



The Ambiguity Advantage

What Leaders are Great at

by David Wilkinson
Palgrave Macmillan © 2006
224 pages

Focus

Leadership & Management

Strategy
Sales & Marketing
Finance
Human Resources
IT, Production & Logistics
Career Development
Small Business
Economics & Politics
Industries
Intercultural Management
Concepts & Trends

Take-Aways

- Ambiguity is inevitable, and unfolds along a continuum from certainty to risk, uncertainty, vagueness and chaos.
- The types of ambiguity can be classified as: paradox, double bind, chaos or randomness, and complexity.
- Old-fashioned leadership makes organizations stagnate. Just look at Polaroid and IBM.
- Leadership styles can be split into four categories, based on tolerance for ambiguity.
- “Mode one: Technical Leaders” are old-school command-and-control managers. They’re uncomfortable with uncertainty.
- “Mode two: Cooperative Leaders” foster teamwork and collaboration.
- “Mode three: Collaborative Leaders” embrace conflict, risk and failure.
- “Mode four: Generative leaders” are quick to learn new ways of thinking and just as quick to discard old ways of behaving.
- Mode one leaders use only one style, but mode four leaders use all four approaches.
- Generative leaders use 11 strategies to achieve their goals, including remaining flexible, learning constantly, discarding old rules and using emotional intelligence.

Rating (10 is best)

Overall	Applicability	Innovation	Style
8	8	7	7

To purchase abstracts, personal subscriptions or corporate solutions, visit our Web site at www.getAbstract.com or call us at our U.S. office (1-877-778-6627) or Swiss office (+41-41-367-5151). getAbstract is an Internet-based knowledge rating service and publisher of book abstracts. getAbstract maintains complete editorial responsibility for all parts of this abstract. The copyrights of authors and publishers are acknowledged. All rights reserved. No part of this abstract may be reproduced or transmitted in any form or by any means, electronic, photocopying or otherwise, without prior written permission of getAbstract Ltd (Switzerland).

Relevance

What You Will Learn

In this Abstract, you will learn: 1) Why managers should embrace ambiguity; 2) What are the four “modes of leadership”; and 3) How to use 11 strategies favored by “generative” leaders who are dealing with uncertainty.

Recommendation

In a world dominated by constant upheaval, managers might pine for the good old days, when things were simpler and more certain. But that’s exactly the wrong approach, argues David Wilkinson in this eye-opening management study. The future belongs to those who go beyond just accepting change, and instead seek and embrace it. These “generative” leaders are visionaries who encourage conflict, cultivate diversity, and see uncertainty and chaos as wonderful opportunities. This book describes the different kinds of ambiguity and, as concretely as possible, tells leaders how to cope with changing circumstances. Wilkinson makes a compelling case for flexible, collaborative leadership. *getAbstract* recommends his book to managers seeking an edge in a chaotic world.

Abstract

“The picture of reality we all know...is actually one of chaos, constant change, fuzzy boundaries, risk taking and ambiguity, where certainty, confidence in the conventional wisdom...and following the rules increasingly leads to average performance, poor decisions and business loss.”

“Ambiguity is itself ambiguous.”

For a New World, a New Type of Leader

Once upon a time, the world was simple and tidy. Leaders gave orders, subordinates followed them and everyone lived happily ever after. Alas, that worldview is little more than a fairy tale, yet it’s the vision that still guides too many leaders. In an increasingly complex, confusing and ambiguous world, leaders who cling to old-fashioned viewpoints are doomed to fail. At Polaroid, IBM, Ford and Xerox, old-world, command-and-control leaders netted catastrophic results, even as they claimed to create certainty from chaos.

Today’s management role model is the “generative” leader, an intrepid innovator who embraces uncertainty, craves chaos and invites dissent. Such leaders realize that the world is messy, and that they have little choice but to accept that reality and adapt to it. Great leaders, those who turn uncertainty and ambiguity into opportunity, are visionaries who inspire others.

The pitfalls of old-school leadership are legion. Polaroid was once on the cutting edge of technology. Founder Edwin Land stunned the photo industry in 1947 when he unveiled his one-step process that let users develop their own film in a minute. Polaroid lived off its flagship product for a half-century, and for a long time, people saw it as one of the U.S.’s most innovative companies. Then, the world changed and Polaroid didn’t. The rise of digital cameras posed a major threat, but Polaroid didn’t recognize the menace. It suffered overconfidence, the bane of stubborn old-world leaders. Polaroid had become a dinosaur. In the late 1990s, it was still stuck in the 70s.

Polaroid is not the only firm to turn from innovator to laggard. IBM took a similar blow when personal computers replaced mainframes. IBM’s leaders were so accustomed to fat profits, high prices and the prestige of selling big computers that they failed to respond when the world changed. Ford ran into a different type of pothole in the 1990s, in part, because it imposed a policy of firing managers with low performance-appraisal scores, a tactic that killed innovation and risk-taking.

“Mode one teams and leaders tend toward the safety of similarity, especially during recruiting where characteristics that appear to make a candidate ‘one of us’ are most likely to be the deciding factor.”

“Mode two leaders...actively seek the opinions of the team.”

“The move from mode three to mode four leadership is...not linear...[it] is a seismic shift in thinking, beliefs and behaviors, a true paradigm shift.”

“The generative leader equates diversity of thinking with the ability to recognize and accept new things, ideas and situations.”

Ambiguity can hamper public-sector management, too. Take the U.S. military’s lack of preparation for Pearl Harbor. In January 1941, the U.S. ambassador to Japan reported a strong likelihood of an attack on Pearl Harbor. Later, British intelligence intercepted a Japanese message ordering the attack and warned the Americans. But since U.S. military officers didn’t expect an attack in Hawaii, they distorted and filtered the information that could have thwarted that attack.

On the other hand, consider how a generative leader addressed the problem of building faster elevators for the Empire State Building in 1930. As buildings grew taller, workers began to gripe that elevators were too slow. New York’s mayor called representatives of four elevator companies to his office and told them to solve the problem. Three of them set about ambitiously building faster elevators and quickly failed. The lead engineer at the fourth company spent days, and then weeks, studying people’s perceptions of elevators. He had engineers ride in elevators and time their rides. Ultimately, he concluded that the elevators weren’t too slow. They just seemed too slow because they were small and riders had no idea how long they were in the cars. He added mirrors to make the cars seem bigger and put in floor-indicator displays so riders could see their progress. His rivals went broke investing in the wrong solutions.

The Ambiguity Continuum

Ambiguity is a slippery concept, but this continuum helps to define it:

- **“Certainty”** – You know everything, and can predict the outcome of any decision.
- **“Risk”** – Outcomes are uncertain but predictable. The first card from a deck might not be the ace of hearts, but you know there’s a one-in-52 chance that it will be.
- **“Uncertainty”** – You can’t calculate an outcome with any degree of precision. You can act, but you don’t know what the result will be.
- **“Vagueness”** – You don’t know what you know, and you don’t know what you don’t know. You are trying to see through fog.
- **“Chaos”** – Amid total ambiguity, no marker guides you and no manual tells you what action to take.

The ambiguity continuum includes every situation, except certainty. The types of ambiguity are:

- **“Paradox”** – This occurs when two sets of beliefs collide. For instance, stealing is wrong, but it was right for Robin Hood to steal from the rich to give to the poor. Killing is wrong, but it’s okay for soldiers to kill in combat.
- **“Double bind”** – Author Joseph Heller famously labeled this type of ambiguity a *Catch 22*. A soldier can leave the army only if he’s crazy, yet if he asks to leave, he can’t be crazy. In modern workplaces, the double bind might limit workers to nine hours in the office but pile on tasks that require 14 hours.
- **“Chaos or randomness”** – This state ensues after a disaster or when you’re trying to predict the response of crowds. In chaos, things move so quickly that patterns are indiscernible and unpredictable. Fear and panic are common reactions to randomness. Managing in chaos requires flexibility and creativity.
- **“Complexity”** – Not as crazed as utter chaos, complexity occurs when patterns are difficult to discern, and information and patterns are confusing. Leaders often respond to complexity in all the wrong ways – they try to ignore it or to impose order where none exists.

“New world scenarios happen catastrophically fast, at least from the perspective of old world thinkers.”

“Rules are fine, but if the conditions change, sticking to or reinforcing the rules won’t change things back or solve the problems...new realities require new rules.”

“Mode four leaders will often ignore policies, and do the right thing for the situation and the people, creating their own rules.”

“Mistakes are not tolerated in mode four teams; they are expected and even welcomed as part of the experimental culture they try to create.”

Leaders tend to adopt one of these four distinct management styles:

“Mode One: Technical Leadership”

These traditional command-and-control managers are no great fans of uncertainty. They respond to ambiguity by ignoring it or “filtering” it out of their minds. Mode one leaders are certain that they’re in charge and that they possess the acumen to manage, while their subordinates do not. In this way, they are like sparrows that respond to a threat by preening rather than fleeing. When hiring, mode one managers focus on homogeneity. They hire people who’ll fit into the organization and the team, and who won’t ask uncomfortable questions. This need for “cognitive consistency” can be disastrous, as in the case of the Space Shuttle *Challenger* explosion in 1986. A year before the crash, one NASA engineer forcefully questioned the safety of the O-rings that attached sections of the shuttle’s rocket boosters. Instead of thanking him, his bosses ordered him to stop raising safety issues. Mode one leaders make up 31% of executives.

“Mode Two: Cooperative Leadership”

Mode two leaders want their subordinates to bend to their will, but unlike mode one leaders, they don’t wield power as a blunt instrument. Instead, they strive for cooperation and teamwork, and actively seek workers’ input. The downside of cooperative leadership is that it rarely yields innovative, risky decisions because mode two leaders pay little more than lip service to the realities of ambiguity and complexity. Cooperative leaders want to reduce conflict and promote teamwork. They view true diversity as a threat to the team’s serene functioning and they value stability above all. The most common leadership style, mode two accounts for 55% of executives.

“Mode Three: Collaborative Leadership”

Unlike the previous two modes, mode three leaders embrace conflict, risk and failure. They acknowledge that team conflict is inevitable, and even that failure is inevitable, but it provides an opportunity for valuable learning. Mode three leaders embrace change, particularly when the *status quo* isn’t working. When the business is struggling, they look for creative ways to adapt. In 1989, with sales suffering, Mazda generated a hit car by using mode three leadership. It named competing teams, one in Japan and one in the U.S., to design a product. They proposed a number of designs, including the Mazda Miata, which became a strong seller. By embracing uncertainty and attempting to adapt to it, mode three teams generate lots of ideas, though few of these ideas translate into tangible results. Another weakness of mode three leaders is their belief that all people and ideas are equal. They’re reluctant to nix someone else’s idea. For all their willingness to accept change, these leaders often have the mistaken impression that once they solve the new world’s mysteries, equilibrium will be restored. Only 12% of executives are mode three leaders.

“Mode Four: Generative Leadership”

While modes one through three exist on a continuum, mode four is a “seismic” leap in mindset and values. These leaders quickly learn new ways of thinking and discard old modes of behavior just as rapidly. They handle complexity deftly, accept contradictions and tend to ignore rules that get in the way of their teams’ success. Mode four leaders reward top performers and cut nonperformers. Supervision is rare, because these leaders expect their subordinates to supervise themselves. They are open to ideas from anyone, regardless of rank or position. At their most powerful, mode four leaders are visionaries who see the future and inspire others to help make their visions into reality. Apple founders Steve Jobs, Steve Wozniak and Ronald Wayne are prime examples. Mode four leaders are scarce – fewer than 2% of leaders fit this description.

“Great leaders all have a strong learning orientation; they are inquisitive and have a tendency toward questions rather than statements and opinions.”

“Generative listening and talking can be described as those special moments when you have gained empathetic rapport, and everything uttered builds on everyone’s thoughts in a spiral of creativity and positive emotion.”

“[This is] a place where people’s concept of time appears to alter and the normal distance between people disappears.”

Eleven Strategies of Generative Leaders

Mode four leaders can use any of the four leadership modes to accomplish their goals. They employ a variety of tactics to wrest opportunity from uncertainty, including these 11 strategies:

1. **Identify the type of problem** – Generative leaders determine what sort of situation they’re facing and which of the four modes will work best.
2. **Know when it’s time to learn and when it’s time to decide** – Any crisis allows two responses: The leader can make decisions, or allow everyone to learn from the situation and respond creatively. Great leaders know which approach is warranted in any situation.
3. **Remain flexible about how goals are achieved** – Generative leaders focus on their visions, but they aren’t married to any particular method of making the vision reality. Flexibility is a touchstone.
4. **Behave with emotional intelligence** – Emotional intelligence is the ability to understand and control one’s feelings, and to use emotion to inspire others. The more critical the situation, the more important emotional intelligence is. When emotions are running high, an emotionally unintelligent management style can crush morale.
5. **Look for diversity** – The world is full of teams whose members all think alike. Innovative teams’ members contribute genuinely diverse opinions and worldviews.
6. **Learn constantly** – Too many leaders feel they must have all the answers. Generative leaders know they don’t know everything and learn all they can. Rather than stating opinions, they pose questions.
7. **Seek uncertainty and ambiguity, and rewards will follow** – Great leaders look for areas where others are daunted by problems or deny that the problems exist. The areas of greatest risk promise the largest rewards.
8. **Know how to solve all types of problems** – Generative leaders can solve technical problems, cooperation problems, adaptive problems or generative problems.
9. **Listen and talk like a generative leader** – Possible communication approaches include: “downloading” (the leader expects his words to translate to clear, direct orders), “debating” (both sides form responses rather than listening) and “active” (both sides try to talk and listen without prejudice). The next evolution is generative communication, when both sides move beyond active listening and into genuine creative breakthroughs.
10. **Pull, don’t push** – To push means to coerce someone else to do what you want. To influence by pull, instead, make the effort to understand the other person, learn about his or her concerns, and reach a consensus together.
11. **Dump the rules that no longer apply** – Generative leaders are pragmatists, willing to rescind rules that only get in the way. Consider the Mensa member who works on the assembly line. She irritated her supervisors by ignoring production rules, but when the top executive visited her on the assembly line, he saw that her decision to break certain rules made sense. He promoted her to a position where she could use her analytical skills.

About the Author

David Wilkinson is head of professional development at Cranfield University. He studies and teaches leadership as well as personal, professional and organizational development. Among other duties, he trains British police to respond to terror attacks.