

CASE STUDY SERIES

The Heart of Reuters – Part B

by

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This case was prepared as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

The account in Part A was a reconstruction of the responses of the employees of Reuters immediately following the events of September 11, 2001. The description here in Part B is the product of interviews with 30 individuals from Reuters America done between October 19 and November 8, 2001.

Lasting Effects?

“The heritage of journalism permeates the company. This means we do everything real-time. We deliver the news in real time. We react to crises real time. The company’s history helps—being 150 years old—there is a pillar that runs through it—we are going to be here forever—puts a ‘deal with it’ in our response. This company is a rock that will always be here.”

The organizational response of Reuters to the events of September 11 demonstrates the strength inherent in the culture and social architecture of the company. The Reuters people are committed to people, and in a crisis situation they improvised ways to deliver whatever their colleagues and clients required. The organization, at times hierarchic and bureaucratic, became fluid and organic. Reuters showed its pragmatic flexibility, and it showed its heart.

It was obviously not “business as usual” as Reuters rose to the challenge. In the days and weeks that followed September 11, the organization changed. It remains to be seen how lasting those changes are.

Some of the changes people mentioned:

It changed the quality of connections between people. One employee reported, “[I] learned to deal with people at another level—to be more trustworthy.” People learned to trust management more, and that it is two-way street. At a tough time of lay-offs, this may help the process. They also learned to trust one another: “When you feel closer to the people you work with, you can work more effectively together—I am now working on a different level with my co-workers.” From another, “We came together in a way—community may not be strong enough term—it became very alive.”

Employees believe it changed relationships between units globally. “In Europe, we got news from people every day, saying, ‘We are thinking about you, and hope everyone you love is ok’. There was this sense of community spirit and caring . . . It astonished of all us to learn how much people cared from all over the world.”

Other employees talked about the changed relationships with clients and customers. Tony Canderelli reported: “The support from our major vendors, Nortel, Cisco, Sun, Intel, and Compaq, offering support and other resources to procure any necessary equipment and resources was remarkable. These words of encouragement, appreciation, and prayers served the recovery teams in more than just a capacity and pool of resource, but also highlighted the importance of having a support team of friends and partners which must be at the forefront in time of crisis, and that important network has never been more tested than on and the days following September 11th.”

When David Meitz returned from Arizona where he had been stranded after the attacks, he walked the floor he worked on and talked with every employee with the explicit purpose of memorizing the face of everyone he was responsible for as a manager.

It became very clear that people are the important asset. Leadership appeared at all levels. They learned that it was not the data or facilities that made Reuters—they disappeared—it was the people

who did it—“what people had in their heads, who they were, all their quirks, all their strengths, that was what the company was about.”

Reuters became less process oriented and more results driven. “People saw and felt empowerment. They made their own judgments and they made the right choices—increasing people’s confidence that they know what they are doing.”

It increased the overall level of confidence in the company and its capacity to do the right thing, along with the individual’s sense that he or she does the right thing. One stated, “It stretched us in ways we had never been stretched before—I’m confident the company can deal with anything after seeing what it did.” Or another put it this way, “Reuters has all the same politics and in-fighting as other big companies. And there are cultural differences. But there is also a lot of pride in being a part of a global business. There is a lot of pride in being a leader in an industry, which is so important—financial information and news. There’s a lot of pride people have. People battle over what’s best for the customer. At the end of the day everyone can sit around the table and know they were trying to do the right things for our customers.” Finally, Phil Lynch described, “I think it’s changed our perception of ourselves. We’ve shown ourselves what we can do, and I do not think there’s any going back on that. We came together this week, not as Reuters America, but as Reuters—we showed the ‘can do’ spirit. Once you see what’s possible, how can you go back?”

People see the company as a more humane organization. Several came to see the company as more humane: “I knew we are a content and data and news provider and that this is important—but it can look very sterile—financial news. But seeing people band together gives it blood instead of data—now I am thinking about blood, thinking about veins, thinking about human characteristics.” Another interviewee expressed it this way, “It was so human. It was not about do we have to check our financial services? It was about ‘Where are our people?’ People, then clients, then the business. It made me proud to work here. I gained more of a sense of respect for the company, and I have been here for a very long time.” For many, the humanity came through in how leadership conducted itself: “Leadership really came through with a real human presence—a real warm and caring presence. It changed the felt connection to leadership. I see how human and approachable Phil Lynch is. He has won the hearts and minds of every employee by being so open and leading. It was a war to him. But he managed it with sensitivity—he was the commander.”

Reuters also established AIDfund for America. By September 18, the Reuters Foundation, the Reuters Group’s charitable trust, established a fund to “collect donations to address the many consequences resulting from these events,” donating \$1 million to the fund at its initial launch. Employees and customers could donate to the fund through the web. By October 12 they had raised \$42,000.

HR emerged as a business-critical function. “The Bridge acquisition showed that HR had operational fortitude. September 11 showed that HR had guts, presence of mind, and stamina.”

Reuters implemented a set of procedures for emergency preparedness. The organization implemented REIT (Reuters Employee Information and Tracking) system for the Americas for use in the event that an unexpected emergency requires evacuation or temporary closure of any Reuters facility in the Americas. In addition, they established designated meeting places in case another emergency happened. While everyone hoped there would never be another time, they knew they would be more prepared.