

Unleashing Organizational Energy

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Leadership is not just about making people happy in the hope that happy people will do the right things. Leadership must ensure that the company's vision and strategy capture people's emotional excitement, engage their intellectual capacities, and produce a sense of urgency for taking action. Companies can be in one of four zones.

Companies in the comfort zone have low animation and a relatively high level of satisfaction. With weak but positive emotions such as calm and contentedness, they lack the vitality, alertness and emotional tension necessary for initiating bold new strategic thrusts or significant change.

Companies in the resignation zone demonstrate weak, negative emotions -- frustration, disappointment, sorrow. People suffer from lethargy and feel emotionally distant from company goals. They lack excitement or hope.

Companies in the aggression zone experience internal tension founded on strong, negative emotions. Tension drives their intensely competitive spirit, which manifests itself in high levels of activity and alertness -- and focused efforts to achieve company goals.

In the passion zone, companies thrive on strong, positive emotions -- joy and pride in the work. Employees' enthusiasm and excitement mean that attention is directed toward shared organizational priorities.

Companies in the comfort zone or the resignation zone operate at low levels of attention, emotion and activity. Companies in the aggression zone or the passion zone display higher levels of focused emotional tension, collective excitement and action taking.

High-energy companies display an urgency that makes them more productive. Being constantly alert allows them to process information and mobilize resources quickly. They strive for larger-than-life goals. Low-energy companies prefer standardization and institutionalization. They try to avoid the surprises, exceptions and risks on which high-energy companies thrive.

Energy is not an unmixed blessing, however, and unless managed wisely, it can degenerate into one of three main pathologies or energy traps. In the Acceleration Trap, CEOs drive an organization beyond its capabilities. Relentless efforts to accelerate can lead to organizational burnout. Companies

that keep adopting major change initiatives without making time for regeneration are susceptible to the acceleration trap. Inertia Trap results when a company's ability to leverage resources is weakened. This trap ensnares victims after too long a stretch of either success or poor performance. When a company faces external threats (or opportunities) at the same time as it confronts internal discord, it may fall into the corrosion trap. Instead of working together to meet external challenges, people channel their energy into internal fights.

Companies that succeed at radical change generally adopt one of two approaches for unleashing and channelling organizational energy. In the "slaying the dragon" strategy they move into the aggression zone by focusing people's attention, emotions and effort on a threat. In the "winning the princess" strategy, they move into the passion zone by building enthusiasm for an exciting vision. On the rare occasions when a company can combine the strong positive and negative emotions of both zones, the results are spectacular. Companies with neither strategy fall victim to an energy trap and decline to mediocrity or to crisis.

Slaying the Dragon involves a clear articulation of an imminent threat, the release of strong, negative emotions and the channelling of those emotions toward overcoming the threat. Threats such as bankruptcy, a dangerous competitor or a disruptive technology require moving employees from the comfort or resignation zone to the aggression zone.

Because anger, fear, hate or shame are such powerful emotions, slaying the dragon can effectively shock people into action. However, the strategy has its downside. Sometimes, it leads to organizational myopia, with people overly focused on one well-defined threat. Also, the slay-the-dragon strategy rarely leads to major innovations or new growth trajectories. And once the dragon is slain, there may be a rush for the comfort zone.

Winning the Princess relies on strong, positive emotions like excitement and enthusiasm to move people into the passion zone. To engage people's dreams and openness to heroic effort, leaders have to create an object of desire and invoke passion so strong that people will overcome passivity and satisfaction with the status quo.

Slaying the dragon requires high-energy, brave and commanding leadership. Winning the princess needs calm, gentle, inspiring and empathic leaders. Because the former strategy channels aggressive energy into disciplined

execution, it requires top-down instructions and meticulous plans. A strategy that unleashes passion, however, needs leaders who create an environment of curiosity, excitement and ownership.

Making people see, believe in and commit to an opportunity is inherently more difficult than getting them to acknowledge a threat. The first and most difficult task in pursuing the winning-the-princess strategy is to define, describe and substantiate the intangible. Leaders fail when the vision remains too abstract. It must be simple, clear, convincing and moving. Second, leaders must embody that vision. Their personal credibility and actions hold the key to attracting and retaining people's commitment. Third, leaders have to balance the often playful activities involved in seeking an intangible future with the comparatively unexciting protection of the ongoing business.