



**SECRETS
OF THE**

FLOX

LEADER

How brilliantly
managed chaos
sparks success
inside **Nike, Cisco,**
Foursquare,
Intuit, and more

By Robert Safian
Photographs by Adam Fedderly

CLARA SHIH
CEO, Hearsay

CLAIM TO FAME
Youngest Starbucks
board member, author
of *The Facebook Era*.

MANTRA
You have to optimize
for the first derivative.
Even the biggest, most
traditional companies
must be more nimble.

TROY CARTER
CEO, Atom
Factory

CLAIM TO FAME
Lady Gaga's business
manager runs a high-
impact, big-money
global operation with
just 20 people.

MANTRA
We're in a new era, and
that better get you
excited. Being scared
by change doesn't help.



FAST COMPANY

f Wes Anderson ever conjures up a hipster mad scientist, he'll look a lot like Aaron Levie, the cofounder and CEO of an Internet company called Box. Levie's a mess of jangly nerves, topped by a wild mop of hair that he frets as he talks. And, man, can Levie talk, with a motormouth for technology, venture capital, corporate strategy, business history, startup culture, economic forecasting, and on and on and on. He showed up late for our lunch in Manhattan's Tribeca, but not for lack of trying. He had actually run through the streets trying to arrive on time. "Fortunately, I have this," Levie told me,

pulling out an inhaler. Looking at him standing there, panting yet still bursting with kinetic energy, I could plainly see the vestiges of the kid he used to be.

Levie is a dropout from the University of Southern California. He completed a couple of years at the school before leaving to start Box, an online file-storage outfit. Boring, right? Yet today, at the ripe old age of 27, Levie is the CEO of a cloud-computing business valued at more than \$1.2 billion, with huge companies like Procter & Gamble as customers. He has 600 employees and is challenging Goliaths such as Microsoft and Oracle. He is totally confident. He is deeply anxious. "The three-month road map is about the best horizon you can think about coherently," he says. And he is a great example of what it means to be a Generation Flux leader.

Generation Flux is a term I coined several months ago, in a *Fast Company* cover story that explained how the dizzying velocity of change in our economy has made chaos the defining feature of modern business. New companies—even industries—rise and fall faster than ever: Witness Apple, Facebook, and Amazon; witness Research in Motion, Blockbuster, and MySpace; witness the iPad and, yes, cloud computing. Accepted models for success are proving vulnerable, and pressure is building on giants like GE and Nokia, as their historic advantages of scale and efficiency run up against the benefits of agility and quick course corrections. Meanwhile, the bonds between employer and employee, and between brands and their customers, are more tenuous than ever.

Generation Flux describes the people who will thrive best in this environment. It is a psychographic, not a demographic—you can be any age and be GenFlux. Their characteristics are clear: an embrace of adaptability and flexibility; an openness to learning from anywhere; decisiveness tempered by the knowledge that business life today can shift radically every three months or so, as Levie says.

That first article was primarily a career guide, a handbook for navigating work in an era that refuses to settle into a status quo. Yet after the article was published, I got many emails from

AARON LEVIE CEO, Box

CLAIM TO FAME
27-year-old college dropout, refocused his cloud-computing firm to serve huge clients like P&G.

MANTRA
Businesses need a cultural DNA that encourages a rhythm of constant reinvention.

CEOs and other business leaders who find themselves struggling—some quietly, some candidly—with how to run their organizations amid such tumult. "There's so much chaos all around," one wrote. "You can't prevent the chaos, only respond to it... quickly." Their overriding concern is simple: Traditional organizational structures no longer seem sufficient.

This is the great challenge of 21st-century leadership. We have grown up with certain assumptions about what works in an enterprise, what the metrics for success are, how we organize and deploy resources. The bulk of those assumptions

are wrong now. The world in which we were raised and trained no longer exists. The clarity of words we use to discuss business, standbys like *marketplace* and *competitive advantage*, are being redefined and rendered almost meaningless.


In this environment, the examples of companies we once turned to as models for success—Apple, Coca-Cola, Walmart—are less useful. Size and brand awareness no longer provide a competitive moat. "The advantages of long-standing brands, of distribution, of reach—these don't offer the same leverage," observes Levie, who has himself exploited this reality in constructing his business. "Thanks to technology, the newcomer may be as well or even better equipped." In this world of constant change, following a single system or model is foolhardy—the companies that succeed will be nimble and ever-changing.

Twenty years ago, a management professor by the name of Margaret Wheatley published a book called *Leadership and the New Science*. It was prescient then; it is even more eye-opening now. Her premise: Organizations and society have been structured to match our understanding of the natural world, which goes back to the 17th-century ideas of Sir Isaac Newton. Newton famously posited theories of cause and effect, and referred to our world as a machine—a closed system (set in place by the Great Watchmaker). In Newtonian physics, there is no greater goal than stability. That scientific conclusion helped us to embrace hierarchy and one-size-fits-all models. And our businesses have indeed been constructed for efficiency. Following the example of Henry Ford, we have extended our manufacturing prowess into shipping and logistics. We have used technology to enhance effectiveness, to track data and mine it for new refinements.

Now, however, these traditional business priorities are under strain in profound ways. Wheatley again points to science as a model: to the post-Newtonian study of quantum mechanics and subatomic particles. We now know that cause and effect is not a given in the natural world. Creation comes not from stasis but from unpredictable movement. Chaos is everywhere. One of the more mind-bending paradoxes of quantum physics that Wheat-



"You have to build an organization that is capable of acting like a startup but can operate at large scale simultaneously."



"Leadership is about ambiguity. You need a balance between command-and-control and bottom-up. It's not one or the other."

ley highlights is the fact that subatomic matter has two forms of being. In something called a double-slit experiment, an electron behaves like a wave when it is observed in one way and like a particle when it is observed another way. Both views are true.

Business today is nothing if not as paradoxical. We require efficiency and openness, thrift and mind-blowing ambition, nimbleness and a workplace that fosters creativity. Organizational systems based on the Newtonian model are not equipped for these dualities.

Generation Flux leaders are the ones who will steer their companies, and modern business, toward more sophisticated models. In today's chaos, leadership is more critical than ever—but a different kind of leadership. There is no single model of what it will take to succeed now. But drawing on examples from many different kinds of organizations—including the U.S. Army, Foursquare, Nike, Intuit, and a 105-year-old not-for-profit in Texas—we can begin to define the qualities of successful GenFlux leaders. And we can even see the power that comes from a full, open embrace of the challenge. "Companies and people tend to look at chaos as an obstacle, a hurdle," says Nike CEO Mark Parker. "We look at it as an opportunity: Get on the offense."

Open Revolution

Some 20 years after Marc Andreessen and Eric Bina introduced the Mosaic browser, old-line enterprises are still turning to fresh-faced youngsters to guide them into the digital world. Clara Shih, 30, is expert at helping those companies. The co-founder and CEO of a social media firm called Hearsay, Shih helps major corporations, particularly in the financial industry—"the largest and slowest companies worldwide," as she puts it—coordinate their efforts on Facebook, LinkedIn, Twitter, and the like. "They are realizing that they can't shut down their employees when it comes to social," Shih says. "It's not unlike a decade ago when some firms didn't want to allow people to use email, for fear of information leaving the company, or the debate about whether sales reps even needed computers."

Shih, who studied engineering at Stanford and authored a book called *The Facebook Era*, is no wild revolutionary. One reason she is on the board of directors of Starbucks—its youngest member ever—is that she has a clear understanding of what does not need to change at traditional companies. "Sometimes," says Shih, "we need rules and hierarchy."

What? What in this modern world could be the argument for hierarchy? This is not a rhetorical question. When the subject of hierarchy comes up, it is usually as a negative—as a stultifying drag on creativity, a locked box of limited career options, an arcane set of rules that discourages independent thinking. But that view is deeply shortsighted, and naive. Just look at Starbucks, which must face a slew of challenges, such as ensuring that fresh milk arrives daily at each of its 17,000 stores worldwide. That's a process requiring very clear rules and an ultrareliable hierarchy of decision making. Even today, hierarchy is an effective tool for streamlining decision making, disseminating information, and making sure stuff gets done.

PADMASREE WARRIOR

Chief Strategy and Technology Officer, Cisco

CLAIM TO FAME

Has 1.4 million Twitter followers, meditates daily, writes haiku.

WANTER

With so much information available, leaders need time away to clear the noise, so they can identify the important signals.

That's why it is so widely embraced.

Where hierarchy clearly fails the modern organization is in fostering and encouraging the creative ideas needed to stay agile in today's networked world. The challenge for the Generation Flux leader, then, is to encourage creativity and agility while retaining the advantages of hierarchy. One of the leaders who has done so most successfully is General Stanley McChrystal. An Army man, McChrystal ran Joint Special Operations Command in Iraq and Afghanistan for nearly five years, and later commanded all U.S. and international forces in Afghanistan, before he resigned in 2010 after his staff was quoted saying critical things about the Obama administration in a *Rolling Stone* article. I met McChrystal when he spoke at a *Fast Company* conference in New York last spring, and caught up with him again this summer at his consultancy in Alexandria, Virginia. He was preparing for a visit to Gettysburg, to walk the Civil War battlefield with executives from Silicon Valley tech firm Seagate. It was a trip McChrystal had made before, with the management team of JetBlue (where he is on the board) and with students from Yale University (where he teaches a leadership seminar). "The Army of the Potomac was only two years old," McChrystal tells me, referring to the Union's fighting force at Gettysburg in 1863. "They had lost most of their battles, and they had to reinvent themselves."

McChrystal experienced a reinvention challenge of his own when the threat of Al Qaeda emerged and the U.S. military had to rethink its assumptions. "We thought we knew the rules, that we knew what it took to be successful," he says. "But the sport we had been playing wasn't good enough for the sport we were required to be effective at." McChrystal, 58, speaks with the stentorian assurance of an old-school leader. But what he has to say doesn't fit that profile. "We grew up in the military with this [classic hierarchy]: one person at the top, with two to seven subordinates below that, and two to seven below that, and so on. That's what organizational theory says works," he explains. Against Al Qaeda, however, "we had to change our structure, to become a network. We were required to react quickly. Instead of decisions being made by people who were more senior—the assumption that senior meant wiser—we found that the wisest decisions were usually made by those closest to the problem."

McChrystal's language echoed sentiments I heard from several superlative GenFlux leaders in the private sector:

- "Sometimes it's good to see raw ideas at a basic level."—Mark Parker, CEO of Nike, which employs 44,000 staffers around the globe
- "Today, we need to listen more carefully. I read what people say on Twitter, my friends on Path, in addition to formal media. I look for patterns, and then I post questions back to my network."—Padmasree Warrior, chief strategy and technology officer at 67,000-employee Cisco Systems
- "If you don't go to every level of your company, you distance yourself from the marketplace and from your people."—Aaron Levie, CEO of 600-person Box

At companies big and small, the smartest leaders recognize that a new kind of openness to ideas is required. This is where

hierarchy fails us completely. How can a leader make sure that all the options and ideas from the trenches make their way to the top? If you rely on a traditional suggestion-box approach—"Please send me your ideas"—you're doomed to limit your inputs, even in a digital, social age. Self-censorship is endemic wherever there is a whiff of hierarchy. People assume that their opinions aren't really valued.

At the same time, leaders also need to be open to letting others make decisions for them. In a fast-changing world, the boots on the ground—be they soldiers or salespeople, engineers or intelligence officers—often need to react without going up the chain of command for approval. What's more, they need to be empowered to act, to solve problems they encounter unexpectedly. This kind of openness requires not just free-flowing information but a new kind of collaborative trust.

Shared Consciousness

For McChrystal, creating an organization where the best ideas win starts with instilling what he calls a "shared consciousness." Leaders want the best ideas, but they want to ensure that everyone across the organization understands its goals and strategies. How else can you ensure that your people will act as

JOHN LANDGRAF

President and GM, FX Networks

CLAIM TO FAME

Provocative storytelling, from *The Shield* to *Louie*, has driven up ratings among all age groups

WANT TO

Conservative tried-and-true strategies are a recipe for disaster in a fast-moving economy.

you would like, even when you are not there? "If I'd proposed this idea to the people I grew up with [in the military]," says McChrystal, "they would have beaten me up and taken my lunch money."

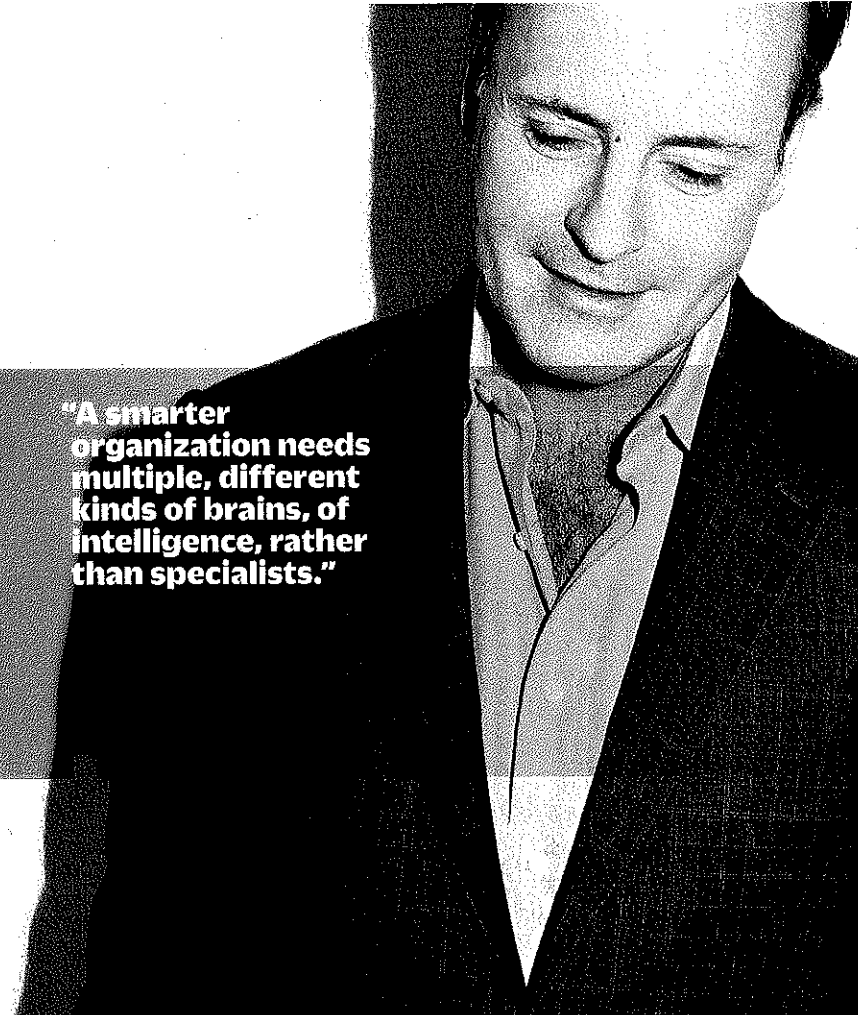
In Iraq and Afghanistan, local commanders relied on video surveillance from unmanned aerial vehicles (UAV), which gave them unparalleled views of target zones. But there were few UAVs to share among many commanders. Divvying them up was operationally critical but also emotionally important; in a fluid, diffuse war zone, commanders could easily feel slighted if they weren't informed and empowered. "We forced our task force to hold frequent video conferences," says McChrystal. "It was tempting to centralize control of these assets, but neither I nor my top leaders did. The commanders made the decisions about how to disperse them." McChrystal invested in technology to spur communication and decentralize decision making; his organizational structure made sure that it was used by the troops in more efficient ways. "My command team and I guided our values, strategy, and priorities," he explains. "The leaders lower in the organization made tactical and operational decisions in line with those principles."

Since becoming president and GM of FX Networks, in 2005, John Landgraf has instilled a similar sensibility into the cable TV outfit that has brought us *Justified*, *It's Always Sunny in Philadelphia*, and *Louie*. FX has made its mark as a safe harbor for the outlandish and unconventional. "We had a cop shoot another cop in the face at the end of the pilot," Landgraf says, referring to *The Shield*'s 2002 premiere. "No broadcast network would ever contemplate that."

Promoting that kind of provocation is central to Landgraf's business strategy. "Basic and premium cable will produce 150 scripted original series this year," he notes. "The average consumer will only know that a fraction of those series even exist. So you've got to pick really distinctive ideas."

Landgraf talked with me about the theory of multiple intelligences, an idea proposed in the 1980s by Harvard professor Howard Gardner. Gardner posited that there are eight kinds of intelligence—logical, musical, interpersonal, and so on. While Gardner's ideas were rejected by the scientific community, Landgraf is drawn to them as a philosophical premise: that just as there are broad personality types (introvert, extrovert, intuitive, analytic), there are also different manifestations of intelligence. "When I say we need a smarter organization, I mean we need multiple, different kinds of brains, of intelligence, on topics, rather than just specialists," Landgraf says.

For a world of constant change, a company needs widespread mental plasticity. "In the old-style economy, where objects tend to remain in place, you could segment these types of intelligence. So you put your crazy intuitive people in marketing and your analytic people in engineering," he explains. "But as we've moved to an economy in which the adoption of new ideas happens so fast, you need all kinds of intelligence in all parts of a business. You can't have people siloed in their particular areas of strength. You have to value all styles, because you will never know which type will solve a problem."



"A smarter organization needs multiple, different kinds of brains, of intelligence, rather than specialists."



**"We had to change our
structure to become
a network. We had to go
for flexibility."**

Landgraf began breaking down the silos at FX about five years ago. He's still working at it. "This takes a lot of time," he says. "In the short term, it's easier to keep information at the top and delegate. It's cumbersome to get everyone to understand everyone else." One key tactic Landgraf employs is to bring his full 62-person executive team together every two weeks. Their discussion covers the full range of problems that FX grapples with. "Everything is confidential," he says. "If someone in finance has notes about marketing or a TV show we're developing, we listen to it. Everyone knows they are not confined to one area. It doesn't mean that we act on everything. But when things move really quickly and problems are more subtle, we need everyone contributing." And by regularly gathering the entire decision-making team under one roof, he ensures, as does McChrystal, that they all share the same overriding goals.

Small Advantages

Not so long ago, I conducted an exercise with the editorial staff here at *Fast Company*: On a scale of 1 to 10, how fast were certain companies? I ticked through names: GE, IBM, Disney, Target. None of these got above a 6. Even Apple mustered only a 7. The top scorers? A collection of small startups.

I shouldn't have been surprised. Smaller enterprises have inherent advantages, particularly in times of transition. They have fewer layers of management—what Intuit CEO Brad Smith calls "the clay"—and so can more easily shift directions. While membership in the Fortune 500 still commands a certain stuffy prestige, the smartest leaders know that the nimbleness of the small is what they need.

Troy Carter is founder and CEO of Atom Factory, an entertainment firm that counts Lady Gaga among its partners. Carter has only 20 people on his staff yet runs a global operation that impacts billions of dollars in transactions—not just music and concerts, but merchandise, licensing, social media, and venture investments. Carter doesn't need size: Technology has commoditized the back end of global systems, so he can direct a social network like Lady Gaga's Little Monsters, which has 700,000 members, with just a handful of people. The music labels, on the other hand, are marginalized by the heft and bloat. "With Napster and iTunes," Carter says, "a lot happened in a short time. But the cost structure of the industry stayed the same, the leaders stayed the same. The mentality of music labels didn't change. Then new artists came along, digital natives. Kickstarter and Indiegogo and others allow these artists to get money directly from fans. They don't need the labels. We're in a new era. For us, that's very exciting. If I'm at a multibillion-dollar conglomerate, I'm very scared."

Carter contends that he can't imagine Atom Factory growing beyond 25 or 30 people. But what if your business requires a lot of people or is already much larger? The imperative is simple but daunting: Make the organization feel small, even if it isn't.

"I don't think it's true that size by definition limits adaptability," argues Nike's Mark Parker. Rather, a particular by-product of size—"the notion that the way we've done things is

STANLEY MCCHRISTAL

Retired Four-Star General, U.S. Army

CLAIM TO FAME
Ran Joint Special Operations Command in Iraq and Afghanistan; commanded all U.S. and international forces in Afghanistan.

MANTRA
The wisest decisions are made by those closest to the problem—regardless of their seniority.

a formula for success," he says—creates the trouble. "That can be death."

At Nike, Parker sees his role as identifying, and disrupting, areas that threaten to become static. "There's a traditional way that shoes have been manufactured for hundreds of years," he offers as an example. "If we said, 'Okay, we have the formula,' that's myopic." Earlier this year, Nike introduced Flyknit, a technology that allows shoes to be sewn from thread, rather than cut from bolts of fabric—the result being a lighter shoe that uses less material. "You look at the potential," says Parker, "it could be game-changing."

To ensure that employees in his massive company don't feel isolated, Parker actively seeks ideas from everywhere. He walks the halls regularly, often stopping to ask people about projects on their desks. That's how he stumbled on another breakthrough 11 years ago, when a young designer showed the CEO a side project he was working on, exploring shoes that would match a barefoot running experience; Free is now a billion-dollar Nike franchise.

The Cadence of Change

Like most Generation Flux leaders, Aaron Levie is more than comfortable with failure. He admits to making some great moves at Box, and he also tells me about plenty of embarrassing missteps. When Apple first announced the iPad in 2010, he pulled his team together in three hours and had an iPad app available when the first tablet hit the market. That put Box well ahead of competitors such as Oracle and Microsoft. But when HP announced its TouchPad, Levie also prodded Box into action—which turned out to be, well, far less fruitful. Levie also admits, "I freaked out about Google Wave when it came out. 'It's gonna take over the world,'" he told staffers. "I get teased about that now."

But Levie doesn't mind if he blows it from time to time at Box, since he's trying to build what he calls a "cadence of change"—a cultural DNA that doesn't wait but reinvents. This kind of cadence is a defining attribute of a Flux organization.

Dennis Crowley, cofounder and CEO of Foursquare, is another believer in the value of a cadence of change. Crowley thinks his product needs to be radically different every few months. He faces so much competition—from Facebook to Google, Groupon to Yelp, plus all manner of new startups—he can't afford to stand still. His only advantage is his next product, not his current one.

And, hey, if his product is changing all the time, shouldn't the structure of his organization change as well? Crowley wants to oversee a company under constant reinvention. "Reorganizing a company is generally considered a bad thing," Crowley notes. "We're trying to get people to see it differently. It has to be built into the culture, this idea that we haven't got it right yet—product or structure."

Right now, says Crowley, his organizational system "works well with 150 people. It wouldn't have with 40. It might not with 200." Foursquare was originally based around three groups: "discovery, loyalty, and engagement," says Crowley. "It worked great at 40 people." He's now busted it down into 10 more targeted

segments, such as content creation and platform. "It's tricky," Crowley admits. "We're transitioning from a top-down system to more bottom-up." The company's weekly all-hands meeting has been commandeered by the smaller groups, which use it to give updates. "Everyone knows what's going on," he says.

In some ways, the best example of a big company that succeeds by embracing the inconsistencies of today's market—the need for hierarchy and the need for openness to ideas from anywhere, the need for vision and the need to adjust on the fly—is Intuit, the financial software and services company based in Mountain View, California, on a campus surrounded by Google. Its ambitions, though, are anything but Googlish. As Intuit president and CEO Brad Smith tells me, "We aren't going to invent driverless cars. We invest time in making people's finances better. My job is to encourage our people to dream, but on the right stuff."

Smith, 48, is not an obvious Flux leader. He is an innocuous, plainspoken West Virginian, prone to quoting Franklin D. Roosevelt and Thomas Edison, and he is reflexively humble. "Very few companies are blessed with a genius at the helm," he volunteers. He is exactly what you'd expect from someone named Smith. When it comes to today's chaotic conditions, Smith confesses that he's scared. But he'll also say, with a confident smile: "We're excited."

TERRI KELLY
CEO, W.L. Gore
& Associates

CLAIM TO FAME
Runs sprawling
10,000-person com-
pany that pumps out
multiple innovation.

MANTRA
It's easier to start with
creativity, and then
put structures around
that, than the other
way around.

Together with Intuit cofounder and chairman of the executive committee Scott Cook, Smith has constructed a formalized, almost rigid system for encouraging flexibility, promoting innovation, and instilling a shared consciousness. It begins with setting 10-year tentpoles—"We have goals for 2015 and 2020," Smith says—that adjust along the way. (In 2010, Smith notes, one goal was to be "the No. 1 share leader in web and desktop finance"; a year later, reacting to the rise of mobile, the goal was changed to cover "all devices.")

Intuit also maintains a three-year road map that is just as fluid. "We have a decision-by-experiment culture," Smith explains. "Instead of declaring, 'Here is the future functionality we will have in 24 months and 36 months' and doggedly building to that, we are now running experiments in hours and days. If something works, we double-down on it. If it doesn't, we discard it and move on."

Last December, the senior management team gathered for an off-site. "We wanted to ask, How do we become more of a platform?" Smith says. "So we went to school on Facebook, on Apple." They brought in experts like Path's Dave Morin, who previously had been Facebook's platform director. "We looked at other folks who had moved to a platform and talked about what they'd done successfully. We compared Nestlé to Keurig. We sampled the coffee and looked at how they brewed and created it. Nestlé's tasted better, but Keurig was crushing it in the marketplace. Because they used a network."

Intuit's senior management team came away from the off-site committed to building what Smith calls "the network effects platform," to help "end users and developers make our products better while we sleep." What that exercise will result in is uncertain, but to ensure that his 8,000-person organization is focused on imagining that future, Smith tapped an internal network that Intuit had already created: 170 staffers trained as "innovation catalysts." Distributed throughout the company, they spend about 10% of their time propagating new ideas and educating the rank and file about initiatives such as the network effects platform.

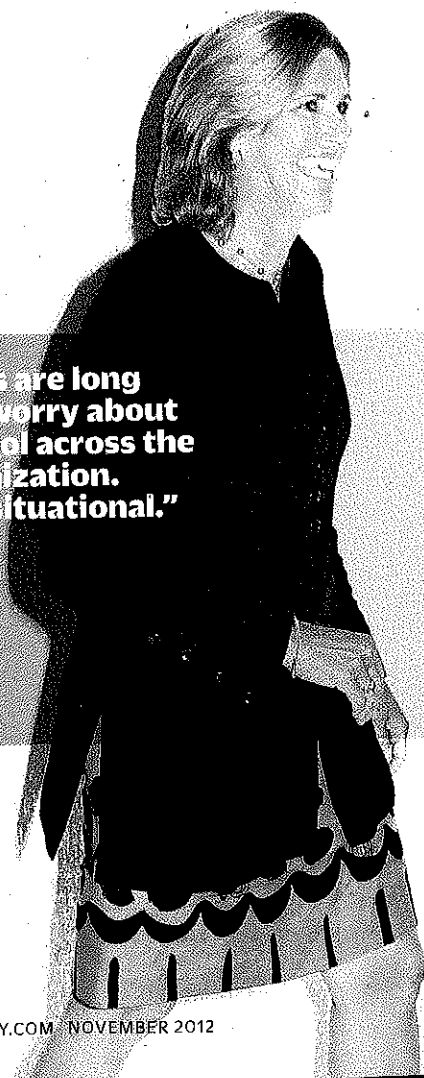
Intuit's internal system stresses bottom-up contributions. Teams of four to six people identify problems and are given the leeway to prototype solutions rapidly. Teams that succeed are rewarded handsomely. Last year, Intuit bestowed a \$1 million award to an engineer named Hugh Molotsi, who created a payment-services product that has become the core of a \$400-million-a-year business.

The Intuit system involves plenty of other tactics, including quarterly operating reviews to maintain accountability; regular learn-teach-learn sessions from outside speakers; and a tightly defined employee evaluation process. But every single aspect is continually evolving. As a result, the company's rules and processes serve less to constrain the organization than to focus it. "We say the highest-paid opinion matters the least," Smith says. "If you unlock the talents of 8,000 people, you've tapped into the best of everybody."

Are Smith's ambitions for his company and his people high?

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"The old days are long gone. We'd worry about using one tool across the whole organization. It has to be situational."





The Flux Leader

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Of course—almost impossibly so. But his high-wire, paradoxical management has worked. Faced with possible commoditization from free Internet services, Intuit has maintained its leadership through a combination of new products and smart acquisitions, including the personal-finance aggregator Mint.com. Over the five years Smith has been CEO, Intuit stock is up 105%. That measure of success is just as validating now as it was in the old economy.

The End of Coddling

Over the years, American business has built edifices to corporate training, venerable institutions ranging from GE's campus at Crotonville, New York, to MBA programs at universities across the nation. You might think that in an economy as uncertain as ours such rigorous training is more valuable than ever. Yet again and again, the leaders of Generation Flux told me that all of this codified learning may serve to do nothing more than insulate businesspeople from the hard experiences that will truly shape their success. Today's leaders prize hard experience over formal, expensive training.

Angela Blanchard is the CEO of Neighborhood Centers, a large not-for-profit based in Houston. Her outfit delivers \$280 million of services each year to 340,000 needy people along the Gulf Coast. Margaret Wheatley describes Blanchard as one of the few leaders who truly understands the realities of a modern organization.

Blanchard learned to be adaptable as a child. "My father grew up in an orphanage, my parents were married at 17, had me at 18, and had eight kids by the time they were 29. We looked like the picture of dirt-poor southern poverty. But that didn't reflect what we were capable of." Her father borrowed \$500 for a printing press and with her mother built a printing business. "You take what you've got and you use it as best you can," she says, describing the lesson she

learned. "You move through the world in an opportunistic sense—what is possible given what is available."

Blanchard says that these days when she meets promising job candidates, they are often forthright about their limitations. "They'll say, 'I'm not trained for this,'" Blanchard notes. Her response to them: "Well, no one is." Increasingly, she says, the most important jobs are what she calls "FIO jobs": "Figure it out. That is the job," she tells them.

That instinct resounds for Terri Kelly, CEO of W.L. Gore & Associates, a 10,000-person private company headquartered in Delaware. Gore is best known for consumer products such as Gore-Tex fabric and Elixir guitar strings, but it also produces a dizzying range of industrial products, from fuel-cell components to specialized plastics. Gore has long been lauded, as an innovative enterprise, so Kelly sees a steady stream of highly competent, accomplished job candidates. But if these folks are looking for a career path at Gore, she says, they will be sorely disappointed. It's not that associates, as Gore calls its employees, don't stay with the company; turnover is actually quite low. It's just that fixed career tracks don't enhance what she calls "the maturity level of the organization." Explains Kelly, "Some people want to see a road map. But we're not going to do that. They have to take control of their own career."

Gore did a study of its leadership team recently, asking them what were their most important, formative jobs. People again and again cited the job that was entirely ambiguous, the job that was undefined, the job they struggled with most. "That's where they grew," she says.

The Demands of Leadership

In her book, Wheatley writes about what she calls "a classic thought problem in quantum physics." In 1935, the physicist Erwin Schrödinger posited the following scenario: A live cat is placed inside a box containing a device that has a 50-50 chance of releasing poison. There is no way to see into the box, and no way for an observer to know what is happening inside. So Schrödinger asked: Is the cat dead or alive? Through a series of mathematical calculations, the physicist proved that the cat is not one or the other—it is both dead and alive.

This is the mind-bending situation in which Generation Flux leaders find themselves. The either-or framing drilled into us from an early age is a useless oversimplification. This insight may be the most important one for the age of

Flux: There exists no single model that leads to success. Tolerating, accepting, and, yes, reveling in paradox is the approach demanded by our chaotic economy.

GenFlux leaders must embrace hierarchical top-down leadership and bottom-up systems. They must develop leaders and encourage failure, like Kelly has at Gore. They must encourage experimentation and implement efficient processes, as Parker did when he cut Nike's R&D project list from 350 to 50 earlier this year. They must institutionalize constant change, like Smith has done at Intuit. They must be ready to constantly throw aside previous assumptions, like Crowley has done at Foursquare.

All of which makes the job of leadership tougher than ever, which is ironic given all our modern emphasis on busting silos and opening up the organization to get the best ideas from everywhere. Wheatley equates people like Crowley and Levie to extreme athletes: They are extreme workers, and it may not be healthy to expect everyone to adopt their model.

Which leads us to the final irony of our story: To succeed, Generation Flux leaders absolutely must marshal time away from the job. "Leaders need to create times for reflection and ask their staffs to do it individually," argues Wheatley. "We need to tell the whole truth about what it is like to work in this environment. Distraction is overwhelming. You can't connect the dots when you're stressed."

For Blanchard, "Some of the things that matter most unfold in the same rhythm they always have. If the goal is to connect with all opportunities, we will be burned-out shells," she says. "The pace of life hasn't changed, even if the pace of communication has. Do people fall in love more quickly? Do people trust each other more quickly? I work in my garden: You cannot make flowers bloom faster."

Cisco's Warrior agrees. "Leadership will need to make time to clear their brains," she says. "Some do so through spirituality or music or quiet walks. I meditate daily. On weekends, I devote at least four hours to something not analytical: I paint; I write haiku. You have to ask, How do you recharge?"

And after the recharge, it's back to the modern, paradoxical workplace, with its constant blend of failure and success. "Fear has no purpose in the current market phase," says FX's Landgraf. "Deciders find it really hard to accept failure, but tinkers and engineers are undeterred by it. Failure is part of the process. We can't run from it." Nor should we. ☉

editor@fastcompany.com