

The Death of Conventional Wisdom





Introduction

There is a navigational technique used in sailing referred to as “tacking into the wind”. In simple terms, it is how the captain moves the boat forward when the wind is blowing straight into his or her face, a seemingly impossible situation. Some would say anybody can sail in those conditions, but tacking is actually very hard work. It takes an almost counter intuitive combination of patience and effort (both physical and mental). It requires the captain to be able to read the environment and make small incremental adjustments on the fly, over and over again, while moving away from the direction you would take if a straight shot or route was an option.

Why do we raise this topic?

Well – because it’s exactly what leaders need to be doing today, and for the foreseeable future.

In order to help leaders navigate the future, we have put together a short review of what we believe are the fundamental changes in mindset, attitude, behaviours and approach which have arisen out of the unprecedented time in which we currently live. In short, we believe conventional wisdom is dead, in many different ways, and to lead any organization today the only option is to become very proficient at “tacking into the wind”. Hopefully, you will find some valuable insight in these pages which will help you going forward.

Schumpeter Was Right

In the early 1940's, as the world was still grappling with the impacts of the first great economic depression, the renowned economist Joseph Schumpeter coined the term "Creative Destruction". It has been used ever since to describe a process in economic theory whereby those things or organizations which are not meant to last are meant to die, so fresh organizations can rise in their place.

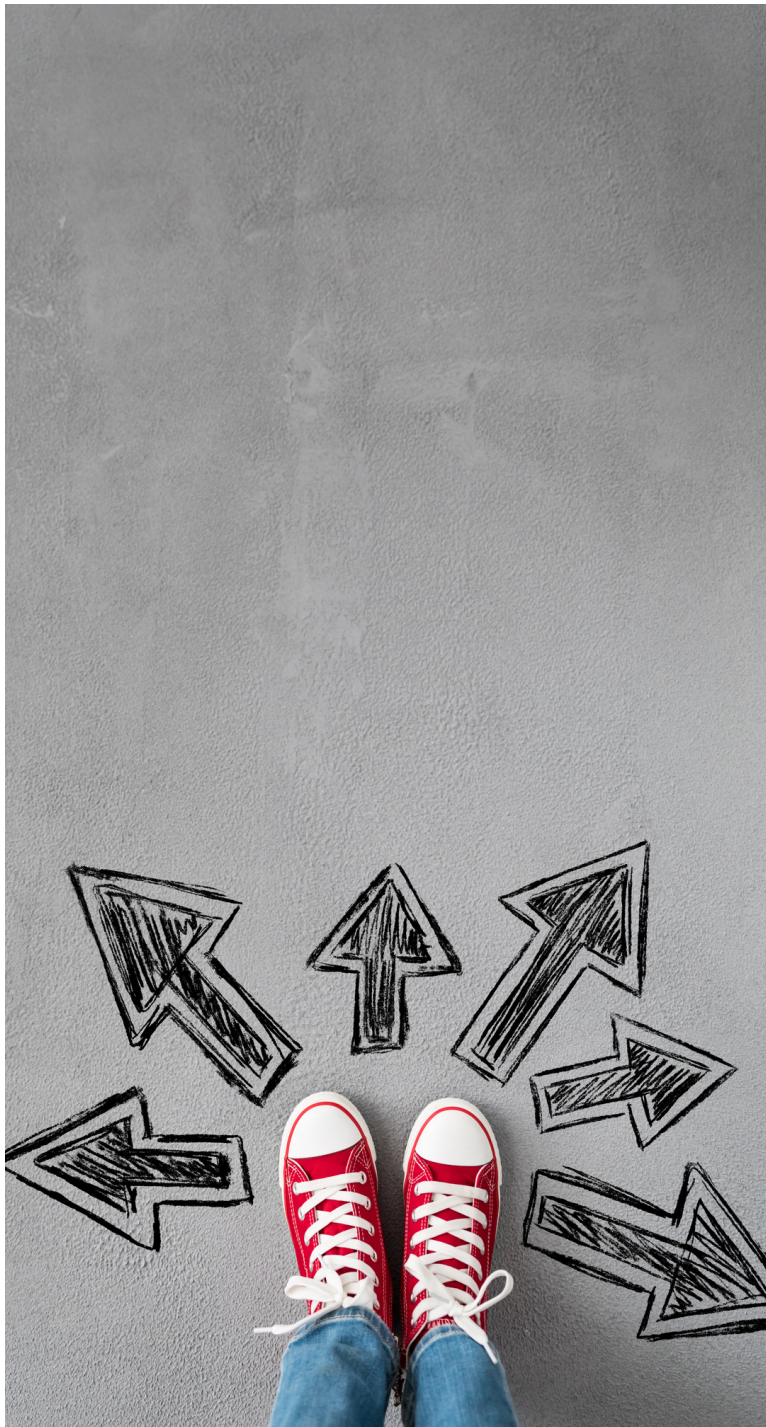
Admittedly, it's a harsh principle, and the consequences are not without pain on any number of different levels, but it is widely accepted that Schumpeter was right. It is similar to Darwin's theory of the survival of the fittest, however, what Schumpeter was really trying to emphasize was that progress can come from creating space to allow new things to blossom.

- **New ideas**
- **New businesses**
- **New ways of thinking**



It's not a comfortable principle, and it's certainly not the answer to suffering from a human standpoint or the standpoint of what defines a civil society, but it has an upside and that upside is called opportunity and renewal. It may very well be that, as leaders look forward into the future, they will have to view the landscape differently. It cannot be about protecting the status quo at all costs, especially when the status quo is so obviously sub-optimal. Leaders must choose progress.

Deciding What Really Matters



Sometimes it's easy to play the victim card, to believe that fate and circumstance dictate your destiny or the destiny of your organization. But, that's just not true.

Leaders have choices they can make and, more often than not, destiny is shaped by those choices – both good and bad. We are not drifting in a world in which things are beyond our will. Of course, everyone can have some bad luck but, at the core, we have choices we can make.

As leaders, the list of choices is almost endless.

- **Choices about strategy**
- **Choices about structure**
- **Choices about people**

In the end, however, the most important choice a leader can make is a choice about how they will prioritize their choices and, in the process, prioritize their efforts, energy and focus.

If a leader can only do one thing well, it should be to help lead their people and that is done by making clear, crisp, well understood and well communicated choices, so that people can then make their own choice about how best to do their part in service of the greater whole.

Surrendering Control

We don't live in a simple, rational, certain world. In fact, we live in exactly the opposite type of world which some have termed the VUCA world – Volatile, Uncertain, Chaotic and Ambiguous. This new reality, though, still seems to be a shock to some business leaders who believe they can and must “control” their people and their organization. They feel they must reign things in, or shorten the leash and, in the process, they will be protecting them by boxing them in with more and more rigid processes, rules and standard operating procedures. They believe strength comes through tightening up, being tougher, being stricter and promoting adherence.

They are wrong.

In fact, it's both wrong and illogical. It's as though their calendar is stuck in the year 1945 and they don't want to admit that business today and people today simply cannot function, let alone prosper, without freedom, flexibility and agility.

- **The world is more complicated and complex**
- **Things are moving at a hyper speed**
- **The environment is more fluid**

It's bad business and bad strategy to build your organization based on the premise you need to reinforce it with cement and steel in order to ensure it will continue to stand tall during a hurricane.

It's false logic.

The real answer is to build your organization so it can bend and flex in any direction and at any time. This is a huge paradigm shift for the many leaders who want to play today's game as though it is checkers when, in fact, it's much more like chess.



Mastering Abstraction



Remember your first drawings as a child, the stickman and stickwoman? They were simple, primitive, linear figures devoid of dimension or depth. While they were cute, and your parents no doubt told you how proud they were of you and may even have put them on the refrigerator door for the rest of the family to see, they were just what they were – simple.

As you got older, your parents probably got you your first “paint by number” kit so you could add colour and create something a little more exciting. Do you remember the first instruction you received about how to paint by numbers? It was probably something about how you must be very careful to stay within the lines.

We don’t live in the cutesy, 1950’s, black and white TV show “Leave it to Beaver” world anymore.

We live in a world in which creativity, innovation and thinking outside of the box are actively sought for both the value they create and the opportunity they generate. In today’s world, no leader can fuel success or accelerate progress until they embrace ambiguity, push back against rigidity and use the powers of abstract thinking to free themselves and their organization.

Partnerships - Reborn & Reinvented



There have always been some leaders and various organizational theorists who see integration (both vertical and horizontal) as the best way to ensure “control” over the end-to-end processes that have historically been seen as the heart of any sizeable organization. They may have flirted with the idea of “outsourcing” certain low value, repetitive processes, but these partnership models have mainly been workaround decisions to control head count and reduce direct costs.

The truth of the matter is, there are very few instances of success in what could be termed legitimate partnerships or alliances. As well, people have diluted the definition of partnership, often framing it in a way that is much too narrow and constraining.

Things have changed, and organizations who don’t follow suit will be left stranded in Schumpeter’s world. We need true partnerships, on every level, in order to help us address:

- **Complexity - which requires multiple domains of expertise**
- **Knowledge - because it is diffused into nodes and networks**
- **Leverage - which has always been a tool of multiplication to expand capacity**

Collaboration, by its very nature, refutes the premise of top-down control. In fact, it is the exact opposite mechanism because it rejects the belief in just one right answer or one ultimately intelligent person or group. Whether you call them partnerships, coalitions or alliances, they require networks of teams to be able to form, disband and reform in new ways. It is about fluidity and agility and it requires something many organizations don’t yet understand – they have to have deep wells of “social capital” which means much higher levels of trust, transparency and shared purpose.

It Takes Grit

The noted author and professor, Angela Duckworth, has spent the bulk of her professional career trying to help us better understand what it is that makes some leaders better than others. She is certainly not alone in her endless pursuit of the secret sauce for success and others, like Jim Collins (Good to Great), Seth Godin (The Dip) and Ram Charan (Leadership Pipeline) have all contributed their part to the search for the holy grail.

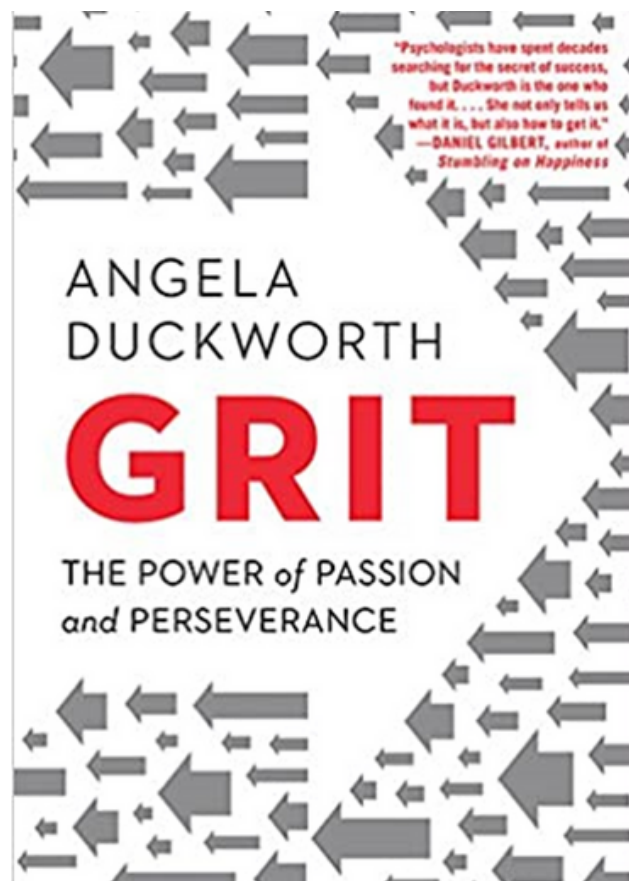
However, Angela seems to speak most directly to the times in which we live, and her formula seems to resonate more than ever as being exactly what leaders need in the VUCA world we talked about earlier.

She points to two attributes and the way in which they combine to create greatness.

- **Passion**
- **Perseverance**

Passion, in this case, goes well beyond unbridled optimism, and perseverance is much more than just a determination to overcome roadblocks.

Angela is telling us, if we care to listen, that when the world around us becomes chaotic and confusing, when we find ourselves off kilter, and when precedent, history and experience are no longer the recipe for us to follow, we should follow our instincts.



It is fair to say not every leader will like the sound of that. It will come across as too unstructured, too undisciplined and too unpredictable. Of course, that is exactly the point!

However, given the realities of the external environment, it is hard to imagine anything else can truly help us navigate the future. Getting back to basics and character is the right answer.

Principles Rule



It's hard to stay grounded when the earth under your feet is shifting.

It's hard to steer a clear course when the waves are pummeling your hull.

To paraphrase the words of Rudyard Kipling, "it's hard to keep your head when everyone around you is losing theirs and blaming it on you. To trust yourself when others doubt you." But, you are the leader and that's your job, so you have to make a choice. You can consider some of the traditional answers.

- u You can add more controls, more complexity, and more checks and balances.

- u You can slow things down, reengineer processes and trim costs.

These are tools that organizations have used for ever and the truth is, they have only ever met with limited success, and even then for only a very short period of time.

It may very well be that the most effective answer is to fall back on "simplicity" and "principles". What leaders need at any time, and particularly during a crisis, is not a predefined response or plan, but behaviours and mindsets that will prevent them from overreacting to yesterday's developments and help them look ahead.

You probably need to begin to run your company by compass rather than roadmap.

Managing Distraction

It's hard to imagine, pandemic or otherwise, that most leaders aren't going to have to do a much better job in the future of managing the distractions that get in the way of making decisions and driving organizational performance.

The very nature of the world today demands that leaders have a level of mastery in the skills and mindsets required to fight off the curse of distraction.

In our view, that comes down to the ability to do two things exceedingly well.

- **Channel energy**
- **Sharpen focus**

Channeling energy means - ensuring the work that needs to be done can be achieved without having to climb over barriers, break down walls, adhere to bureaucratic minutiae or waste valuable time in non-productive meetings. The job of the leader is to make sure that all available energy is ruthlessly focused on the activities that will make a difference.

Sharpening focus means - ensuring the resources of the organization are directed at the things that really matter, and this usually involves making hard choices. In any organization, projects that have a minor to even negative impact on results, such as pet projects and make-work projects, drain the well of productivity and distract from putting a full and complete effort into those things that really “move the markers”.



Leadership = Judgement + Character

Organizations spend a great deal of time and effort trying to secure the very best talent based on the person's past experience and reservoir of technical skills. Many HR leaders look at talent through the lens of yesterday's accomplishments and what a person has achieved in the past. In the slower moving, more rational and more predictable world of yesterday that may have worked, but today and tomorrow are very different.

The March 2020 edition of The McKinsey Quarterly puts a different spin on the leaders we need.

“During business as usual, some people who get ahead are of a certain type. They say the right things, don't ruffle feathers, know how to navigate the system, and manage messages so that people hear what they want to hear. Many of these usual suspects are ill suited to lead in a landscape of crisis and uncertainty.”

When choosing leaders in times of uncertainty, you want to identify people who have done as many of the following three things as possible:

- **Lived through a crisis**
- **Made a tough, unpopular decision**
- **Willingly shared bad news**

Leaders with the right temperament and character are necessary during times of uncertainty. They stay curious and flexible, but can still make the tough calls, even if that makes them unpopular. They gather differing perspectives and then make decisions, with the best interests of the organization (not their careers) in mind.

They do not need full consensus.



Nature of Work

Let's face facts. The workplace of the future will be very different. The changes which have led to many of us working from home, meeting via Zoom and only having to invest in one half of our traditional wardrobe (the screen view part), were changes that have been underway and predicted for years. They are not a short-term phenomenon bread out of COVID 19.

The fancy offices with a view and the cubicle farms which house the “workers”, were always destined to perpetuate the past not shape the future. It's time to turn the page.

These changes impact talent and talent management in many ways – all of them positive.

- **They have made the available pool of people we can hire much wider.**
- **They have allowed us to stage a different kind of employee experience.**
- **They have improved the opportunities to finally tap into the “gig” economy.**

We just need to look at all of this through a different lens. We have to stop fighting against change, and the nostalgia of conventional wisdom, and embrace the opportunities which live at the intersection of a younger workforce, the digital world and remote work.



Modern leaders have to figure out how they can improve their business models and performance by embracing the future and committing to rearchitecting their physical structures and mental mindsets. If they don't, they risk being out manoeuvred by those who already see the future.

Living With New Ideas & Concepts

Joseph Pine, the author and academic, has written extensively about inflection points. He describes this as the point at which things have changed and we are beginning to transition to a new economic model. He reminds us that we have passed through many different economic eras over time (the agrarian economy, the manufacturing economy, the service economy, etc.) and he suggests we are already well into a new period he has termed the “experience economy”.



Others have suggested the same thing, like Tim Brown of IDEO. Others still have just gone out and proven it, like the people at Apple and NetFlix and all of the on-line food delivery companies.

They have all reminded us of what jazz musicians have known forever – when you want to create something new, something exciting that touches the soul, you throw out the script and go with the flow. You abandon the search for perfection, create a multi-disciplinary team, keep the structure loose and flexible, allow for rotating leadership and rely on three of your native instincts, your:

- **Imagination**
- **Improvisation**
- **Intuition**

It's counter intuitive at first, but when you give it some thought and finally surrender to the idea that freedom is better than constraint in order to survive in the VUCA world (volatile, uncertain, chaotic and ambiguous) you can quickly see how the analogy works.

In short, we live in a new world where fresh ideas and new concepts are the engines of prosperity.

Humanity Really Matters



Healthy societies and healthy organizations understand the need for, and the benefits of, building, nurturing and maintaining their “social contract”. Inside any community, it is the things that tie us together, that we have in common, that allow us to face change, deal with uncertainty and make progress. We have seen what the absence of these things does and its very destructive.

As we move forward into the 21st century, we will all have to place a much higher premium on the values of humanity. We must build our organizations in the same way and put the same time, effort, attention and resources into building the social fabric within our organizations.

We must focus on the things that really matter. We will have to address the inequalities within our organizations and tackle them head on with courage and confidence. There will have to be visible human practices that matter just as much as ROE, ROI and stock price. We have to stop believing that doing just a little, or just enough, is good enough. It's not.

We simply have to commit to more:

- **Civility**
- **Fairness & Tolerance**
- **Care & Sympathy**
- **Trust & Transparency**

Leaders need to embrace deliberate calm and bounded optimism in order to ensure that people, especially when they are under stress and duress, are treated as people. Above all, humanity has to be the guiding, non-negotiable principle for any organizational culture.

