Survival and Sensemaking:
Organizational Resilience in a Wall Street Trading Room After 9/11

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How do organizations cope with extreme uncertainty? The existing literature is divided on this issue: some argue that organizations deal best with uncertainty in the environment by reproducing it in the organization, whereas others contend that the organization should be protected from the environment. In this paper we study the case of a Wall Street investment bank that lost its entire office and trading technology in the terrorist attack of September 11th. The traders survived, but were forced to relocate to a makeshift trading room in New Jersey. During the six months the traders spent outside New York City, they had to deal with fears and insecurities inside the company as well as outside it: anxiety about additional attacks, questions of professional identity, doubts about the future of the firm, and ambiguities about the future re-location of the trading room. The firm overcame these uncertainties by protecting the traders' identities and their ability to engage in sensemaking. The organization held together through a leadership style that managed ambiguities and created the conditions for new solutions to emerge.

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Introduction

The terrorist attack of September 11th brought unprecedented uncertainty to the equity traders at pseudonymous International Securities. Their trading room was located on Wall Street, adjacent to the World Trade Center. The collapse of the twin towers destroyed the bank's computers, connections, facilities and data. The traders survived, but the attack forced them to relocate to a makeshift trading room in New Jersey. The traders spent six long moths exiled from the city. During that time, they confronted levels of anxiety and uncertainty they had never faced in their typically young lifetimes: an inescapable sense of vulnerability, the difficulties of trading securities outside Wall Street, and dramatic lines of fissure in their organization. One year later, however, the bank had restored its trading technology, returned to their original Wall Street office, and none of the original traders that relocated to New Jersey had left the company. The case of International Securities thus provides a privileged entry point to understand organizational resilience. In this paper we document the simultaneous processes of survival and sensemaking that unfolded.

How does an organization cope with extraordinary uncertainty? The question is particularly telling in the case of International Securities because, prior to September 11th, its bread and butter was its demonstrable ability not simply to cope with but quite literally to thrive on volatility. Finding profit opportunities in an informationally efficient market such as Wall Street required the bank to specialize in complex and ambiguous cases, generating innovative interpretations of the economic environment. We elaborate below how the trading room was organized to exploit market uncertainty. Briefly here, a trading desk is like a well-trained submarine crew, with finely tuned instrumentation and intricate patterns of interaction to execute complex maneuvers within rapidly changing markets. Traders sit in front of Bloomberg screens with their colorful waterfalls of data. But, although the screens are flat, the informational world is rich and deep, and the actual experience is more like flying through the data than simply sitting in front of it. The speed is tremendous. At the extreme, the future is only two seconds away; and traders refer to price information that is fifteen minutes old as "historical data." To navigate successfully is to recognize patterns in the data, patterns remarkable for their complexity and elegance. The biggest challenge and the biggest money is to successfully explore uncharted territory – to re-cognize patterns in the terra incognita.

September 11th was like a terrible shipwreck. The story we tell here is less about the destruction of the vessel, for that is well-known (see for example Salgado 2002,