain, but also a very high level of emotional tension and pressure. As one of these managers explained to us: "Doing this project pushed me to my limits. Apart from the crushing workload, it was the persistence required that was an enormous strain - overcoming obstacles, solving all different kinds of new problems, dealing with people's emotions and my own ... all that required my entire force." Under these circumstances, only those who were able to re-energize themselves continuously could keep pursuing their projects. Others fell victim to a gradual but inevitable erosion of their emotional energy.

Active non-actors and purposive action-takers dealt very differently with these energy-sapping demands of their jobs. The active non-actors were victims of their negative emotions. They were literally consumed by their frustration, paralyzed by anxiety or dominated by negative stress reaching up to, in some cases, complete emotional exhaustion and burnout. Action-takers, in contrast, actively managed their emotions. They sustained their emotional force by two simple but effective mechanisms. <u>Firstly</u>, they appeared to have a valve for regulating the flow of emotions. They knew exactly how to get rid of their negative emotions and toxic inner tensions. For some <u>it was intensive sports</u> that helped them let off emotional steam. Others relieved themselves with the help of a <u>personal "crying wall"</u> – their partner, a good friend, a colleague with whom they could share their fears, frustrations or inner burdens. Most of them could name certain locations or activities that helped them dispose off their negative emotions. For example, one manager told us about his garden, which had a strong stabilizing effect on him. In difficult periods he spent long hours there, often talking to himself about what bothered him. He knew that this would give him back the inner balance needed for moving on to the next steps.

Secondly, most of them had a <u>"personal well"</u> - a distinct source of positive energy. These wells differed in form – some managers were active in clubs, others had enriching time with close friends, some loved doing certain things with their partners, others regularly spent time in certain places, which they particularly enjoyed. In some cases, the crying wall and the personal well were the same people or places, but often they were not. What mattered was that those who had a personal well knew what their well meant for them and how to use it.

All wells had certain characteristics: They were associated with positive experiences as well as with a comprehensive - physical, emotional and mental – sense of well-being. For some it was part of their mental and emotional preparation for difficult tasks. For others it served as a self-set incentive, energizing them for certain ambitious milestones or helping them to survive difficult phases. Overall the well served two purposes: it was a reliable source of positive energy, and it was a source of emotional strength derived from the subjective certainty that there was a certain "place" for refueling.

## Creating a Desire for the Sea

What can top managers do to foster purposive action in their organizations? Based on our experience and observations, we have come to the conclusion that there are no levers that allow them to directly create energy and focus in others. Motivating people or telling them what they should do does not go very far. At times, they lead to the exactly opposite result. Top managers feel obliged to provide solutions, make the life of middle managers comfortable, motivate them to carry out certain activities, and so on. These well-intentioned interventions often lead to distancing behavior, feelings of being externally controlled and lack of space that destroy chances of both positive emotions and volition to grow in people.

Is there anything that top managers can do? Yes, there is. <u>They must stop</u> providing solutions and raise questions instead, and show why solutions are worth finding. They must change the orientation of people away from the language of

# doing something to consciously committing attention and energy to achieving something.

The French World War II pilot and writer, Antoine de Saint-Exupéry, coined a striking metaphor: "If you want to build a ship, don't drum up the men to go to the forest to gather wood, saw it, and nail the planks together. Instead, teach them the desire for the sea". Herein lies the leadership challenge of creating a propensity for purposive action: the challenge of creating a demanding and seductive vacuum; a space for adventurous exploration.

To illustrate what a desire for the sea looks like, let us recall an event that was the starting point of Lufthansa's turnaround. On a weekend in June 1992, Jürgen Weber invited about 20 senior managers to the company's training center at Seeheim for a meeting that was originally entitled "Mental Change". It was aimed at building a network of managers who would drive the change process within the company. Shortly before the workshop Weber got a deeper insight into the acuteness of the crisis and changed the title from "mental change" to "crisis management meeting".

The meeting began with Weber presenting the unvarnished figures. The entire Executive Board was present. There was little debate on the need for drastic actions. The facts were too obvious. Weber made very clear that he himself could not provide a solution. He explained that the participating managers had three days to develop ways for saving Lufthansa. If they came to the conclusion that there was no way of saving the company, he would accept it and bankruptcy was assured. Then he and all the other Board members left Seeheim for three days.

One of the participants described to us what happened afterwards: "No one had an idea of the gravity and the brutality of the crisis. After a long phase of denial or 'not wanting to believe', there was a next phase of "searching for the guilty people" which was followed by a massive outburst. After the first phase of discomfort we were sure: Lufthansa was worth fighting for. Then it became actually a completely captivating idea: We would save it. After this, everything went very fast. The goals we committed ourselves to at Seeheim were very ambitious and nobody believed that we could ever meet them, but after this process we committed ourselves to them." Another participant described a similar experience: "I was deeply moved. During one or two hours a real concern reigned – because we thought 'we won't make it'. Then slowly we started accepting the situation and started thinking about first steps. (...) With the development of projects and solutions, hope and a kind of positive excitement emerged. After this I developed the will to do whatever it took."

To involve a larger group of managers, Weber repeated the Seeheim workshop with the same design three times with different groups of 50 people. This was done in order to let those people live through the same process, let them feel the

threat and the urgency and not just inform them of the facts and the appropriate strategies which they had to implement. After the meetings the majority of senior managers within the company were 'sworn in'. It was not a rational process that created change energy and volition. It was the emotional process they went through. Afterwards it was their change. They were excited about the idea of saving Lufthansa and they had themselves decided to do it.

The output of the Seeheim meetings was a set of 131 projects or key actions concerning drastic cuts in staff numbers (8000 positions), lower non-personnel costs including downsizing of the fleet (savings of DM 400 million), and increasing revenues (DM 700 million) to respond to the losses of DM 1.3 billion. 70% of these projects were implemented during the first three years of the transformation.

Weber created a desire for the sea, which tends to be characterized by three general attributes:

<u>The first requirement is that of open space</u>. In order to be creative and, even more important, in order to build volition, people must not only have but also feel the freedom to choose. <u>Second, the problem must be difficult and challenging</u>. Easy problems do not seduce. They do not vitalize the will. They do not excite. They neither activate mental capacities nor peoples' hearts – difficult problems do. <u>Third, there must be a destination that is subjectively meaningful</u>. Many corporations set strategic goals that are not seductive. Instead, an exciting destination, painted in a big canvas with bold strokes, is inspiring. It gives the individual an idea of a better future of which he or she can be a part. A desire for the sea is not abstract; it addresses the entire person and activates fantasy.