

...ere the only thing you can be certain of is uncertainty. You can't control the uncontrollable, and start embracing how to be comfortable with ambiguity, confidence in the new world of business. Knowing this, you can take control of your confidence and whatever the situation.

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Hodgson, Philip.
Relax it's only uncertainty: lead the way
to embrace and exploit change with
confidence.
former CIO of Mobil Oil

6/03

...e, insightful, varied... this book challenges business leaders to think and
the box, in the process growing their understanding that uncertainty and
to be faced productively and entrepreneurially."
Sylvie Hannah, MA, DPhil, PhD, CEO of Ashridge Management College

...t that we live in a time of change, but what we see at present is more than
industries are in turmoil, and we are faced with abandoning many of the
we done in the past. Ambiguity is rife. This book moves the discussion on
an age of uncertainty to a new level. It is alive with cases, wisdom and
insight.

...an, FCIB, CIMgt, Chairman of Loyds TSB Group Plc

...fast ride through uncertainty and how to deal with it. White and Hodgson
and pages worth of insight and tips into this brief volume."
Gordon Lominger Ltd

...ld, if you are not leading change, you are not really leading. Relax, it's only
will provide valuable insights as you meet the challenge of the future. A useful
and the practical insights of a trusted confidant of top executives are well worth
it of a few hours of your time."

...vice Chairman and Chief Risk Officer, Fleet Boston Financial Corporation

...e be any less comfortable with ambiguity in the workplace and corporate
anywhere else? Leadership has always been about ambiguity, being flexible,
change and actually making it work for you. Going with the flow, ensuring that
understand ambiguity and even learn to thrive on it is an invaluable asset. It is
leaders to provide the environment that enables this 21st century behavior. This
value to find inside! Let's develop ourselves to get on with ambiguity - it's
rate asset!"

...stein, President and CEO Thomson Financial ESG

...ess-minds.com

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...cation Book

BUSINESS

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RELAX it's only uncertainty

HODGSON
& WHITE

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Hodgson,

Philip Hodgson & Randall P. White

RELAX

It's only uncertainty

Lead the way when the way is changing



FINANCIAL TIMES

Introduction

If a man will begin with certainties, he shall end in doubts, but if he will be content to begin with doubts, he shall end in certainties.

Francis Bacon (1605) *The Advancement of Learning*

Welcome to uncertainty

What shall I do about that new venture? Those sales predictions? That business launch? How shall I handle that issue concerning my customer, my boss, or even my partner?

The chances are that as you are reading this you are carrying with you several decisions that you have been putting off, but will soon have to face. These decisions will no doubt be a mix of big and small, personal and work-oriented, and everything in between. Ask yourself this question: how confidently, really, are you facing up to these decisions and the actions that you will need to take? What's more, how certain do you feel about the outcomes? Do you have all the information that you need to make the decisions or will you have to take a chance and make a decision even though you aren't sure? How many of those decisions will lead to uncharted territory or uncomfortable and emotional discussions? How many of these issues are surrounded by uncertainty? ... Feeling relaxed and confident? ... We thought not!

Uncertainty causes stress, and it is difficult to be relaxed when you're feeling stressed. Yet this is the age of uncertainty. In this book we are

going to propose that we, you and everyone else on the planet are facing rising levels of uncertainty in our lives. How can we cope? That is what this book is about, and we want to tackle this issue in a very pragmatic and practical way.

Start with behavior

We have spent the last ten years looking at which behaviors help people cope most effectively with uncertainty. Later in this book we describe specific behaviors and methods of learning those behaviors which help people cope with uncertainty. The behaviors have been known for millennia, but they have been known by a very small group of people who found themselves in leadership roles. To be

It was often believed that to a leader to admit to being uncertain was an outright failure of their leadership.

an effective leader you need to make decisions, and often those decisions are in the face of a lot of uncertainty. The more uncertainty that surrounds a decision, the more the call for leadership. But people in leadership roles are frequently unprepared or unable to admit to the rest of the world the ambiguity they face and the feelings of uncertainty they feel as a result of that ambiguity. Indeed, it was often believed that for a leader to admit to being uncertain was an outright failure of their leadership.

But that was then and this is WOW! (Thanks, Tom Peters.) Now with the almost-universal distribution of information via electronic networks, a proportion of the world's population has access to an enormous range of data. Suddenly all of us are aware of the uncertainties and ambiguities that face leaders. So what can we learn? The first part of this book will describe behaviors to cope effectively with increasing levels of ambiguity.

Leaders, leaders everywhere

But if I'm using leadership behaviors, doesn't that make me a leader? you may ask. Yes, of course. Everyone's a leader now. But surely there's a lot more to leadership than handling ambiguity? What about leadership

style? What about the other skills of leadership that I have already learned? Are they all redundant now?

To be an effective leader in any context one of the main requirements is to assess the style and skills needed to be effective in that situation. In the second part of this book we help you calibrate your leadership style and the appropriate behavior needed to lead the way when the way is changing. We want to help you make sure that your behavior will fit the context.

The real work of leadership is embracing ambiguity

If only Woody Allen's observation were true -- that "80 percent of success is [just] showing up."¹ Yet there seems to be a very narrow edge between certainty and uncertainty, success and failure. Leadership is what crosses the frontier between what we did yesterday and what we'll do tomorrow. We'll argue in this book that the real mark of a leader is confidence with uncertainty -- the ability to admit to it and deal with it. And just to be clear, we think ambiguity is how it is, and uncertainty is how you feel about it. So the effective leader is always coping with his or her own feelings of uncertainty in the face of ambiguity.

As we researched this book, we uncovered a lot of evidence^{2,3} showing that an enormous proportion of leadership development is done through early experience and in our everyday lives. This suggests that some of the behaviors that people use in leadership roles were not always consciously learned, but picked up along the way as they met and coped with various life experiences. Some had even unwittingly been schooling themselves for leadership roles and preparing themselves for the necessary costs and sacrifices they would be required to make to achieve a position of leadership. How then can we offer to teach more appropriate behaviors?

We discovered that it is not necessary to have gone through all those experiences to acquire behaviors relevant to coping with ambiguity and to feeling more relaxed about the uncertainty it produces. We've borrowed from the extensive research in leadership, and we've added our own views

Ambiguity is how it is.
Uncertainty is how you feel about it.

bolstered by talking to people in roles with considerable ambiguity and uncertainty. We've also constructed questionnaires and surveys, completed structured interviews, and applied vast numbers of mind-numbing statistical techniques to the data to be sure that the behavioral analysis we offer in Chapters 3 and 4 are not only psychologically sound, but statistically significant.

Where are the role models?

Wouldn't it be nice if life were like a "feel-good" movie? You know that in the early parts of the film our hero or heroine will go through all kinds of trials and difficulties, but by the end of the last reel things will work out fine. Oh, if only ... In a book on uncertainty we certainly can't promise you a happy ending every time! But what we *can* offer is a helping hand. By following our analysis of uncertain situations and the behavior that works with them, we believe that you can handle uncertainty more effectively.

This book offers three ways that you can be more relaxed in handling the uncertainty you feel when facing life's ambiguities. First, we've identified the key skills and capabilities – and most of the important behaviors that go with them – that help people relax when handling their uncertainty. We'll then describe some very practical ways that you can enhance your ability with those particular behaviors and thus develop your competence in those areas. Finally, we'll show you how to assess the leadership context in which you find yourself and how to choose and use appropriate behaviors to match that context.

Ambiguity is a place where opportunity lives.

Why relax?

With more choice and greater ambiguity in our lives, the rules that used to help us understand and operate in our world no longer seem to apply. We need behaviors that work in a rule-changing – maybe even a rule-free – world. Not only this, but have you noticed how the best athletes, the best artists, arguably the best performers at anything, work well in a

relaxed state? The world calls for higher and higher performance in whatever field you operate. How will you achieve that in your life without being relaxed? Relaxation is preparation for high performance. But it is not a relaxation of ignoring the issues or abandoning the problems and not making the best use of all available information. Instead, it's a relaxation that recognizes that ambiguity is a place where opportunity lives. The people who can move toward the ambiguity conquer their feelings of uncertainty and are relaxed enough to achieve the highest performance.

Notes

1. Peters, T.J. and Waterman, R.H. (1982) *In Search of Excellence*. New York: Harper & Row.
2. McCall, M.W. Jr., Lombardo, M.M. and Morrison, A.M. (1988) *The Lessons of Experience: How Successful Executives Develop on the Job*. Lexington, MA: Lexington Books.
3. Margerison, C.J. (1980) "Leadership paths and profiles," in *Leadership and Organization Development*, Vol. 1, No. 1, pp. 12-17.

Chapter 1

How old is new?

When we finished writing this book, Randy was 48 years old and Phil was 52. By the standards of many organizations and people we've described in the book, we're old!

In an earlier draft we wrote about all the "new" aspects of work and organizational life that we had seen in our working lives. As we related these changes to one of our colleagues Pradeep - 31 years old at the time - his reaction was, "It's not new, that's all I've ever known, it's ordinary." Although we care dearly about all of our readers, we don't actually think it matters whether you find today's organizational and business circumstances staggeringly new or tediously normal. What does matter is taking on the right behavior to deal with the issues and problems that you face as a manager and leader in your organization.

It's what you do, not what you meant to do

People judge you on your behavior, not your intentions. We've identified the behaviors, skills, and attitudes needed whenever rapid change produces high levels of ambiguity. So potentially, this book could have been useful at any point in history when these conditions were true. We certainly believe that the behaviors, skills, and attitudes would continue to be relevant into the future. So whoever you are and whatever experi-

ences you have had, if you find yourself facing ambiguity and not feeling relaxed about coping with your own uncertainty, we think the material in this book will be relevant to you.

It is true that many of the people we talked to (many of them are closer to our age rather than Pradeep's) are reeling from the shock of what they see as continually increasing change. Our observations in the early part of the twenty-first century are that the skills and behaviors we describe for dealing with ambiguity are not widely practiced, or done well, or always valued. We trust that this situation will change because we firmly believe that without applying the kinds of skills we describe, all kinds of organizations will suffer and not be able to cope in the current - let alone the future - world.

The skills and behaviors for dealing with ambiguity are not widely practiced, or done well, or always valued.

Who are we writing for?

We think the people who will be most attracted to the ideas in this book fall into four categories:

1. **High-flyers** Ambitious people who need to be on top of the latest thinking in management and leadership and are keen to apply it. They probably have an MBA or have educated themselves to an equivalent level. They read international magazines relating to business and world affairs. They expect rigorous research. They will have had at least one significant managerial step so far in their careers and most likely are already looking for their next major career move. These are the people who are going to go on to become the chief executives, senior vice-presidents and senior civil servants. They recognize that their life is about handling pressure, not just within work, but also finding some form of harmony between the pressures of their existing and future roles and those they also occupy outside of work, with family and in the community.
2. **High-learners** People who have even greater curiosity than ambition, but in most other respects are similar to the high-flyers. They're fascinated by their current field of work; they may be in a

professional partnership, such as accounting, engineering, or law – or they may be internal consultants. They may be employed in an organization to develop their specialist expert knowledge, and they may just be bumping into the realization that expertise doesn't get you everywhere in senior management. They have already experienced the need to significantly modify their skill set to take on higher levels of responsibility.

3. **High-worriers** These people are concerned about the rate of change in their organization and probably in their industry. They may have worked in that industry or field for a long time and be worried about their ability to keep up with the pace of organizational and individual change. They are looking for solutions, and while they would prefer something quick and simple to implement, they are probably mature enough by now to realize that the solutions to their problems need more effort and will turn out to be more complex than they first hoped. They find the imposition of change through industry mergers, major shifts in the market, government changes of legislation, and so on, to be disturbing because they appear to have no influence or power at all over the changes that occur. What they can do is have a lot of influence about how they handle the change and its impact on themselves and their colleagues.

4. **High-carers** Often found in human resources departments, these are the people developers and people sponsors in organizations and communities. They're always looking for people who can grow and develop. They genuinely believe that people are an organization's biggest asset. They look for opportunities to offer the latest and most usable thinking to their people and their colleagues and delight in helping them grow and develop. They are not always very good at developing themselves and sometimes find themselves unprepared for changes that they personally need to make.

Finding answers to the questions

When people hear that we research, teach, and consult in the area of leadership, there are a number of questions they almost always raise. In

addition, when they hear that we research ambiguity and uncertainty, that throws a few more questions into the conversation. We'd like to raise these issues and help you think about your own answers to these questions.

What's the difference between leadership and management?

When anybody talks about leadership, the questions of what is leadership and what is management inevitably arise. We will deal with these questions at greater length in Chapter 5, but just in case you can't wait until then, here are a couple of pointers. If you're collecting butterflies and you're into taxonomy, then classification is important. However, most of the people we meet nowadays are more concerned with what they need to do or to learn to get the job done. Our approach, therefore, is to look for useful behaviors, not worry about what we call them. As a dot.com start-up manager we spoke to said, "I have a hundred decisions to make before lunch time. I don't care if I'm called a leader or a cleaner, as long as I make good decisions." We take the same view.

If you really *must* define things like this, then take a leaf out of the biologist's book. The word *leadership* is roughly equivalent to the biological term *mammals*, and *management* is roughly equivalent to the biological term *animals*. So in biological terms, it's fair to say that mammals are animals. But how much has that helped you? You have to get much more precise and much more detailed before you are describing anything useful.

Is this about the real world?

If the question means: have we invented all this in a parallel universe inhabited solely by theoretical models? Then the answer is no, we haven't. It all comes from real conversations with real people in real organizations. If the question means: is everyone already using these behaviors? The answer is, no, definitely not. Our evidence and the work of Moses and colleagues at AT&T¹ suggest that no more than 10 to 15

"I have a hundred decisions to make before lunch time. I don't care if I'm called a leader or a cleaner, as long as I make good decisions."

percent of the highest potential middle to senior managers apply the skills of handling uncertainty and ambiguity. So the behaviors that we're describing and the routes to improving the skill level of those behaviors will be something that is new to many managers.

But you say none of these behaviors are new. Aren't they being used already?

Taxes, the Walkman, and gravity only became obvious once they were pointed out. Because something is known, it appears not to be new. However, our research in over 30 countries and in more than 100 organizations suggests that while these ideas may be known, they are not widely practiced.

I know what I want to do, but how do I do it?

This is exactly our point. For years, if not decades, managers have been besieged by good and useful advice telling them what to do. You've had *what to do* – in strategy, marketing, human resources, systems, operations, finance, absolutely everything – but very little on *how* to do it. How do you approach the implementation of strategy? How do you empower people in such a way that they actually do what needs to be done? By tackling the apparently mundane level of behavior, we are attempting to provide our readers with a genuine set of workable skills that they can apply immediately and which will enhance the rest of their lives and careers.

The advice to managers and leaders has been about what to do, not *how* to do it. We have seen reengineering, transformation, re-invention, new, speed, competencies, teachable points of view, destroying your business, BHAGs (big hairy audacious goals)³ – they're all about what is *supposed* to happen. But very little has been said about exactly how you do it. What are the minute and detailed behaviors necessary to accomplish these wonderful things? That's what this book is about.

Is it just behavior?

We'd love to invent a new word for this section. The behavior we describe will only be effective if it is done to a certain skill level. Ensuring that

behavior is practiced until it becomes skillful needs some repetition and perhaps even a tolerance for risking new behavior. The support for these repetitions and practice will come from having the right attitude. The attitude will support you. So really, we'd like to invent a new word, something that combines attitude and skill, i.e. "skattitude." Alas, we think it's unlikely to catch on, so we'll stick with our mixture of behaviors, skills and attitudes.

What is the link between uncertainty, ambiguity and chaos?

There are mathematical theories of chaos and complexity. They require high levels of mathematical skill and knowledge, and in our view – lovely though the metaphors are that spring from them, and we hope that butterflies are still doing well in Brazil – we haven't found much that is directly transferable from the chaos and complexity worlds to the behavioral world we have been studying. However, this doesn't prevent us from wanting to borrow the metaphors from time to time.

Coping or deliberate?

Sometimes ambiguity is unavoidable – forced on you, if you like – and therefore your behavior is about coping with the uncertainty that you feel. However, there will be other occasions when you choose to move towards the ambiguity as a deliberate strategy. This is where moving towards ambiguity starts to emerge as a leadership style in its own right. This kind of leadership style makes huge demands on learning ability, but it can also be very exciting. We call it the "learning leadership style," and we describe it in much more detail in Chapter 5.

Does this cover all leadership styles?

No, it doesn't. Indeed some of the widely discussed and understood requirements of leaders – courage, ability to handle strategy, developing trust, etc. – are hardly discussed at all because they are well covered elsewhere. We are interested in two different dimensions. The first is how people handle uncertainty, whatever their leadership and management styles. We have identified eight sets of specific, learnable behaviors that make handling

uncertainty more effective -- we call them "Enablers." We have also identified eight behaviors that prevent you from handling uncertainty in a relaxed style -- we call them "Restrainers." Enablers and Restrainers, are dealt with in detail in Chapters 3 and 4, together with a wide range of practical suggestions for how you can improve your skill in using these behaviors. In Chapter 5 we discuss how the use of Enablers constitutes a new leadership style, and how that style fits in with leadership styles that have been identified by other leadership researchers and writers.

Moving towards ambiguity starts to emerge as a leadership style in its own right.

style fits in with leadership styles that have been identified by other leadership researchers and writers.

Send in the metaphors

But surely if this is a book about leading, according to what I read in most leadership books, I'm supposed to charge with the buffaloes, swim with the dolphins, create a burning platform, hunt with the tigers, bite with the sharks. All as written up by a Chinese warrior-philosopher, in no more than a minute, rounded off by seven homely stories of effective chief executives who made good on Mars and Venus.

OK. If you want metaphors, you can have metaphors.

Think about an increasing level of global ambiguity (like global warming) that has produced a rise in the sea levels of uncertainty. The inhabitants of the planet, having previously been accustomed to life on firm ground, now need to adapt to the more fluid environment in which they find themselves. Unfortunately, all their habits, behaviors, instincts and attitudes have been based on living on solid ground. Now they are going to adapt to a world where many of the rules are different from the ones they grew up with. How do we help those people to become as relaxed with the new environment as they were with the old?

At this point feel free to throw in, go with the flow, swim with the tide, and avoid being set adrift. Problems now represent the risk of overimmersion, drowning and being swamped. Routes to survival and success will involve learning better swimming techniques, being at home in the water, inventing aqualungs and breathing techniques, and continually developing skills. We are sure you are well ahead of us in

envisaging a new world where the aquatic and flexible citizens live happy and fulfilled lives because they have adapted to their new environment, not by giving up any of their old skills, but by adding to them and modifying the instincts that went with them and the attitudes that controlled those instincts.

There -- now don't you feel much better?

Two kinds of ambiguity and uncertainty

We mentioned in the Introduction that ambiguity is how it is and uncertainty is how you feel about it. We now want to point out that there are actually two kinds of ambiguity in the world. What we are calling Ambiguity Type 1 and Ambiguity Type 2.

◆ **Ambiguity Type 1** Imagine you are lost in a big city. Perhaps it is raining and you can't get a taxi, but you've still got to find your way to a particular location. What do you do? Hopefully you can ask directions from passers-by, buy yourself a map, use bus and train information to help you, ask in a shop or some official who might know. The situation is one where you are uncertain, but there are other people or other ways of finding out the data you need. The way to eliminate your uncertainty is to find an expert. The expertise may be with the individual, a system or written down in some form. So the solution to this kind of problem is to find a source of expertise that meets your needs.

◆ **Ambiguity Type 2** What will your customers need 20 years from now? While you don't know, you are also aware that no one else knows either. It's also true that there may be several "right" answers to this question. So although many people may have strong views and trust their intuition and make imaginative suggestions, no one actually knows. The consequence of this kind of uncertainty is that your views and approach may be as relevant as anybody else's. You are, like Indiana Jones, "making it up as you go." Paradoxically, by being out front with your conjecture, you may be defining the marketplace for all competitors now and 20 years hence!

However, you are vulnerable. You will have experienced many examples of uncertainty where the correct solution is to find the expert. Many kinds of uncertainty may at first seem as if they should be Type 1, and therefore your solution is to search for the expert. In practice they turn out to be Type 2, where searching for experts will do you very little good. In fact, it may even do you harm because you may suffer from what we call the "false guru syndrome."

False gurus are people who have strong views, may have been experts in the past, and may have known useful things in the past, but are now in a field where no one can reasonably know what needs to be known. All they can do is to make suggestions and voice opinions, even though those opinions may have no greater validity than your own. Yet, being accompanied by all the trappings of the guru, and amplified by your understandable need to find an expert, it's very easy to take advice, even pay for advice, which is no better than you could have given yourself.

In this book we are mainly going to look at Ambiguity Type 2. It's the kind of uncertainty that individuals and organizations face where everything is new and where no one has exactly faced these circumstances before. While we don't want to decry the use of expertise when the expertise is valid, we do want to caution you on depending on expertise that may no longer be relevant. What we want to do is arm you with skills that make for survival and growth in a grown-up, messy world.

However, there is an historical note here. If today no one knows something, by tomorrow someone might. And therefore the problem moves from a Type 2 to a Type 1 Ambiguity. It may then be possible to solve the uncertainty using some technique, method, or knowledge that has recently been discovered. Few things remain unknown forever. The danger is that the expert will assume that because something worked in one situation, that solution will transfer to the next situation (see Chapter 4). Chaos theory points out to us that in chaotic situations and on the edge of chaotic situations the starting situation is never the same between two circumstances, so the outcome need never be predicted and the solution to achieve the desired outcome will need to be created on each new occasion.

What questions do people ask when facing ambiguity and uncertainty?

You should be able to answer these questions for yourself.

When we explain to people that we research ambiguity and uncertainty, people ask us a lot of "how to" questions. These are the most common:

- ◆ How can I be more relaxed and confident about the ambiguities that I face at work, so that I will be an even better manager and leader?
 - ◆ Uncertainty really screws me up. How can I feel more comfortable with it?
- ◆ I feel unable to cope with the (new) business environment. What can I do?
 - ◆ How do I lead my part of the organization better?
- ◆ How do I create a workplace that is energized and motivated, given the dramatic changes that we've all been through and will continue to go through?
 - ◆ How do I take my organization into the unknown?
- ◆ How do I get into an unfamiliar (to me) business and get on top of it quickly?
 - ◆ How can I achieve what I am aiming for?
- ◆ What can I do to achieve my long-term goals?
 - ◆ How do I admit what I don't know?

The real work of leadership

When we originally tackled this topic in 1996, our definition of this emerging leadership style was:

The leader's role is to identify productive areas of uncertainty and confusion and to lead the organization into those areas to gain competitive (or other kinds of) advantage.³

If opportunity is to be found in ambiguity by overcoming the natural sense of uncertainty, then leaders of the future will head towards ambiguity more and more frequently. In the end, leadership is not a status, it's a state of mind, and the relaxed leader is likely to be the most effective. In the next chapter we will show you how to become more relaxed while you learn. After all, uncertainty is the opportunity to learn.

Notes

1. Moses, J and Lyness, K. (1990) "Leadership behavior in ambiguous environments," in Clark, K.E. and Clark M.E. (eds), *Measures of Leadership*. West Orange, N.J.: Leadership Library of America, pp. 327-37.
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3. White, R. P., Hodgson, P. and Crainer, S. (1996) *The Future of Leadership: Riding the Corporate Rapids into the 21st Century*. London: Pitman Publishing.

Chapter 2

The real change saloon

To make best use of the behaviors and skills that we describe in this book, we would like you to think about the assumptions about effective leadership you carry with you. As Bill Sternbergh, our former colleague at the Center for Creative Leadership, frequently says, "If you do what you've always done, you'll get what you always got." If you really want to check into the Real Change Saloon, you're going to need to leave your old assumptions at the doorway.

Without the use of drugs or metaphysical experiences, could you step outside your mind for a moment, please? Difficult, isn't it? Yet unless we all step outside our minds, how else do we check whether what we are doing is really appropriate to the moment or simply a repeat of behavior patterns we learned long ago? Often we find that we continue outdated and outmoded behavior because we have failed to check the assumptions about what is or is not appropriate. And yes, we will be asking you to step outside your mind, because we've found a marvelous way of doing it. It's called "thinking like a child."

If you do what you've always done, you'll get what you always got.

Try to imagine that you are having a conversation with a small child, probably in the range of six to ten years old. Children of this age are usually very curious and usually very good at asking difficult questions. We find childlike questions are some of the most powerful that are available, so the child is going to ask you some questions. In our experience, the most

effective consultants or managers – in fact, anyone who asks questions as part of their work – are people who ask childlike questions from time to time because they often get to the deeper issues underlying a problem. We have selected six childlike questions to identify the areas where we believe people may be in danger of carrying forward assumptions (some would say illusions) from the previous century, which will not work in the present one. So before reading anything else, take a moment to check out those assumptions.

Damaging illusions from the twentieth century

Why do you believe you are in control?

The more senior you are, the more powerful you are. The more powerful you are, the more control you have. Or so the theory goes. Think of the people you work with. How many of them behave as if they control things, when in practice what they actually do is issue instructions and complaints? Even if they had the power to insist and tell people what to do, would things work out the way they mandated? One of the ironies of achieving top management levels in most organizations is that although the trappings of power and influence are there, in practice the use of that power, except in relatively rare situations, is unlikely to work in a positive way. You can order people about for only so long, then they leave.

Why do you behave as if you can predict the future, its consequences and outcomes?

Do you prepare budgets? That's a prediction of the future. Do you draw up business plans? How far ahead? Now who is fooling whom here? To what extent can you forecast the future? Can you forecast what your competitors will do or what new start-up will threaten you? To what extent can you be certain – really certain – of the future? We hope your honest answer to this question is that it's less and less possible to predict the future – you can't see the end from the beginning. Of course, there is nothing wrong with planning – planning helps you prepare. The illusion we are concerned about is that, by drawing up detailed plans, organiza-

tions and their managers behave as if they can predict the future and in this way can tell when things are not going according to plan. Compounding the issue, they assume the plan is the only way that the future can unravel. Our point is that when heading towards greater levels of uncertainty, you will only be relaxed if you can cope with the possibility of many different futures – each with its own positives and negatives unfolding as more information and data becomes available. Sure you can make some “guesstimates,” and of course, you can make some scenario-based conclusions. But if you go back over the last three years of your organization's history, how many times have people been able to predict exactly what was going to happen, as opposed to some very approximate trends? Additionally, how many times have you had to modify your activities or your plans in light of things cropping up that were unforeseen?

When heading towards greater levels of uncertainty, you will only be relaxed if you can cope with the possibility of many different futures.

Why do you think that because you've done it before and it worked that it will work again?

There's something about experts here. Experts are people who have learned that there is a better answer, even a best answer, to a particular problem or issue. As ambiguity increases, the chances of the situation repeating itself reduce. Theorists of mathematical chaos say that if you can't describe accurately the starting position of a system, you can't forecast the precise outcome of that system. We notice so many people who carry the assumption that there is one best answer to a problem – the magic bullet – and it is there to be found somewhere. So they devote a large part of their efforts to searching for the solution. There is also a need to find experts and rely on them. Expertise increases certainty – or does it? Experts will continue to be useful as long as their expertise is still appropriate. But in many technical areas, expertise becomes out-of-date almost before it is understood by the majority. The geneticist, the software writer, the retail marketer, the advertising creative – all have to continually keep their technical expertise up-to-date. Taking even a short break from the detail of their work will mean that the detail is different

when they return. Beware the doctor or dentist – or any professional – who does not challenge and review the techniques they learned at college.

Why do you believe everything important is measurable?

The influential Lord Kelvin, president in 1895 of Britain's most prestigious scientific body, The Royal Society, gave considerable credence to this belief. (He did, after all, come up with the Kelvin scale for measuring temperature.) He was quoted as saying, "To measure is to know," and "if you cannot measure it, you cannot improve it." He was talking about the physical sciences, and of course, it's useful to be able to measure things and for the measurements to be useful information. Sadly, with the manipulation of statistics having become so prevalent, we suspect that sometimes measurements devalue rather than add value. Yes, of course,

you need to measure company results, human performance, market shares, stock price levels, and so on. And yes, of course,

you can plot graphs of these things and make guesses about what will go up and what will go down. But if you genuinely believe that what gets measured gets done, how do people achieve trust in your organization? How do they achieve higher quality in their communication? How do they instill hope and enthusiasm when things get difficult? How do they re-motivate themselves following a slump? None of these is measurable except by some form of survey, which puts an imposed scale on a basic human emotion – motivation. Why don't we allow human emotion to be part of our management process?

Why do you think that words like leadership, management, and change have the same meaning for everyone?

You know from even the briefest conversations with colleagues and friends that everyone has a different definition of leadership. No one agrees what management is and isn't, and as for change, one person's high-stress, high-pressure change is another person's boring day. Yet why do we operate as if these words have absolute and unchanging meaning? Is it really the case that what was good leadership behavior at the turn of the twentieth century will be good leadership behavior at the turn of the twenty-first century?

Why do you think that reducing uncertainty will necessarily increase certainty?

Yes, of course, in some cases it does. If you can avoid the mistakes you made last time, you will decrease the uncertainty with which you put together that plan and implemented that strategy. But removing uncertainty may not increase the certainty. It may not help you know what you should do, merely what you should not do. In a world where the level and range of choice is overwhelming, eliminating what not to do still leaves you with a vast array of choices. Imagine you are buying a car. On the sales lot are 50 cars, each of which could fit your needs. Which do you choose? First, you eliminate ten because of size, ten because of cost, and five because you don't like the color, but that still leaves you with 25 cars to choose from. Knowing what you don't like or what is not appropriate does not necessarily narrow down your decision to one option. You still have to make an active choice. In our research on becoming more relaxed with uncertainty, we have discovered that attempts to make life more certain simply by concentrating on reducing uncertainty is only part of the solution.

The ABCs of enhancement

Have you ever wanted to be better at something? The next chapter introduces skills that will help you be more relaxed when facing ambiguity and uncertainty. They are not simple skills. They also rely on having the right attitude. In this chapter we want to prepare you to develop the appropriate skills and attitudes as practicable behaviors. In some cases just doing more of the behavior will be fine, but in other cases you need to examine your attitude so you can develop behavior to the necessary level of skill.

We have deliberately chosen to talk about enabling your behavior and skills. We believe that most of the skills and behaviors we are referring to are not in fact new – you probably use many of them already. Even if you don't, you probably used them at some point when you were younger. It is our belief that children are frequently more able to cope with ambiguity and uncertainty than adults. If you think about a child who is five or six years old, most of life for that child is filled with uncertainty and ambiguity. One of the ways you can view the role of parenting is that of

helping your child move from a state of almost continual uncertainty to one of some level of certainty.

We have found it useful to make the assumption that all of our clients have been children once. This may be an extravagant assumption in one or two cases, but the serious point is that as a child you probably had ambiguity coping skills in at least as good a state as you have them now – probably better in many cases. We don't expect to teach people many new skills, but we do expect to help them recover and enhance the skills they once had.

It seems a sad reflection on our lives that for the most part growing up involves avoiding more uncertainty rather than less. Our point is that the process of improving your ability to handle these skills may not be one of learning a new skill. In most cases we believe it is much more likely that you are going to be unearthing a skill that you once had but have to some degree buried. This will often require a different development process than the process you used at school, where the aim was to teach you new skills. The issue, then, is to unearth these skills, rediscover them and enhance them – perhaps even rethinking them to fit into the new context in which you operate. Our assumption is that the uncertainty skills you might have been using at the age of six would have been operating in a different context from the ones you use today. Please assure us that the playground uncertainties you suffered as a six-year-old are not remotely similar to the ones you are facing in the boardroom 30 or more years later!

But first, we need to digress ... How do you enhance your skills? Could it really be as easy as A, B, C?

Attitude matters

It has long been known that if you want to do something – let us say, learn to play the guitar – then the attitude you have towards learning the skills and behaviors associated with playing the guitar will influence your willingness to practice and in general terms will increase or decrease your preparedness to put in the work and behavior needed to become skillful. For example, as a child, a teacher or parent may have insisted that you learn to play an instrument. You disliked the instrument from the moment you picked it up, and you were forced to practice every day after school. You did everything you could to minimize the practice time. Lo and behold, you stopped playing the instrument as soon as you possibly

could. On the other hand, a little later in life, you thought it might be good to take it up again. You were interested. You wanted to. You knew your friends would be impressed if you could strum a few chords. So you practiced. You put in at least a minimum of effort which allowed you to develop some skill with the instrument. Ah ... so attitude matters!

We are interested in attitude from the point of view that in learning and enhancing a skill, your attitude is crucial in two ways. First, our research suggests that it is not just the behavior that matters, but it is the attitude underlying the behavior that will influence how other people respond to you. So you are not just learning a skill, but you are learning to enjoy using that skill. The greater your enjoyment of the skill, the higher the likelihood others will respond positively. Second (and we will come to this shortly), your motivation to continue enhancing this skill in the face of difficulties will be directly proportional to the attitude of enthusiasm that you bring to that task.

Behavior counts

All of the skills in this book involve behaviors that are observable. In many cases we are going to describe the particular behaviors that you could learn immediately to help deal more effectively with ambiguity. For instance, one of the signs of a "Mystery-Seeker" is that even when they know how to do something, they will try a different way, just to test out themselves or their ideas (see Chapter 3). This is something you could try out immediately. When offered a comfortable solution, you could reject it and start searching for another solution. This behavior itself does not necessarily mean that you will produce a better solution, but at least you are looking for it, which is the key. Another example, "constantly listens for faint signals of what may become significant," is something you can also do immediately because you can start looking to the future right now. Start by writing down five things that you feel will influence your business or the way you do business over the next ten years. Set aside some time in your daily schedule for thinking about the future. Use the phrase "what if." All these things will contribute immediately to your effectiveness in scanning ahead, a critical skill in dealing with ambiguity.

A key point is that you don't have to go through years of attitude change to start working on a new behavior. However, there is a third component in dealing with behavioral change.

Capability: how good can it get?

The capability to do something is behavior plus skill and experience. "Shifts gears to handle several levels of risk" is not something you can do without some skill or practice (see Chapter 3). It takes know-how and experience to be able to shift gears easily. It is not a simple behavior that can just be applied from day one. "Good at constructing scenarios about the way things might be" involves an ability to create a scenario that other people will appreciate (see Chapter 3). Just to make the point, if we had said, "Constructs scenarios about the way things might be," then that would simply be a behavior. It may not involve producing *good* scenarios at all. To become *good* at constructing future scenarios, you need to practice until you become skilled.

The route to enhancing skills is going to be somewhat different for each of the eight Enablers. In some cases, where there are straightforward behaviors that can be adopted and used immediately, then enhancement

will be rapid. In other cases, where a capability is being described, then the route to that capability (like guitar playing, soccer playing, juggling) is

practice, practice, practice! You start with a simple behavior and practice it until you get better. In most cases, there will be some kind of attitude that influences the way the behavior is done and the way the capability is developed. It may take some time before you are able to say, "The harder things get, the more energy I have," but we are confident that with lots of practice and the right motivation, improvement will be possible.

The MBE of action

You've enhanced your skills, but will you start to use them and continue to use them? Only if you are *motivated* to start, have removed the *blockages* to action, and have *encouragement* to continue.

Motivation

Humans are supreme learning animals. They continue to learn, even in the poorest of conditions. However, if you need to learn something new, particularly if that something is a little difficult, the process is much easier if you are keen and motivated.

If you're trying to develop and train any kind of animal – and let's take one of the most intelligent, the dolphin – then punishment doesn't work. The only thing that works is reward. We understand from dolphin trainers that there is only one way you get a dolphin to jump and do all the fabulous tricks they do. Every time the animal moves towards the point you want it to, you reward it with a treat, i.e. fish. And you associate that reward with a particular action – possibly a signal like a whistle. In that way, you gradually encourage the animal to make the jump or do whatever is needed. This has been known for years among animal trainers. Sadly, it seems to be easily forgotten when humans are the learners. It is so easy for people to believe that reward and punishment stimulate the best learning. Don't believe it – only rewarding will work. But who wants to be a dolphin? Well, try treating yourself to some days as a dolphin and only get rewards, and then check your level of motivation.

Blockages to action

In Chapters 3 and 4, we offer a wide range of ideas labeled "Explore and Expand." These are suggestions for learning and practicing the behaviors we describe. If you are tempted to glance through but do nothing about them, take a moment now to ask yourself what might cause you to stop before trying out one or two of the suggestions. Let us make a guess. You're afraid of failing; you feel that you've not done anything quite like this before; that you'll look an idiot; that things will go wrong; that you'll get blamed. In short, the world will be a worse place as a result of you testing out some of these ideas. Of course, we sympathize. But do not flee in the face of these age-old objections to anything new. If you choose the right situation, where there is no major risk, then if something goes wrong, you won't actually look an idiot to anyone but yourself. And hopefully, you could live with that.

You can make it a lot safer by starting with suggestions that are easy and by doing them in small steps. If you've never done the behavior before, recognize that most of the future hasn't been done before either and you're going to get there somehow! Also take consolation from the fact that our evidence strongly suggests that you have done some of these behaviors before, but when you were much, much younger.

Encouragement

We see motivation as the push that *gets* you going and encouragement as the pull that *keeps* you going. So if you're taking on something new, how do you plan to have and enjoy your successes? Ian McDermott, CEO of ITS training and one of Europe's foremost NLP gurus, says that there's everything to play for, not work at. If there's something important to be done, the better way is to play at it rather than to work at it. Yes, we know that statement goes against a vast history of

If there's something important to be done, the better way is to play at it rather than work at it.

the work ethic, but think about it – when are you at your best? Is it when you are straining, tired, pressured and stressed, or could it be when you are feeling light, nimble, witty, amusing, playful, energetic –

in short *relaxed*? So what to do? Approach other people who are good at this skill and ask them if they could show you how they do it – maybe even how they learned to do it. Our experience has been that people love being asked how they do things when the mere question implies that they do it well.

As far as encouragement is concerned, arrange lots and lots of opportunities for feedback. Ask people how you're getting on. Set up some formats for yourself (there will be more detail on this in Chapter 3) that give you feedback on progress and that give you ways of analyzing your development and what has worked and what hasn't. The more you can trust the feedback, the more you can be encouraged by it, as every improvement will make a difference.

Some hard truths about developing yourself

Remember ...

1. If you want to do something, you'll find it much easier if your attitude encourages you.
2. You can make a slight enhancement immediately to all of these skills simply by copying effective behaviors of other people.
3. You can develop the skill without changing the attitude – but it won't be so easy or appear genuine to other people.
4. Modifying the attitude may feel more risky, but needn't take any longer than learning the skill.
5. Just try it. Use some of the safeguards we suggest and work in comfortable learning steps appropriate to your current skill level. You might even enjoy it!

We opened this chapter by presenting six damaging illusions of the twentieth century because we believe that in a world of unprecedented choice and consequent opportunities for change, the assumptions that worked very well for us in previous decades will work less and less well for us now and in the future. These illusions block our ability to change by sapping our energy for change with beliefs that will prove to be falsehoods. We are not suggesting that you abandon all of them immediately – even if you could. We are all creatures of habit and these won't be easy to give up. However, we would like to signal them early on as potential areas of difficulty for all of us in learning to deal with uncertainty.

Additionally, we have detailed a strategy for enhancing/improving Enabler skills. We see these as critical to thriving in the coming decades, whether leader, follower, or individual contributor. In fact, we see these as survival skills for life.

have changed names and some of the biographic and background details to ensure that the confidentiality agreements we have with our clients are not broken. So although the names are false, be assured the people and situations are real.

At the end of each Enabler profile we give you ideas labeled "Explore and expand" to help you develop and enhance your skills in these Enabler behaviors.

What are Enablers?

Enablers are the skills and capabilities that will enable you to embrace ambiguity and handle your own uncertainty. Let's get to know them and find out what Enablers can do for you.

What does each Enabler do?

An Enabler is a group of attitudes and behaviors that helps you address ambiguity and stay relaxed about your own uncertainty. Chapter 3 is devoted to helping you to understand each Enabler and will give illustrations of what each Enabler looks like in action. You can get an approximate picture of yourself and your likelihood of having the Enabler skills and behaviors by going through the checklists throughout Chapter 3. A much more detailed tool – The Ambiguity Architect™ – exists which will give a more complete picture.) We have tried to be very practical throughout this book, and therefore we spend relatively little time debating whether your personality is or is not likely to make you better or worse at handling uncertainty. What we know is that certain behaviors help people face ambiguity in a more relaxed way. Therefore, the issue is, can you comfortably adopt some of those behaviors and incorporate them into your normal way of working, thinking, acting, and leading?

There is a real-life case study to illustrate each Enabler. These stories are based on real clients and research subjects we have worked with. We

Are some Enablers more important than others?

We do not distinguish a hierarchy in these eight Enablers – at least, not clearly. You can read about them in whichever order appeals to you. Typically, we find most managers are skillful in two or three of the Enablers and equally have blind spots in two or three others. Flip through the pages and look at the ones that intrigue you most, possibly even horrify you most. Follow your instincts towards the things that you seem to know least about. That's the best way to stay relaxed with uncertainty.

ENABLER PROFILES

Enabler 1

Motivated by mysteries

Once you eliminate the impossible, whatever remains, no matter how improbable, must be the truth.

Sherlock Holmes

Motivated by what?

Imagine that everything was attractive. Imagine that the more you didn't know, the more you wanted to know. Imagine that maybe wanting to know was too weak a description, there was a hunger to know that drove you from whatever else you were doing and pushed you to continually make further inquiries about the things that you didn't know. Imagine insatiable curiosity. You are a *Mystery-Seeker*.

Mystery-Seekers are curious people who are attracted to areas and problems that are unknown to them. They question a lot; they want to know who, why, and how. They are always seeking to understand and at the same time using that understanding to explore further. Frequently, this exploration is of a playful nature. They experiment, they test things out – they put themselves in the role of both the experimenter and experimental subject. When they see a new building, they will stop and investigate it. They will take a new way home, just to see if it is more interesting. They will explore a new road, just to see where it goes. When

you go for a walk with this person, they will continually be looking over fences, wondering what is over the next hill or around the next bend. They will want to change the walk based on what they've discovered and then to modify it further to go and investigate something. They won't stick to the plan if the plan prevents them from learning something or inquiring about something.

Mystery-Seekers encourage others to be challenged by the unknown. This can make for discomfiting company. You thought you were going to a business meeting to confirm the budget for a particular project, but instead you end up being drawn into a debate about how that product could be modified and used to create a new market somewhere. In times of pressure this can be seen as disconcertingly unfocused. Yet people who are highly motivated by mysteries can be extremely focused. They are almost obsessive in wanting to know more and exploring the thing they don't yet know about. These people will also question things 'for the hell of it' and have been known to tear things up and start all over because they think it's the right thing to do.

Mystery-Seekers actually seem to get energy from not knowing. Most people get some satisfaction when they discover the solution to a problem, but people who are motivated by mysteries seem to draw their energy when they *don't* have a solution. Yes, of course, they get satisfaction like everyone else when they have solved a particular problem, but the solving doesn't stop there. Once they have a solution, they will look for a second solution: a better one. Once they have a second solution they will probably go on and look for a third and then a fourth. For people who are strongly motivated by mysteries, it is the absence of the solution – the absence of knowing how something works – that is the really attractive part.

People who have been motivated by mysteries over the centuries have shown this insatiable curiosity and drive to continue to want to understand, and then having understood, they will want to go deeper still. More than 400 years ago Galileo Galilei risked torture and imprisonment because the best solution he could find to explaining his astronomical observations was that the earth moved around the sun rather than, as the Bible implied, the other way around. His enormous curiosity kept him asking questions about sunspots, phases of the moon, the phases of Venus, the moons of Jupiter – he never stopped. Even when seriously ill and

highly troubled by the pressure of the cardinal's inquisition, he continued to work on a theory about the trajectory of bodies fired from cannons.

Half a millennium later, British inventor and entrepreneur James Dyson, in struggling to make a vacuum cleaner that did not require a paper or cloth bag, made more than 5000 prototypes before he finally achieved the level of perfection he sought. Having made his first production model, he carried on developing new ideas, and improving what was already improved upon. Just two years after its launch, Dyson's first product (an upright model) had become Britain's best-selling vacuum cleaner, overtaking sales of Electrolux, Hoover, and Panasonic. A cylinder model launched two years later achieved similar success. Passionate about design and engineering innovation, Dyson says that success is made of 99 percent failure. His persistent curiosity has taken his business to European brand leader in just five years against multinational competition.⁷

But these people are not necessarily inventors in the normal sense.

What is fundamental about them is that they are drawn instinctively to the edge of their knowledge rather than the center of it. It is for this reason that we believe that being motivated by mysteries may well be one of the *fundamental* skills underlying the ability to handle uncertainty. Think back to when you were at

Mystery-Seekers are drawn instinctively to the edge of their knowledge rather than the center of it.

school. Predominantly what you were taught were facts – things that the teacher (and the society that supported the teacher) was reasonably sure and secure about. During Galileo's time, the teacher was the Church, and the Church knew from its interpretation of the Bible certain astronomical "facts." Since everyone was taught these facts, they were accepted as "truth." Mystery-Seekers leave this comfortable and safe center ground of accepted "truth" and move to the edge of their knowledge and their learning. They ask "why?" and "what would happen if?" and in general, ask the difficult questions. Later we will return to this theme, as it seems to be a precursor to what we call "difficult learning."

Mystery-Seekers are . . .

Mystery-Seekers are curious people who are attracted to areas that are unknown and to problems that appear to have no obvious solution.

Signs of Mystery-Seekers

Tell-tale signs

- ◆ Often playful – that is, playing with ideas, playing with possibilities, asking "What if?"
- ◆ Play devil's advocate very effectively.
- ◆ Appear to get energy from *not* knowing, rather than from knowing. The search for knowledge and the acquisition of knowledge appear to be the energizing forces.
- ◆ Appear strangely happy when things don't work out the first time because they reveal a deeper paradox within the available data or add to their understanding of what the phenomenon isn't, or why things won't work.
- ◆ Will try a different way, even if they know how to do something, just to test out themselves or their ideas.

Tell-tale actions

- ◆ Gravitate towards projects with an element of the unknown.
- ◆ Demonstrate curiosity about a wide range of things.
- ◆ Always seek to understand things and then to further that understanding.
- ◆ Experiment and even willingly include self as part of the experiment.
- ◆ Always explore, both in conversation and practical situations.

- ◆ Challenge others to do the same. (This can be quite disconcerting for people who like a routine and a fixed reliance on what they know.)
 - ◆ Ask questions “for the hell of it.”
 - ◆ Obsessively pursue an idea, a question, or a paradox for longer and in greater depth than others would regard as reasonable.
- Tell-tale phrases
- ◆ “Where does this lead?”
 - ◆ “That’s unusual, let’s investigate it.”
 - ◆ “There’s lots of dead ends on the road to discovering something useful.”
 - ◆ “I don’t know why that happens, but it fascinates me.”

Case study

The case of the arthritic cough

We didn’t need to go at all. Most of us had exceeded our sales targets for the year and were still within our cost budgets. It had been a good year for all of us. We were looking forward to a good bonus and maybe a couple of games of sales-oriented golf. But Ken was insistent. Why did the customer 50 miles from Madrid buy three times as much of our least popular cough suppressant as any other pharmacy of that size in the whole of Europe?

I should say at this point, that we all know about Ken and his wild goose chases. Who could forget the fuss about an apparent doubling of some sales orders in the UK at a sales conference some years ago? It turned out that some of the UK purchasers were ordering in pounds weight, while of course their other European colleagues were ordering in kilos. A fair amount of embarrassment all around on that one, and Ken got his reputation of fearlessly chasing things that didn’t turn out to be very useful after all. But Ken was undaunted, and a couple of years later his knack for asking questions and exploring offbeat areas of no interest

to the rest of us pulled a winner. Ken said that he liked “turning over stones,” and it was true – sometimes he did find something useful underneath them.

It was Ken after all who had discovered that a material in our packaging was reacting with a new entity that we were just putting on to the market. Because of his insistent and urgent action, we avoided damaging our reputation and losing hundreds of thousands of dollars on the launch.

Anyway, because we all liked Ken and he had helped many of us in the past – in fact, was still a mentor to several of us even now – we humored him. Privately, we felt that a small pharmacist outside Madrid was probably reselling or involved in some kind of scam and that it wasn’t a big enough matter to get seriously worried about. But we had to have a regional managers meeting, and so we agreed to meet at a hotel not far from the pharmacy. There was some cost in this decision. For many of us it added about half a day to our journey, but we had had a good year, and basically we all went along for the ride.

Of course, we all had to visit the shop, and the pharmacist was completely overwhelmed when all these regional managers from one of his major suppliers turned up on his doorstep. We were fascinated how small his shop was – boxes were stacked everywhere at the back of the shop. This was a typical rural pharmacy, not only selling medicines and preventatives, but also playing a key part in village healthcare and social life. Customers came in not just to buy, but to explore, debate and argue about theirs and others’ symptoms and the likely remedies. It was a kind of ongoing medical debate from the moment he opened his doors until the moment they closed.

It was actually quite easy to find out why sales of our cough product were high. Yes, the pharmacist said that several of his older customers – of which there were many – also found that our cough suppressant reduced the pain and swelling of their arthritis. So there was the explanation to the high sales.

“Problem solved,” we all thought as we had lunch at our hotel. However, unlike everyone else, Ken was, if anything, even more curious than before. He kept pounding away at the problem. Why this village, this pharmacist, these old people? There were hundreds, no thousands, of similar pharmacies across Europe that had aging populations who

suffered from arthritis. Why hadn't anyone else discovered this effect on arthritis? Were all the old people in the village we had just visited under some kind of illusion? Was there any genuine clinical benefit from our cough suppressant, or was it some kind of placebo effect? Ken looked happy that he (and we - after all, we came, didn't we?) had started exploring the problem and now this latest evidence showed that there was a deeper puzzle that he still could not solve.

The rest of us lost interest at this point. We came, we saw, we got an immediate answer that *seemed* to fit the facts. Time to move on to other things. We completed our busy agenda and moved on, forgetting the whole thing. It was three months later that I bumped into Ken; he grabbed me by the arm, clearly excited about something. We found a coffee machine and sat down nearby. Over a hot drink that bore some resemblance to coffee, he explained to me about the pharmacy and how he had continued to probe at the problem. This behavior didn't surprise me at all - I was just grateful that he hadn't involved the rest of us. But what Ken had discovered was something unique about the village we had visited. Although they were officially discouraged from using their old wells and springs now that the village had a public water supply, many of the older people ignored the official advice and still accessed water from the traditional sources in preference to the modern piped variety. Just that morning Ken had discovered that when the well and spring water was tested, it had a much higher than average potassium content. Now he had something to go on. Ken was putting together a paper to seek funding and a proper investigation on just what effect the potassium level and our cough suppressant were having.

Within the year, preliminary results showed a genuine positive impact. This gave the research team a major insight, which they have high hopes of turning into a drug that will have widespread application for the relief of arthritis. So much for a worthless trip into the hills outside Madrid. Ken had done it again!

What happens if no one is motivated by mysteries?

People who are not motivated by mysteries - who are not Seekers - use patterns of behavior in approaching the unknown that are narrow and unvarying. They aren't looking for variation in their life; in fact, they prefer things to be the same as they always were. They are not likely to go looking for new discoveries, new ideas, or some other variants in their lives. Sometimes this is a survival mechanism. If you have been living in a state of civil war for some several years, the last thing you want is more change. What you want is to go back to things as they were - to the stability and the certainty that you used to enjoy. However, with traumatic situations put aside, the danger for an individual, an organization or a society that is not motivated by mysteries is that they will be unaware of or unprepared to take up new ideas and changes that occur. Take a look at the graph from *The Economist*,³ (see Fig. 3.1), which shows the hundreds of years of almost repet-

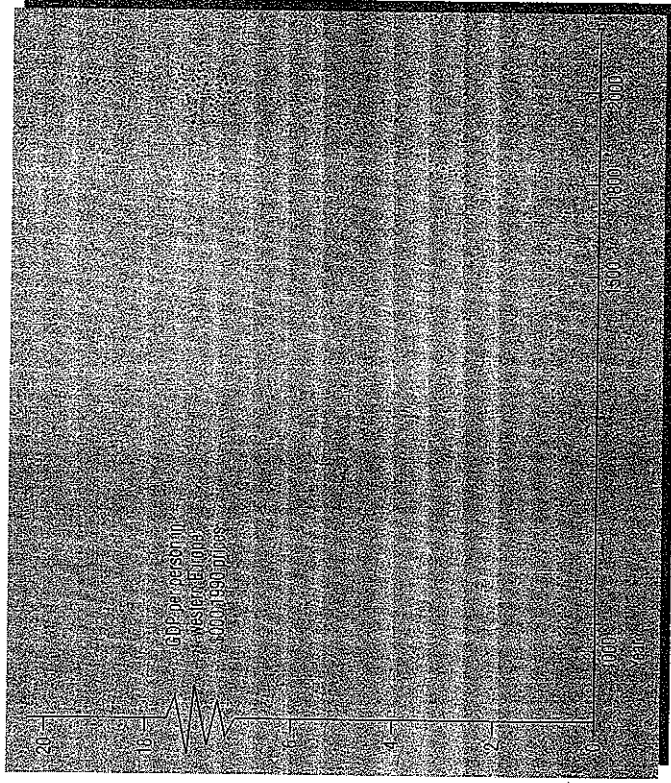


Figure 3.1 ♦ The growing rate of growth and change

Source: Adapted from *The Economist* 31 December 1999

itive similarity followed by a brief century of such rapid change, that the graph almost goes off the page. People who lived in earlier centuries of the previous millennium could be forgiven for expecting that the world would be similar when they died to what it was when they were born. Clearly, that is not true now. Organizations that do not seek out the things they are unaware of become more vulnerable and as Darwin forecasted, will not survive if they are less fit than their new competitors.

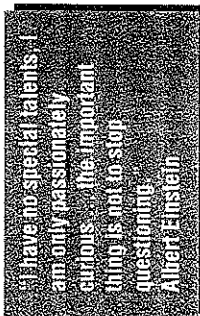
An example of adjusting to change along these lines involves the *Encyclopaedia Britannica*. Around 270 years of publishing tomes convinced the *Encyclopaedia's* leadership that there would always be a need for solid, leather-bound volumes that would be updated by an annual volume containing the highlights of knowledge and events of the previous year. Because of this view of the world, they rejected the fledgling Microsoft Corporation's overture to produce a version on CD-ROM. *Encarta*, a competing product, was born as a result of this rejection, but of course, it didn't belong to *Britannica*. *Britannica* was then facing chaos as it tried to retrench and catch up with the revolution that had taken place in the knowledge marketplace. It is speculation, but if a member of the senior team had been more motivated by mysteries – had been attracted to taking a new way home, for instance – then wouldn't this crisis have been seen as an opportunity?

So it seems that being attracted by mysteries is one of the key aspects of living in and guiding any organization with prospects for long-term survival. However, what is it like if too

many people nose around and inquire? Can't this get disruptive, too? Surely an organization needs to have a steady path.

Although being motivated by mysteries is one of our fundamentals, we do not see it as the only essential skill. Clearly, if people spend their entire time being curious and pushing back boundaries, they may not have any time to focus on the things that matter in their own lives, in their own organizations, in their own societies. There has to be balance between curiosity and paying attention to important matters in the present.

Being motivated by mysteries is not a kind of "mad scientist syndrome;" it is a constant companion to everything else the individual



surviving in uncertainty will do. But it should not be overplayed to such an extent that all other matters of everyday life, survival and planning ahead, are diminished. It is said that Albert Einstein, brilliant though he was, didn't know his own phone number or address. However, Einstein was clearly highly motivated by mysteries. He described himself and his approach in this way: "I have no special talents, I am only passionately curious" and "the important thing is not to stop questioning." In everyday usage, being motivated by mysteries is about being attracted by the unknown aspects of new sources of data, new ideas or new opportunities. But it is also about integrating that curiosity into the rest of the skills and operations that we need to use. It's about being fluid: the great ideas of tomorrow are the questions of today.

Difficult learning

An additional aspect of being motivated by mysteries is a concept we first introduced in our previous book *The Future of Leadership*. We named the concept "difficult learning." It has been our experience that those people and organizations that embrace uncertainty are often drawn to doing things, inventing things, providing services that others find more difficult to do, invent or provide. These individuals and organizations have *learned* to do the *difficult* and to some extent make it routine.

To be fair, the difficulty level of something is fleeting. The Fosbury Flop, a perfect score of ten in compulsory figure skating, a triple Lutz, or 1000 Mhertz chip speed were once difficult, but are now commonplace even to a regular/standard competitor.

So what is difficult to learn to do may be difficult only for the first learner, or for all who follow in his or her footsteps. Things that become easy to learn (or copy), those things that become commonplace, won't differentiate one actor from another, one organization from another. It's those things that *remain* elusive and hard to copy that will be seen as special or differentiating.

For each of us, difficult learning is taking on something totally new. It is deliberately putting yourself on the steepest part of the learning curve. For both individuals and organizations, *true* difficult learning is doing

what someone else has never done before. This is not to be confused with not knowing how to do something – the knowledge exists, so you gather the knowledge and apply it. Difficult learning is about not knowing – because no one knows – and doing it (or attempting to do it) anyway.

A small digression – let's look at an application of difficult learning in an organizational setting. Examine Fig. 3.2.⁴ Suppose you were running an organization. Where would you like the organization to be? Why? To decide we need to introduce a second concept – we'll call it value to the organization. If something (a service or product) is of high value, it can be exchanged for revenue in the marketplace. If it is of low value, whatever revenue it might be exchanged for is considerably less than in the former instance. Where would the most effective place for an organization be to sustain maximum strategic advantage? Our conclusion is that if you want to be at the top of your market, then you must be in the top right-hand category, where the usefulness of what you are doing is high, but the difficulty of learning to do and apply that strategy is also high.

Why not live an easy life in the bottom right-hand corner? Put simply, because everything that is useful and easy to do will be copied by your competitors as soon as you do it. It gives you no competitive advantage, but it does keep you in the game. This very simple chart shows a fundamental

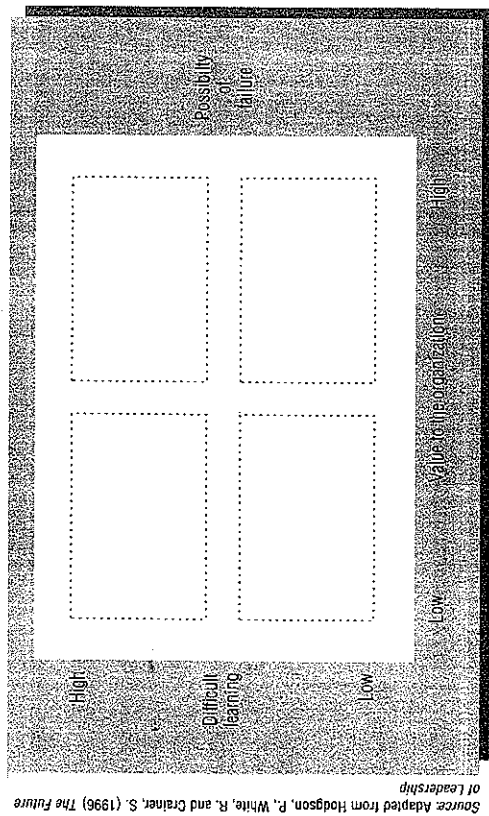


Figure 3.2 ♦ Difficult learning and competitive advantage

component of what is needed to lead effectively in any rapidly moving environment. It is our belief that any organization that is trying to catch up with its competitors, particularly in sectors like e-business or pharmaceuticals, will need to become good at difficult learning. In these fields, doing now what your competitors had achieved six months earlier is just not good enough. Your fastest-moving competitors will already have moved on again.

How do you learn to handle difficult learnings, and how do you teach it to the rest of the organization? First, recognize that most of us were not taught to do it at school. Does that surprise you? Surely, you might argue, many of us worked hard at school, and it certainly didn't seem easy at the time! This is where we come to the crux of difficult learning and why it is, well, difficult. Difficult learning is difficult because it asks you to confront your fear of failure and fear of looking an idiot to yourself or others. Most of us have actually been taught by our school system to avoid failure, which sounds reasonable enough until we realize that the fear of that failure is what often prevents us from learning what we need to learn.

Consider this example. You are back at school and the teacher asks the class, "What is the chemical formula for sulfuric acid?" You know what will happen next. Those students who know the answer will call attention to themselves, while those who don't know will find something terribly interesting on the surface of the desk in front of them – and will do everything in their power to avoid attention. The practical learning is that when you are faced with something you don't know, you keep your head down and hope someone else deals with it. In our estimation, most children probably experience more than 10,000 episodes of this situation.

Now fast forward to that same person at work. They are faced with a difficult situation in a public arena, e.g. a senior management meeting. The chances are that they will take the same instinct that they learned at school into their organization and when faced with something they don't know, their first reaction will be to keep their head down and hope that someone else will handle it. Is this what we want in our organizations? Of course not, but we recognize that most of us – and our observations seem to apply around the world – have come through this major conditioning process at school.

It is at a fundamental level that we have to tackle fear of failure and the confidence to tackle more and more difficult learning. At schools we really want students who don't know something to jump up and shout, "I

don't know, but I want to find out." Only if we fill the organizations of the future with people who are keen to explore their *lack* of knowledge will our organizations be competent at handling the things they don't know. Once organizations become competent at this, they can start making themselves competitive because they can vastly increase their rate of learning. As a teacher of social psychology put it, "We should hand you PhDs when we admit you. Then you have five years to convince us not to take them away from you." Translation: show us you are willing to explore, make mistakes, and engage in genuine learning and then we will let you keep the degree as evidence that you are truly a learner.

Although the eight factors that we describe in this chapter are considered of equal merit in handling the ambiguity that faces modern organizations and modern leaders, we do believe that the trigger for developing your skills in these areas comes from being motivated by your ability to take on a steeper learning curve and to embrace difficult learning. The future organization will succeed because its employees will have no barriers to any area of learning and development. They will be able to handle any situation and any learning opportunity.

Links with the other Enablers

Is there a clash between being motivated by mysteries and any of the other seven enablers? No, because in each of the remaining seven skills we have identified, we believe the ability to take on difficult learning is a key aspect. If you assume that the world is continually changing, and therefore greater levels of uncertainty are to be found, then the mystery not only continues, but continues to deepen.

How to be more motivated by mysteries

1. Find an old school photograph of yourself – the earlier, the better! Now gaze at the photo and try to recall what you were like then. What puzzled you? Why? What happened? How did you view mysteries in those days? What were mysteries to you? Having had a nice rummage in your long-term memory, now zoom forward to

today. How could you apply some of that childlike curiosity to the issues and problems you face today? Were there incidents in your childhood that resulted in your being punished for curiosity or rewarded for a lack of it? How could you slightly modify your thinking to allow you to be more oriented toward things with an element of the unknown? Draw up a list for yourself. Choose the least risky and the least threatening and work on it for a while. Come back after a week and review your progress. Look at the list again and discuss it with a colleague. Explore your history of being (or not being) motivated by mysteries and your current areas of mystery.

Explore your colleague's areas too. What similarities and differences are there? Explore the areas of several colleagues on a business team all of you work on. How are you similar/dissimilar? Are you surprised at how alike/different you are? What does this say about your being prepared for dealing with competitors in your industry?

2. You wonder at things, but you don't explore that wonder. Your attitude is, "I don't know much about that, and I don't mind not knowing much." If a problem seems insoluble, you drop it and move on to something you can deal with. There is a Christian prayer that says, "Lord, give me the strength to handle the problems that I can do something about, the tolerance to cope with the ones I can't, and the wisdom to know the difference." You call this approach pragmatic and of course, it is. But if this attitude is also acting as a filter and preventing you from exploring unknowns that you need to know about, then it is going to be a drawback. So the next time an imponderable occurs, split it up, don't give it up. Draw up a time plan, between a week and six months long, for working on tiny, tiny areas of the imponderable. Split your elephant up into lots of bite-sized pieces, and then work on each one. If a piece is still too difficult, split it up again until you have got down to molecule-sized particles that you really can work on. After the period of time you set yourself, review where you are at. Draw two columns on a piece of paper. In the first column list the parts you have been able to do something about, and in the second column the areas where you haven't made progress. Concentrate on what you *have* been able to do, rather on what remains to be done. What did you learn from the two lists about your ability to take on something mysterious? Was there a pattern in the two lists?

Incidentally, keep reminding yourself -- like the dolphin -- that there is no punishment in this process. All you do is to be rewarded for the progress that you have made.

3. Learn again to question. Children do it all the time. They keep asking, "Why?" "How does that work?" "What is that for?" You don't have to be quite as irritating as a young child in your use of questioning, but these questions will take you a long way in exploring mysteries. In our experience, many managers have learned to ask questions, but then not to listen to the answers. Perhaps you have to train yourself to give your brain a pause while you really listen for the answer, even if the answer is coming from yourself. Force yourself to pause by counting slowly to five and writing down the answer someone is giving you.
4. Play the game of one to ten, which we first heard from Tim Gallwey, the author of the *Inner Game* series.⁵ You have been offered coaching by two experts, both of whom know a similarly large amount about their subjects. However, before you choose which expert to work with, you discover that both experts have been asked to rate themselves on how much they know about their chosen subjects on a scale from one (low) to ten (high). One of the experts rates him/herself as an eight, the other a two. Who would you rather learn from? Well, you scored the right answer if you chose the person who rated two. Why? Given that both know a huge amount, the person who rates themselves an eight is saying, in effect, that there is not much more they could learn (especially in the known world). Whereas the person rating themselves as a two is acknowledging that although they know a huge amount already, there is an even greater amount for them to discover and learn. The more they learn, the more they realize how little they know. It's an attitude as well as knowledge. Now apply the same quiz to yourself in areas of your own expertise. Would you rather be an eight or a two? The really, really knowledgeable people in the world, i.e. those that are continually making breakthroughs into new levels of understanding, are the ones who rate themselves as a two. They recognize that they never stop exploring the boundaries of their unknown. Where on the scale are you aiming for?

5. Deliberately take on a project or task that is outside your area of expertise/competence. Choose something that is fairly low risk to start with so that you don't need to block yourself by worrying about a successful outcome. Nonetheless, try to achieve a useful outcome, and try to be sensitive to those unknown aspects of the project, which you actually find tolerable, even enjoyable. What is it that you are reacting to? What are the unknowns that are pulling you towards them? If you can understand that process, then you are well on the way to enlarging that skill at the attitude level as well as at the capability level.
6. If you can stand being near small children (and we do hope you can), then sit down and talk to some and find out what mysteries mean for them. What mysteries do they experience? Notice not only the content of what they say, but also how they convey the mystery. What attitudes are they signaling to you? With any luck, you are looking into a historical mirror. You were once like this. Use the opportunity as a stimulant for attitude memory. You can say quite truthfully, "I used to be like this." Afterwards, jot down some notes about the energy those children showed -- the push of the curiosity and the pull of the unknown.

Explore and expand

- ◆ Review your attitude toward mysteries and to things that don't seem to have an obvious solution. We understand that you don't like them, but can you afford not to investigate them? Monitor your actions over the next few days, weeks, months. Can you bring the concept of the mysterious higher up your priority list?
- ◆ Try to ask "why?" more often. Just slip it into conversation and watch it do its work. Now why didn't you think of that?
- ◆ Find a colleague who seems more of a Mystery-Seeker than you are. Work jointly on a shared project. How did the colleague approach the unknown? How did you? What kinds of questions did each of you ask?

Notes

1. *The Ambiguity Architect™: Navigating Rough Water* is available from Lominger Limited, Inc., Minneapolis, MN. Visit their website at www.lominger.com.
2. Crainer, S. and Dearlove, D. (2000) *Generation Entrepreneur*. London: ft.com.
3. Angus Maddison, IMF. *The Economist*, December 31 1999.
4. White, R., Hodgson, P., and Crainer, S. (1996) *The Future of Leadership: Riding the Corporate Rapids into the 21st Century*. London: Pitman Publishing, p. 151.
5. Gallwey, W. T. (1997) *The Inner Game of Tennis*. New York: Random House.

ENABLER PROFILES

Enabler 2

Be risk tolerant

Being on the tightrope is living; everything else is waiting.

Karl Wallenda (1904-78)

What is risk?

The word *risk* has become so widely used that it tends to mean almost anything that is unknown. Mark Haynes Daniell offers the following four-stage systematic definition of risk:

- ◆ the scale of the potential harm – adjusted by
- ◆ the likelihood of that harm occurring – net of
- ◆ the ability of an effective response to be put in place – adjusted by
- ◆ the likelihood of that response mechanism being deployed effectively.⁶

This is a definition based on modern financial and economic thinking, and even here at each stage there is uncertainty. But what if you are trying to go outside the bounds of economic analysis and explore behavior and skills?

In terms of understanding the skill of risk tolerance, the person who is tolerant of a risk must know that there is a risk in the first place. There

is a comparison here to courage. To be truly courageous you must know that there is danger. If you are unaware of the danger, are you really being courageous? Similarly, if a person is unaware of the risk in their action, then they are not being tolerant of the risk itself. To some extent the assessment of danger, like that for risk, is in the eye of the beholder. What looks risky to me may be nothing to you. If you are prepared to take a chance and make a decision when aware of the risk, you are probably a **Risk-Tolerator**.

Different societies around the world seem to have varying levels of tolerance for risk. In many ways it can be argued that the Western world has become less risk tolerant. Legislation, and particularly litigation, have been used to reduce risk and to reduce a citizen's individual liability for understanding, managing, and tolerating the outcome of risk. Famous court cases in the US, such as the "hot coffee incident" at McDonald's (where a person ordered coffee from the drive-through counter, subsequently spilled it on her legs causing severe scalding, and successfully sued McDonald's for selling her a dangerous product) demonstrate that individual citizens are apparently not prepared to acknowledge that there is a risk of burning themselves if they handle hot coffee in a car.

Perversely, however, there seems to be an increase in some people's interest in and preference for activities, particularly leisure activities, that include greater levels of risk. It was 30 years ago that bungee jumpers were only known on a few islands in the west Pacific; now it seems to be a commonplace activity of many fairs and resorts. Equally, the increase in white-knuckle rides at amusement parks suggests a public demand for a feeling of risk without the actual taking of the risk. Risk has become an "experience" we seek and are even prepared to pay for. Perhaps this is because our lives are now free of real personal risk. There are many people who gamble, spending vast amounts of money at games of chance and in lotteries supposedly because they have nothing to lose. It suggests to us that many humans need some degree of risk to have "fun," yet individuals are tolerant of different levels of perceived risk. The progress of civilization through history seems to be about reducing the real risks involved in survival. A society describes itself as more civilized when it is facing fewer risks to its present and future.

Given these different perspectives on risk, what we are referring to when we use the phrase risk tolerant is where the probability of

something going wrong stemming from a particular action or decision is known to the person who is taking the risk. They may not be aware of the actual statistical probability of the occurrence of a negative event, but they must be aware there is a potential downside to the decision or action they are taking or asking others to take. When Fred Smith of FedEx gambled at Las Vegas and won (so that he could make the payroll that month), he knew that the downside was, if not the closure of his business, then at least a severe dent in the vision he had for his fledgling business.⁷

The obvious trend of more decisions being made in a shorter time cycle brings with it another range of business risks. It is ironic that, in what Steve Case (CEO of AOL/Time Warner) has dubbed the Internet century, organizations find themselves more frequently facing either zero information or vast overloads of information.⁸ In a world of limited information, intuition is very important because to make the *right* decision based on little or no information could put you well ahead of your competitors. In a world with too much information, intuition is equally important, since there's probably no way that you can go through the data and still make a timely decision. It seems to us that many managers are having to use information differently and more intuitively than even a few years ago.

Risk-Tolerators are . . .

Risk-Tolerators can make decisions when necessary despite incomplete information and will tolerate the risk of failure. They are not hampered by insufficient or ambiguous data.

Signs of Risk-Tolerators

Tell-tale signs

- ◆ Understand the timing of decisions. Gerstner, IBM's CEO, knew that IBM's future was more important than an early decision.
- ◆ Understand possible risks of the decision or lack of decision.
- ◆ Probably attracted to doing things that are new – so there is a link to Motivated by Mysteries.

- ◆ See a hierarchy of risk. For example, Russia's president Vladimir Putin moved his approval rating from rock bottom to a comfortable majority in late 1999 by taking the risk of promoting the war in Chechnya, even though generally people don't like conscript wars.
- ◆ Can be intuitive – for example, Albert Einstein wondering what it would be like to ride around the galaxy on the front of a light beam or Walt Disney acting out the parts of each of the cartoon characters, complete with voices.

Tell-tale actions

- ◆ Make decisions when the decision needs to be made without full information, but are not impetuous.
- ◆ See risk as a route to increasing experience, knowledge, and opportunity.
- ◆ Think through and accept the consequences of failure or of some outcome not forecast.
- ◆ Make decisions in the face of contrary conventional views – for example, Richard Branson starting an Atlantic airline in the face of major competitors.
- ◆ Shift gears to handle several levels of risk. In other words, a risk taken now may prevent a larger risk later.

Tell-tale phrases

- ◆ "I know we don't know, but we still need to decide."
- ◆ "It's never been done before – that's what makes it attractive."
- ◆ "Let's grab that opportunity, even though we don't know the details."
- ◆ "I have learned to live with the consequences of my colleagues' actions."

Case study

The case of the risky recruit

Sheila runs the management development group based in the head office of a major European manufacturing organization. She has always been a bit of a renegade. As the result of some domestic upheaval when she was a teenager, and although she was very bright, she pulled out of school at the earliest legal age. On the strength of an address sent by postcard from a school friend now working in Italy, she traveled across Europe by herself to seek out her friend, settled in Italy, and then traveled around the rest of Europe.

She had lots of adventures in Europe, and briefly in America, and arrived back home at the age of 23 with lots of experience but no prospects. She took herself back to school to finish off her secondary education, then took an undergraduate degree and then a Master's. She saw nothing unusual in educating herself in this way. As she said, "I didn't have a personality to educate until I'd traveled around and found who I really was." Her persistence and motivation to challenge, and thus to take major risks with her prospects, were indicative of the person.

She worked in two or three organizations in various roles for the following five years and then got a job with her present employer. The interview process was to last one and a half days, starting Tuesday afternoon with the first interview, followed by a plant tour on Wednesday morning, and the final interview on Wednesday afternoon.

In the Tuesday interview the visiting HR manager from a nearby research division challenged an assertion she had made regarding his shift workers and their keenness on self-managed development. They argued as best they could at the time, but it was unresolved. After all, he had all the data and he knew the people. She didn't appear on Wednesday morning until halfway through the plant visit, and although nothing was said by the company, it was clearly odd behavior and not likely to improve her chances. Everyone assumed that a black mark had been allocated to her. The reason she didn't appear was that she spent part of the night before on the phone to the research division. She contacted and interviewed 15 of the very nightshift workers whose motivation she had been discussing with the HR manager earlier. It took half the morning to compile her report, so of course she was late for the plant visit. She

presented the report at the final board meeting to the astounded HR manager to justify her assertion on the previous day. The board liked her, and her tolerance for risk. They recognized they were dealing with someone different and special and acknowledged that this organization had until now been good at minimizing and avoiding risk. They decided to take her on. She started in a training role, then moved to a wider management development role.

Despite at times lack of board support, she has seized one opportunity after another using her intellect and social skills to push her own and others' ideas into operation. Typically her method is to implement the idea on a small scale, then to use the positive results to bludgeon proper funding and support for a larger-scale implementation.

She works quickly and fluidly, often appearing to want to conduct two or three conversations at a time and hardly ever finishing a sentence or a meeting completely. Her people say she is very open about the risks that she and they are taking, but never fails to emphasize the rewards that are in reach. Although there is some undoubted bravado in her style, which is not to everyone's taste, she is very pragmatic about the negative face of the risks she takes.

She always wants to know what the risks are – she calls it “looking into the abyss.” Where the risk seems great, or more precisely the consequences of failure are dramatic, she will put a lot of effort into ensuring that there is a fail-safe option, so that the risk will have moved the company along in some way. Her people say that the post-event reviews she always carries out are extremely rigorous but positive. Even if the whole project has been a disaster, there is still a positive outcome and positive learning to be gained from it, and she emphasizes that to everyone associated. In the reviews, everybody faces up to what worked and what didn't work, and everybody comes out having learned a lot more about the task they were trying to achieve and often about themselves, too.

What happens if no one wants to tolerate risk?

We mentioned the dramatic decline of *Encyclopaedia Britannica* (p. 38) and wondered how things might have turned out if a senior manager had been motivated by mysteries. But if that curiosity had not been bolstered by a

readiness to take and tolerate risk, we doubt that any serious action would have resulted. When your product has been successful for more than two and a half centuries when sold as weighty tomes, it will seem like a huge risk to convert it to a few thin, insubstantial silvery disks. The directors of *Britannica* were not prepared to take a risk in understanding that they were not a publisher of books, but they were a conveyor and seller of knowledge. And that the new medium that was going to take over a huge proportion of knowledge transfer and storage was going to be electronic and digital not paper and ink.

Now ask yourself this question. Is something like this happening in your organization? To what extent are you prepared to take the risk to explore, to learn, and possibly to fail? How much are you deliberately taking risks in order that you might move forward some steps on a yet unrecognized game board? A veteran of a firm now free-falling out of the *Fortune 500* is quoted as having said, “The clue train stopped there four times a day for ten years and they never took delivery.”

If Sheila hadn't been prepared to take the risk of arriving late at the plant visit, it's doubtful she would have been offered the job. Equally, in her current job, part of her role is to tolerate risks that other more senior and staid members of her organization are not prepared to face. Without risk, the result would be an organization that had far fewer opportunities both individual and organizational development initiatives.

Organizations that are not risk tolerant will stifle themselves in the search for more data, when probably that data is never going to be available or certainly not available in a time scale that would make sense in a business context. Organizations often drown in the

data that they have accumulated and soon that accumulation of data is getting in the way of making clear and rapid decisions. The more data that accumulates, the slower the rate of decision making and the less learning that occurs in a particular time frame. (For example, Ford and Firestone were skewered for having data on defective tires that was two years old before anyone voiced concern or was courageous enough to take a risk!)

Organizations that can't face up to risks cannot shift gears easily.

Organizations need to prepare to leave existing areas of comfort and move into new areas that might produce new opportunities and new products. For example, the Xerox process did not come from the printing industry; the electric typewriter did not come from a typewriter manufac-

turer; the personal computer was not originated by a major mainframe computer manufacturer; instant film was not made by the major film makers. There is a pattern in innovation in the twentieth century. Many of the new products have not come from the industries where that product represented a development or an extension of an existing product. Organizations that can't face up to risks cannot shift gears easily. They spend too long on the threat of an unlikely risk and probably not enough time on understanding a real threat. For instance, Barnes and Noble very effectively fought off other booksellers through better buildings, designs, location, etc. But that did not help them recognize the Internet (i.e. Amazon.com) as a potential competitor to traditional bookselling. Contrast them with Microsoft, which, while originally slow to appreciate the Internet, was extremely fast (some say less than a month) in turning around and adjusting their work efforts to focus on the Internet and its opportunities.

Links with other Enablers

Part of the ability to tolerate risk is to know that if the worst outcome happens you can still survive or at least do something about it. This suggests to us that the ability to look ahead, and particularly the futurist aspect of this, will prepare you for anticipating when risks might turn sour (see p. 58). Equally, the ability to be flexible when things get difficult gives you the chance to handle the outcome of a badly taken risk more competently (see p. 89). Finally, recognizing that you won't know if it's a risk if you're overly focused may persuade you to lift your head up from time to time and look at the wider picture (see p. 113).

How to be more risk tolerant

1. Think of a decision (one that turned out well) that you have taken part in recently and list on a sheet of paper all of the data that you felt might be necessary to effectively make the decision. Now with the benefit of hindsight, look back on what the minimum data could have been to make that decision. Rework the analysis one more time and say, "If I could only have had access to 60 percent of the minimum, which 60

percent would have given me the strongest clue as to what the right decision turned out to be?"

2. Once you have proven to yourself with some analysis of past positive outcomes that not all data is necessary, try something for real. Choose a decision that you are going to have to make, but let's not go losing sleep over this one, so choose a decision that isn't too important. You'd normally ask for some data on this, wouldn't you? On this decision, ask for far less data - in fact, push your luck a little bit and, learning from the previous example, ask for 60 percent of the minimum data that you'd normally expect. Now make the decision. Yes, that's right go ahead and just do it. Ask yourself, "How do I feel?" and jot your feelings down in a private note to yourself. A week or so later (or whenever the outcome of your decision is known) ask, "Did it work or did it flop?" Also ask yourself the same question, "How do I feel?" Review your feelings and learning from this experiment. What is it that makes you feel more comfortable working with less data? What are the aspects that made you feel least comfortable?
3. Now we come to the advanced level. Make a decision purely on gut instinct. Take it easy the first time - we don't want to be responsible for increased blood pressure, stress or any of the other afflictions of corporate life - but go on, make a decision. Use the same method as before to review your feelings. Over a period of time, try more than one decision by gut instinct. Can you start to make some distinctions between a decision that you are prepared to make more comfortably (we didn't say you'd be completely comfortable) and a decision that just seems impossible to make without a full analysis? Based on this analysis, where can you improve in your work? Because gut instinct and intuition are a faster way of gathering data and making decisions, how could you speed up your work with the knowledge you have gained from this exercise?
4. Work with someone who seems more tolerant of risk than yourself. Explore both their methods and their feelings. Ask them why they do what they do as well as how they do it. Is it bravado that they seem to not worry about the risk? Are they aware of the risk in the

- same way you are? Do they see risk as fitting into a longer-term strategy for which they have some kind of fail-safe response?
5. Look back on previous mistakes that seemed crushing at the time. How much impact did they really have on your business or career?
 6. On a day when you have many meetings, each requiring decisions to be made on your part or on your group's part, be prepared to chart the following: What was the situation? What decision did you make or did you help the group make? What was your role in decision making? What was your behavior like? How do you feel about the outcome? Now look back on the day – how easily did you move from decision to decision, meeting to meeting? Did you use the same behavior all day? (Did you need copious amounts of facts and figures, or were you unable to make a decision?) Did you find it difficult to transition your behavior, or did you easily shift from one decision to another? Ask others who were with you in multiple meetings about their impressions of your behavior. If you and they believe you transition easily from one decision to another, you shift gears easily. If you and they didn't see this, then here is an area to explore.

Most of us have a consistent set of behaviors we try to utilize, but this can sometimes blind us to the situational nature of the response that is required of us – too hard, too controlling, needing too much data can be just the right set of behaviors or just the wrong set depending on the riskiness of the situation. Effectiveness requires a range of these behaviors, even in the same meeting!

Explore and expand

- ◆ Take small risks and small steps. If you aren't comfortable with risk, then don't frighten yourself even further. It's fine to go for even the smallest, lowest, least risky options as long as it's an increase on what you currently do.
- ◆ Review immediately, but also over a longer period. A risk may seem much greater at first than it does even a few weeks or a few months

- later. Learn something about the way that the passing of time affects the level of perceived risk.
- ◆ Look at a time when you tried something and failed. What was the situation? What did you learn? What have been the consequences on you, your family, your career? Make time to list positive as well as any negative consequences.
 - ◆ As risk is in the eye of the beholder to some extent, find out what you see as risky and compare that with what others see as risky. It's quite possible that in some other people's eyes, you are seen as more risk tolerant than they are. Wouldn't that be fun?

Notes

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7. Wetherbe, J. (1996) *The World on Time: The 11 Management Principles that Made FedEx an Overnight Sensation*. Knowledge Exchange.
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ENABLER PROFILES

Enabler 3

Scan ahead

Research is what I'm doing when I don't know what I'm doing.

Werner von Braun (1912-77)

Polish up your personal radar

"Who knows what tomorrow may bring?" goes the old folk song, and the answer we found is that no one knows. But according to our research, less than half of the managers we studied seemed any better than the mythical "typical" manager at preparing themselves and their organizations for what might happen next. They are *Future-Scanners*.

Future-Scanners link two skills. They are futurists - gazing into the future and imagining the possibilities of an idea, invention, product, service, and they 'drill deep' - being curious and intent on asking the right questions at the right time, even in areas where they lack detailed or technical knowledge. Incidentally, have you ever noticed that the best general managers are always able to ask the penetrating questions - the ones that get right to the heart of the matter, even in areas they appear to know little about? These are people who recognize that in a world of complex information overload, their ability to seize on even the faintest signals of what the future might become and explore its possibilities will have an essential competitive advantage. We know of one top manager who during presentations from members of his division hardly ever hears the whole presentation

through before butting in with questions like, "So what are you going to do about X?" or "So how is that going to help you handle Y?" His staff acknowledge that sometimes it is a little irritating, but they are often agog with the depth of his perception and the quality of the questions that he can ask when newly presented with a myriad of data. It's not lost on us that the addition of some people-valuing skills wouldn't hurt either.

Future-Scanners are curious and inquisitive. They tend to ask lots of penetrating questions. They have command of interesting facts, figures, and hunches. They also, much like Lew Frankfort of Coach, the leather goods maker, tend to raise questions or frame questions that others haven't thought of before. In Lew's case,

Coach made high-fashion leather containers - bags, handbags, purses, wallets, etc. Lew realized that the skills his people possessed with leather could be used on a far wider range of products. He wouldn't stand for the "we're a bag maker" approach. In a series of boundary-pushing conversations first with his staff, then with potential customers, Lew stimulated a much wider range of options for their leather-working skills. Because of Lew's questioning, Lexus cars started using Coach-branded leather seats.

Future-Scanners link two skills. They are futurists and they 'drill deep.'

Future-Scanners also have a tendency to make connections between apparently disparate areas. They then have the ability to parlay them into a marketable/saleable product or a conclusion about the data that others don't reach. Sir Arthur Conan Doyle created the detective, Sherlock Holmes, who had the uncanny knack of probing deeply for the data that was available, but was also acutely aware of the unlikely and the unusual. He showed an ability to understand the logic of the situation to a greater depth than his friend and sidekick Dr Watson. His intuition even allowed him to know when some data was missing and why its absence was significant.

Inspector Gregory: Is there any other point to which you would wish to draw my attention?

Holmes: To the curious incident of the dog in the night-time.

Inspector Gregory: The dog did nothing in the night-time.

Holmes: That was the curious incident.

To discover the importance of the dog not barking, read Doyle, A.C. (1930) 'The Adventure of Silver Blaze', in *Memoirs of Sherlock Holmes*, Doubleday.¹⁰

Without question, these skills are required for any new enterprise to go forward. They are also required for good fiction – the story has to be believable and attractive. We sometimes wonder if good science fiction and good business development in an area like the Internet might actually look very similar.

Future-Scanners are ...

Future-Scanners have the ability to question deeply and make links between apparently different pieces of information, while being constantly on the lookout for even the faintest signals of what the future might hold.

Signs of Future-Scanners

We have sub-divided Future-Scanners into two categories, “futurists” and “deep drillers.”

Futurists

Tell-tale signs

- ◆ Are always preparing for possibilities.
- ◆ Are different from the mainstream scenario composers by allowing themselves to be available to propositions about the future that may be odd or extreme.
- ◆ Have ideas that may not fit into current thinking.
- ◆ Are attracted to ideas that may be dismissed by most people.

Tell-tale actions

- ◆ Reach out into the future for ideas, information, or hunches.
- ◆ Display a kind of predictive intuition.

- ◆ Explore possibilities by linking together apparently unconnected future ideas.
- ◆ Listen constantly for “faint signals” of what may become significant.

Tell-tale phrases

- ◆ “That’s a great idea.”
- ◆ “I wonder if we could develop that?”
- ◆ “What would happen if this were to occur under those circumstances?”
- ◆ “We need to be ready to exploit that opportunity even though it is unlikely.”
- ◆ “How would it be if we could ...?”
- ◆ “What if we could ...?”

Deep drillers

Tell-tale signs

- ◆ Want to know how things work.
- ◆ Want to get a grip on how things will work out.
- ◆ Want to understand the “core of the process.”
- ◆ Are prepared to take a long time to really understand how things work in the organization.
- ◆ People say about their style of inquiry, “Why didn’t I think of asking that?”
- ◆ Are curious about the “system underneath the surface.”
- ◆ Are interested in propositions about facts and data and the logic that connects them.

Tell-tale actions

- ◆ Explore the logic of the situation so they can hone in on the key facts.
- ◆ Question and pull together key pieces of the argument to see the essential data and where data is missing.
- ◆ Seek a more fundamental understanding of the world.

Tell-tale phrases

- ◆ “What are the implications of that action? And what are the unintended consequences?”
- ◆ “How does this information link with that information?”
- ◆ “What is missing in our understanding of this?”
- ◆ “What would we like to know if we could find it out?”
- ◆ “Why does it have to happen this way?”

Case study

The case of the battered business plan

My first introduction to Stevie was seeing an angry member of her staff burst out of the conference room shouting to no one in particular, “That woman is so annoying!” The door, left slightly ajar, showed a room that might have been discovered after a major earthquake. Cups, chairs, tables, papers, computers, people strewn around as if flung by a giant hand. I met the owner of the (metaphorical) hand a moment later. Stevie was sitting, leaning back in her chair, somehow managing to look intense and serene all at the same time. She was holding a major review meeting with the heads of the division she had taken over just six months previously to present their proposed business plans. When I joined them, they had reached the all-important discussion and presentation of web page designs.

This meeting wasn't a relaxed affair. This was the first chance for the department heads to stretch themselves. The entire future of the organization depended on first-rate decisions coming from this meeting – and deadlines weren't too far away. Stevie had seen an advanced draft business plan and had realized that while they were reasonably ambitious based on what the division had done before, they also showed a narrowness of vision. There was a lack of understanding of how the output of this division – basically a technical software function – could be linked to the more customer-facing divisions to produce a heart-stopping product. Stevie knew less about the division than the managers she was sitting with, so she had to use part of the time in the meeting to learn what they thought was really possible. But she had to help them see a wider image and a wider range of possibilities. She could tell them, of course, but that wouldn't recruit them to working on it for themselves. She had to prove to them that there was a better and bigger way.

During the next hour Stevie questioned her colleagues deeply about various aspects of the plans and designs. She was relentless in pushing for all the pieces to “add up,” not just at the surface, but also at deeper levels. She not only wanted the new proposals to be and look good, but they must link back to past products. Customers and competitors would see an unbroken stream of ideas and concepts from past through present to future. Although Stevie did around 50 percent of the questioning, she always encouraged her team to use her own approach on everyone in the room, including herself. And she was not immune to having her ideas put in front of the pressure hose. A feature of their conversation was that at one moment tiny details – like the look of a screen icon – were being discussed intently, and the next moment the biggest of big pictures was in the room – where our industry will be in three, five, ten, 100 years. Future-Scanners like Stevie seem to be able to flick effortlessly from the minute to the major according to the needs of the conversation.

What was outstanding about Stevie's ability was not only that she questioned and pressed for the logic and the data to make sense, but she was also able to bring little snippets of data from all kinds of sources into the existing conversation. A proposal for a new screen icon was improved by referring to an illustration she'd seen on a recent trip to India. A reference to a piece of design brought a link with a comment she had heard from a computer design engineer at Boeing. A screen color brought

a reference to a new textile product from Courtaulds. Always links, always options, always additional information that might just contribute to a more intriguing future.

Yes, it was frustrating to work with Stevie. Good ideas that people had put a lot of effort into could still get mangled if they were unable to survive the rigor of the tough questioning process that Stevie encouraged. Those ideas didn't just have to survive the questioning, they also had to line up with her and her colleagues' understanding of what was going to be needed next. But although frustrating, the process was highly infectious and very absorbing. Just 15 minutes after her outburst against the boss, the staff member I'd first seen storming out of the meeting was back in there pitching, linking and generating a new future with the rest of the team.

What happens if no one scans ahead?

Can you imagine starting up a new business with a great entrepreneurial idea and not having any sense of how things might turn out? The ability to scan ahead seems to be most needed when starting something new or modifying something extensively.

How long would you give the organization whose best efforts at new products were simply changing the color, repackaging or putting on a flash branding that said the word "new?" Wouldn't you be more attracted to products and services that seemed to anticipate your changing needs and that tried to meet your needs or even create alternative ones rather than staying with the past? But we'd guess that you'd not want new for the sake of new. Whatever it is has to be coherent, match your needs, and make sense for the future. The original digital watches were heavy and required two hands to operate compared to their analogue rivals. Rightly, they didn't last long. In the same way, we wonder how much longer PC users will tolerate having to press "control, alt and delete," to get the errant machines back under control? (Maybe the impetus for web TV?)

If Stevie had not been able to explore the logic of the plans presented to her by drilling deep and also to offer new aspects, new information and new possibilities to her divisional team, she would almost certainly have

had to resort to telling them what to do. No doubt they would have tried their best, but without really understanding the perspective she had, they would never be able to implement it to its full potential. That meeting was crucial not only because of the decisions eventually made and agreed on, but because of the breadth of understanding that the other divisional vice-presidents emerged with by the end of what became known as the "battered business plan day."

Where's the vision?

Sometimes we are asked if scanning ahead is the same as vision. Our answer is, "It depends." Our experience of the use of vision and the process of visioning in organizations is that this word can have one of two meanings.

◆ **Meaning 1** The vision is a social construction of reality made in the present and, as often as not, a contradiction of the likely trends of the future. It is essentially a device to create the possibility of a new and different future that is deliberately different from what might otherwise happen. In this sense it can serve as an inspiring message to followers. In extreme cases, it is a revolutionary tool. The classic "I have a dream" speech of Martin Luther King Jr was a vision in the face of the likely future reality that most people at that time believed would happen.¹¹ Because the overall purpose of this kind of vision is to change the world, then this meaning of the term goes far beyond what we are describing here as scanning ahead. Scanning ahead is understanding and preparing for the *likely* future, whatever that might be. Visioning in this context is about driving through to a new future, and of course the vision may not change, even though the circumstances do.

◆ **Meaning 2** If the vision is a projection of where we think we will be if we continue down these particular pathways and apply the current strategies, then it is used in a very similar meaning to our expression, scanning ahead.

How to enhance your future-scanning

The futurist

1. Note down five things that you feel will influence your business or the way you do business over the next ten years. Compare your notes with someone to see what they have put down. If you have professional futurists in your organization, go and talk to them and ask what kinds of things they are concerned about. Your aim is to increase your day-to-day awareness of situations and events in your future that might effect how you do your job and how your organization does what.
2. Get hold of an article by a futurist writer (e.g. Faith Popcorn or John Naisbett). How does your list above compare with theirs?
3. Think back to five years ago. Read old business plans, statements about the future, any kind of predictive material – particularly if you were involved in writing it – and see how accurately it worked out. What can you learn from reviewing this (apart from being careful with what you write in the future)? In future (literally and figuratively) meetings, start more sentences with the phrase “What if we could ...?” Chart the impact on yourself and your colleagues of the questions you’ve asked and the answers you get. How future-oriented are your colleagues? How can you help them become more so? Don’t forget that the easiest way to learn something is to teach someone else.

Deep drillers

1. We recommended using the question “why?” as a kind of side-arm for Future-Scanners. People who are drilling deep also use the word “why,” but they qualify it. So try using the question “Why does it have to happen this way?” They also use the word “how” as in “How does X link with Y?” or “How does this information fit in with what you previously told me?” Try using these questions and watch the response you get.
2. Draw up a consequence chart. This is where you begin with the end outcome of some activity. For instance, you win a new order from a valued customer then chart back the actions that led to that success. Make a chain of these actions. Now using the same technique, start at

the other end of the time scale with something quite trivial. For instance, your computer crashes and you fail to receive an e-mail from a colleague, which means you head off to the airport not knowing that the deal has changed, and you arrive at the customer’s office unaware of the shift in attitude, and the business deal is lost. Look at how the consequences from even a small incident can have quite major positive or negative outcomes. Draw some consequence charts for both positive and negative outcomes of recent projects you have been involved in. What do you learn about the linkages between what was discussed and what was intended? What data was used and what were the real outcomes?

Explore and expand

- ◆ Build some time into your schedule for the future. Yes, we know it sounds strange, but make thinking about the future a task. If it’s easier, trade ideas with colleagues and stretch your mind a little bit into the future. For managers in most organizations, it’s all too easy to be completely focused on the present.
- ◆ Talk to people outside your business – teenagers, for instance. They will have made assumptions about their immediate future without realizing they are making predictions. Ask them what they see in their world and compare it with your perceptions.
- ◆ With apologies to the old Hewlett-Packard commercial, use the phrase “what if?” as often as possible. “What if we did that?” “What if this happened?” “What if we could meet this requirement?” Don’t use it as your only phrase, but get it into the conversation more often and watch the result both on others and yourself.
- ◆ And of course, review, review, review! What have you learned?

Notes

10. For the rest of the story read “The Adventure of Silver Blaze” to discover the importance of the dog not barking; we won’t spoil it for you.
11. King, Martin Luther Jr (1963) *I Have a Dream*. Address at Lincoln Memorial, Washington, DC, August 28.