

# How to Lead in Uncertain Times

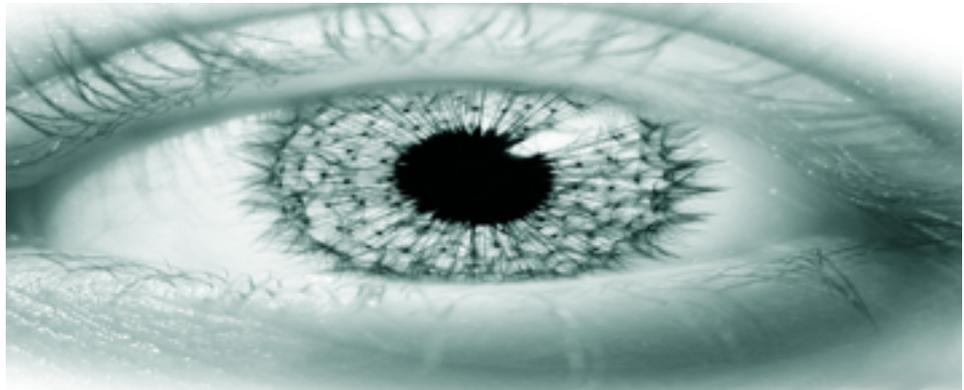


BrainLink  
Group

## Building the Future

Leading in times of uncertainty requires a different approach to dealing with the future.

Successful leaders follow four key practices.



“The future is not what it used to be”

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## What's the problem?

I have been reflecting about my experiences in dealing with clients who are struggling to adapt their organisations to the rapidly changing environment we have learned to call the “new normal”. Organisations in the steel, building materials and aviation industries (to name a few) have been scrambling to adjust to new levels of uncertainty and competitive pressure as they think about their future.

These difficulties are intensified by lower level of staff engagement<sup>1</sup>, and increased levels of depression and anxiety amongst the working population<sup>2</sup>. There are many factors associated with such a situation, and I cannot deal with them all in this paper. However, I would like to highlight one contributory factor - they way that our **leaders think about and approach the uncertain future**.

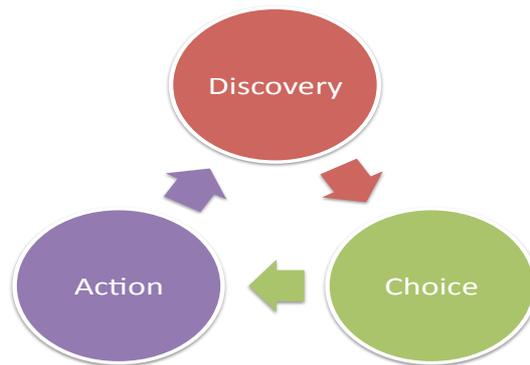
## How should we think about the future?

Its important to understand that the future does not exist *a priori*. The ongoing cycle of discovery => choice => action means that individuals and organisations influence the shape of their environment by the very choices and actions they take. Recognising this

<sup>1</sup> BlessingWhite reports that Australian organisations report only 36% staff engagement, on average

<sup>2</sup> Senate Community Affairs Report 2011

ability to influence the way your future unfolds is a very important part of being able to deal with the uncertainty that lies ahead.



Furthermore, we should not attempt to predict the future. Instead, it makes sense to develop a series of alternative and plausible futures, and then to examine the organisation's within each of these alternatives. These so-called scenarios are not just pie-in-the-sky science fiction or fantasy, but rather a series of plausible stories about the different paths along which the future is likely to unfold.

## No monarchy foments its own overthrow

My experience is that leadership teams usually find it difficult to envisage bold and adventurous futures, particularly those that might threaten their vested interests and privileged positions.

Envisaging the future is therefore best left to bright, younger people that have creative and contrary views about the way the industry will unfold into the future.

Leaders are best making the strategic choices about a particular strategy or course of action. Effective leaders will often separate the process of searching for new opportunities from the allocation of resources and traditional decision-making. Because of this, they generally mobilize younger, often more junior staff to develop these alternative scenarios as part of their planning process.

## Guidelines for leading during uncertainty

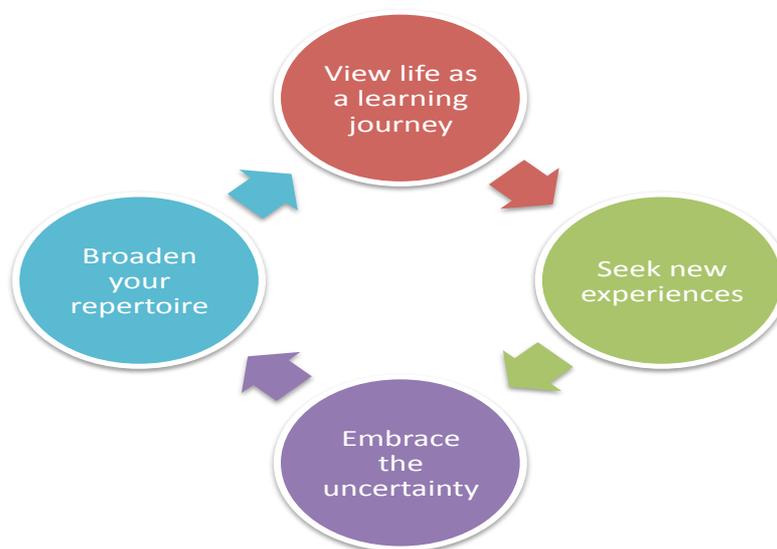
From my research and work with successful organisations, I have isolated four key characteristics of those leaders who cope successfully with uncertainty:



## 1. Developing a growth and learning mindset

A growth and learning mindset can set up a virtuous cycle. The key elements of this include:

- Treating every day as a school day: A belief that life is a journey of learning and growth
- Seeking new experiences to create learning opportunities: One can only learn by being exposed to different experiences
- Accepting the uncertainty that accompanies these new experiences: In order to learn something new, the experience has to be different and therefore uncertain
- Learning from new experiences to broaden their repertoire: The enhanced repertoire increases capability and effectiveness as a leader.



## 2. Preferring people over data

Good leaders recognise that the traditional emphasis on “market-focus” can often obscure the real people who make up the customer base. They recognise the importance of focusing on people and their experiences rather than simply the data that measures market size and relevant demographics.

So, instead of simply describing the market by way of standard demographics and statistics, they focus on identifying target groups who are characterised by particular lifestyles, product usage patterns or needs. They use research approaches where they can study and understand the real life experiences of customers<sup>3</sup>. Approaches such as these enable us to understand the needs of target customers as real people – thereby promoting value propositions that address these customer needs more closely.

## 3. Avoiding risky bets

Leading in uncertain times does not mean taking big risks. Effective leaders prefer to place small bets fairly quickly and then learn from the outcomes. They move on quickly and recognise that any failures from these small experiments are the price for learning and

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<sup>3</sup> Ethnographic research focuses on intimately examining the daily life of customers and consumers. This is often done by spending time and developing personal relationships with them.

testing propositions. It's the performance of the overall portfolio of experiments that counts – not the outcome of an individual bet.

As a consequence, they are fairly conservative and tend to shy away from making large and risky “bet-the-business” decisions.

Allied to this is the fact that these leaders rarely describe themselves as perfectionists. In a way, perfectionism may be interpreted as a fear of having one's work judged and receiving feedback – hence the need to continually avoid releasing it. In addition, the notion of “completing something to perfection” connotes that there is no more to be achieved or learned. We should favour the view that preparing for the future is an ongoing dynamism – something that keeps moving as you learn and develop your capabilities further.

#### **4. Being a rational optimist**

Rational optimists believe that they can and will make progress by pursuing a bold, but sensible, approach. While they hold an optimistic view of life, they recognise that optimism is NOT necessarily the opposite of pessimism. It is not the idealistic belief (or hope) that things will get better simply because they want them to.

Instead, rational optimism is a balanced understanding of the whole system of which they are part. It is recognition of both strength and weakness; an interest in building the best as well as repairing the worst; and a concern for finding self fulfilment as well as serving the community. Rational optimists are realists, but their defining point of difference is that they don't give up on themselves.

### **So, what does this all mean?**

Thinking differently about the future is a key part of dealing effectively with uncertainty, and being able to create a viable future for our organisation. We need to adopt a growth and learning mindset; look behind the data to understand the people in their markets and organisations; avoid the risky “bet-the-business” decisions as they seek competitive advantage; and understand the whole system of which they are part.

By following these practices, leaders can improve their effectiveness in an uncertain and challenging world.

Go and create your own future!