

Leading in a VUCA world

Leaders cannot know everything so they must allow employees to find the answers for themselves, says **Ara Ohanian**

We had many visitors to our house when I was a young man, but one I remember distinctly: the *Encyclopaedia Britannica* salesman. He seemed to tower over my eight-year-old self and was the epitome of self-assurance in his suit and tie. And he had every right to be, because of what he brought with him. Those books, weighty, leather-bound and full of information you could find nowhere else, were marvellous. He didn't so much sell the encyclopaedia as allow it to take centre stage and sell itself.

And, of course, we bought. This was not acquiring a set of books. This was, as the salesman said, an investment in knowledge to last a lifetime.

Move forward 40 years. This March, something happened that my eight-year-old self would never have predicted. The *Encyclopaedia Britannica* announced that it would no longer be printed. It would henceforth be available only online.

None of us in our childhoods, or even as recently as a decade ago, could have predicted where we are now. We have moved at lightning speed from a world where knowledge was power to one where information is free. It has been a revolutionary shift and, like all people caught up in revolutions, we are unable to see where it will end, or how extensive the impact will be.

The quantity of information is not restrained

Among those bewildered by this information transformation are organisational leaders. Until recently, we lived in a world of predictable information. There were a few sources of data such as television, the radio and books. They were mostly trustworthy, and the information they conveyed

changed infrequently enough that it made sense for newspapers to print stock prices.

Today all that has changed. Nobody I know has checked a stock price in the 'paper for years. Why would you when the price, accurate to the last 15 minutes, is available on your phone?

Today a user of the Internet is far less likely to visit the online *Encyclopaedia Britannica* than Wikipedia – that free encyclopaedia that anyone can edit. Suddenly we can choose from a vast slew of possible information sources, and it is not clear which are reliable. Moreover, the sheer volume of information in the world is increasing exponentially, and is already far more than we can handle, as →



The answer is to give people kudos for making good contributions rather than trying to control what they say

Michael Lesk pointed out recently in the *International Journal of Communication*: “The amount of information flowing around the world today is much greater than the ability of people to pay attention to it. The Global Information Industry Center says US consumers are getting 34GB/day (Bohn & Short), which for a typical lifetime of perhaps 25,000 days would be around one petabyte total. Some years ago, Tom Landauer estimated the size of human memory to be somewhere in the neighborhood of a gigabit, and less than a gigabyte (Landauer, 1986). That means that *only one byte in one million of what you receive can possibly be remembered.*” (My emphasis.)

In short, there is a vast amount of information out there, much of it of dubious provenance, and most of it changing very rapidly. And the numbers involved are only going to increase.

We’re a long way from the certainty of the world of the printed *Encyclopaedia Britannica*, where

the world’s most important information could be contained in a dozen or so leather-bound volumes. In a few short years we’ve moved to a confusing world in which the L&D department has an important role to play. There’s a term for this world, coined by the US military some time ago. It is *VUCA*: volatile, uncertain, complex and ambiguous.

The new leader

In this VUCA world, the role of the leader has changed in two crucial ways.

First, leaders have a different role relative to information. We must accept that we no longer know all the answers. When the amount of data is so vast, and it changes so quickly that we can only remember, as Lesk points out, one millionth of what we receive, we simply cannot always know the answer to the questions raised in our organisation. Whereas once the role of the leader was to provide answers, now it is to help our people find the answers for themselves.

Second, leaders need to understand the nature of information better. In particular, we need to differentiate clearly between two very different types of information and the risks associated with them. There is information available on the Internet, which changes so fast and increases so rapidly that we can no longer keep up. Then there is the information that we talk about less, but which is as important – the information unique to our organisation, which can provide us a crucial advantage if used wisely.



Good ain't what it was

As I have already noted, we have moved from a world in which knowledge was power to one in which information is free. To be more precise, *publicly available* information is free – information accessible largely via the Internet. No business is in a position to ignore this huge amount of information, but neither can any business waste its time sifting through it to find the absolutely right piece of information at any one time.

As a result, we must change our definition of what makes information 'good'. In the past *accuracy* was the paramount criterion for judging information, because it was scarce. Now, when we are awash with data, accuracy becomes less important. If we spend the time needed to establish that something is precisely accurate, the right time to use it may pass, or it may have already been used by a competitor who took a chance on its accuracy without waiting to test it.

The new criterion for information is *value*. Is it both accurate enough and timely? In other words, is it good enough to use right now?

Making this decision is not the leaders' job. They should turn to the experts – the workforce – and put them to work interpreting it. Instead of shying away from the Internet, give workers full access to it and encourage them to dive in, examining information and sharing it with their peers. In doing this, and in debating it between themselves, the best of the information will rise to the top.

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So how will they judge the quality of the information? Here are five criteria for the quality of information that I use:

- **source quality** Is the information free of basic errors of language, expression and understanding? Poor authorship often denotes a slap-dash approach to information. Check cited sources for quality. If no sources are cited, that's a bad sign
- **author quality** Is the writer qualified to produce this information? What is his work and academic background? How long has he been in his field?
- **author bias** Why is the author writing this? Is he employed by someone with an agenda? Does he have an agenda himself? Opinion is not a bad thing but it must be explicit, and one must always ask what an opinionated author has omitted
- **timeliness** Information may not be wrong because it is old, but it is crucial to cross-check for more recent contributions and analysis
- **community** How is the author's work being tested/corroborated/challenged by others? The →



Internet can be an echo chamber for reinforcing group opinion and prejudice. It is better to find a forceful debate leading to well-supported conclusions than an unchallenged assertion.

Risky business

Encouraging your employees to roam the Internet may appear foolhardy, but what are the risks?

The greatest risk is not that they might discover something wrong, but that you waste time and effort trying to control things, blocking access to sites such as YouTube and Twitter. You will fail. One way or the other, people will get around firewalls and past policies and will access exactly what they want – either at work on their own devices or at home. The only effect controlling policies have is that you will miss some of the valuable information that would have surfaced without them.

As Mark Oehlert of the US Department of Defense once put it, talking about when the US military considered banning social networking: “We trust our soldiers with live ammunition. I think we can trust them with Facebook.”

The value of sharing

It is time to drop our obsession with the accuracy and control, and replace it with one of speed and value, discovered by engaged employees. Beyond simply finding information, however, they must be encouraged to share and discuss it.

Make no mistake, it is in the sharing of information, and the testing and debating of it between employees, that its value – or lack of it – becomes apparent.

The public domain has many examples of successful information sharing – the most obvious on the Internet is Wikipedia, but also think of the common model of ranking and reviewing. Amazon’s model allows for a simple review and a ranking on a scale of one to five. TripAdvisor allows the same, but collects more information. As a result, not only does good quality information rise to the top, users can understand exactly what makes a restaurant or hotel good.

Other parts of what we could call the ‘Amazon

model’ include suggesting further reading – either through lists or books that other people have bought, as well as through links provided by reviewers.

Rich environments like these make it easier for people to discuss information, and provide a place where those discussions can be captured and stored through reviews, comments and rankings. And this is where the L&D department comes in. It is the L&D department that provides the infrastructure for learning and sharing information across organisations. Most can – and should – facilitate these discussions using the technology they have to hand.

Although any good learning management system should have the functionality to facilitate and store discussion, you can also provide this using other tools such as Yammer – a sort of private version of Twitter. The crucial thing here is not the technology (and I say this as the CEO of an LMS provider). The crucial thing is to encourage and facilitate the sharing.

No place to hide – and no reason to

When I mention to other business leaders that they should encourage employees to share and discuss what they have found on the Internet, I am often asked *what if they just spread bad information?*

The answer is that when employees use their real names rather than invented ones, this just doesn’t happen. On the one hand, people are sensitive to their peers seeing them make a mistake and, on the other hand, they love it when they’re right. The answer, then, is to give people kudos for making good contributions rather than trying to control what they say.

When it comes to recognition, we could all learn a lot from a manager at HP who, one day, had an engineer come into his office with the solution to a technical problem that had stumped the team for weeks. The manager, desperate to find some way of honouring the achievement, looked around him. His eye fell on his lunch box. Solemnly he reached into it. “That’s fantastic!” he enthused. “In recognition, I hereby award you the Golden Banana.” The Golden Banana remains one of HP’s awards for innovation to this day.

Whether it’s awards, leader boards, certificates, job titles or mentions by the CEO, recognition for genuine achievement and contribution will inspire people to contribute wisely.

The gold of internal information

You can make the most of the Internet by setting your people loose on it and trusting them to surface and share the good stuff.

The new criterion for information is value. Is it good enough to use right now?



But there is another source of information that is probably more critical to an organisation's success: its proprietary information. Even if a leader accepts that sharing information across the organisation is a good idea, what he may find more difficult is the idea of sharing information beyond the organisation, with the 'extended enterprise'.

The extended enterprise consists of an organisation's supply chain, its sales channels and its customers, and it is crucial to share information with them and fast. The reason: the VUCA world in which we live.

In today's business world, lower barriers to entry and an increasingly international business environment mean more competitors than ever. Just-in-time supply chains and rapid development methodologies lead to more products and services being released more quickly. In turn, the individual and corporate consumers of these products and services are able to gain access to, and comment on, products faster than ever before.

And all of these variables interact. Company A's product development will change mid-stream as a result of new releases from company B, and they will both change with the reaction of consumers to C's latest products. In this interrelated mesh of complexity, change in one place precipitates a cascade of changes elsewhere.

How do we pick up on this information and make best use of it, fast? By sharing information with our extended enterprise. Rather than commission the extreme accuracy of in-depth market research, ask the sales force to talk to customers and feed back anecdotes rapidly. The result may be less accurate, but it will be more

valuable because it available sooner.

And of course the flow of information goes in both directions. When the Black & Decker sales force in the US needed to keep themselves up to speed with the features of their latest products, they produced short videos to share with each other, describing the features and what made them special. This rapid sharing works far better than centrally produced courses.

Pretty soon, those sales people were sharing this information – on their phones, iPads and other smart devices – with store managers and others outside of Black & Decker. More than the information, the customers also appreciated the openness of the sharing. The result: happy, better-informed customers who also bought more.

The greatest challenge

Whether you're dealing with the public domain, or with proprietary information from the extended enterprise, you will get the most value out of information by sharing it internally for comment and insight. That requires something many leaders find challenging – establishing a culture of debate and sharing. That open culture is something many leaders find difficult, but it is the only way we can survive and thrive today.

And this is also the greatest challenge to L&D professionals, because this is the learning of the future – far removed from the world of the classroom course – fast, focused and on-the-job. L&D professionals will no longer be confined to writing and delivering courses, they will be facilitating the entire discussion across the organisation and beyond. **TJ**

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