

# Managing uncertainty

To conduct business in today's volatile times, innovation is not an option, it is a must. If they want to reinvent their business and thrive, CEOs must teach leaders and their teams to identify opportunities hidden in unfamiliar places. In this way, by making uncertainty a skill for navigating unforeseen situations, an innovative culture is fostered. What are the new organizational skills that teams need to develop in order to manage uncertainty?

**G**iven the ever-changing nature of today's world, one question that every organizational leader faces is "how can I ensure that my organization survives in such dynamic and uncertain times?" In this regard, Ian Williamson, dean of the Wellington Business School, says that now the game has changed, with new rules, it is essential to ride the wave of innovation: "organizations that are willing to adapt different business models, new forms of technology, new business processes, and perhaps even rethink how they engage with their customers, are the ones that will thrive during this period of uncertainty."

In other words, the only way to achieve our dreams is to embrace the unknown by developing a tolerance for ambiguity. To achieve this, organizational leaders must be willing to take

risks, find the resilience to handle frustration and make time to understand how they can create opportunities for innovation within their organization. That is why it is so important to think from fresh perspectives, to focus on developing new capabilities and to redefine the roles of people in their organizations.

Uncertainty, that ambiguous and uncomfortable state that often makes us feel confused and that is more prevalent today than ever before, is a transforming force for personal growth, innovation and creativity. This is reiterated by INSEAD professor Nathan Furr and entrepreneur Susannah Harmon in *The Upside of Uncertainty*, a guide that provides practical tools to help people turn uncertainty into an opportunity for positive change rather than an anxiety-inducing dark place.

In this regard, Furr explains that "we all want possibilities, transformation, change and innovation, but the only way to get there is through doubt. If we want those things, we must get better at navigating uncertainty as individual leaders, as teams and as organizations". The good news is that the ability to manage uncertainty can be learned: it is a muscle we can develop in organizations and teams in order to thrive. Because the truth is that any transformation or new project we undertake will inevitably be mired in uncertainty. That's just the way it is, it's not a bad thing.

Uncertainty is, in other words, a strategic skill for innovation. That is to say, the people who stand out in the face of doubt and unfamiliarity are those who discover hidden potential in turbulent times and those who have learned the tools to manage the unknown. Nicholas Negroponte, co-founder of the MIT Media Lab, agrees and likens innovation to the

ability to have peripheral vision, questioning basic premises. Thus, being able to manage uncertainty, the unexpected, makes it possible to consider what was once a problem as an opportunity for improvement.



In this regard, Rebecca Zucker, an expert in leadership and organizational change and co-founder of Next Step Partners, suggests accepting the discomfort that goes with not knowing, and the feeling of stress brought on by uncertainty, as part of the learning process. She also points out that it is essential for leaders not to act alone. While they sometimes feel that they should have all the answers, they should not face their uncertainties alone. In other words, by connecting with peers and colleagues, they will be able to expand



their knowledge and gain new perspectives and opportunities. By way of example, Martin van den Brink, president and CTO of ASML, one of the main companies that invented extreme ultraviolet lithography with a \$5 billion multi-year investment, created a team of people unlike himself, who were going to push and challenge him. In other words, being willing to make mistakes and having a diverse team will always be beneficial.

However, Amy Webb, future strategy expert and founder of The Future Today Institute, believes that there are ways to predict and anticipate what is coming through a data-driven analysis of possible variables. It is not a question of second guessing the future, but rather of being alert to the signs of change that will allow greater room for maneuver, prompting questions and mechanisms that will allow us to better cope with uncertainty and use it to our business' advantage.

### **New skills**

In this sense, among the tools that a leader can use to develop an ability to manage uncertainty, it is essential to be able to manage and lead through a human lens in order to understand how to help teams in times of doubt. Furr recommends three habits that help make the unknown a positive: for starters, open your eyes to all present and future options, as overlooking the broader possibilities creates unease and can lead us to make rash decisions or forgo opportunities we are yet to even identify. Instead, by considering the bigger picture and a more global context, we find a world full of more possibilities than we could ever have imagined; and that is where we are much more likely to find an optimal outcome, with greater optimism and calm. Second, the professor mentions thinking in terms of probabilities, not binary outcomes, since when we think in binary (rigid) terms we can begin to feel extremely anxious. Conversely, when we consider the full range of possible outcomes and the probabilities assigned to them, reality can be viewed quite differently. Finally, know that possibilities always exist.

Emotional clarity and respect for others is also a key aspect. For example, when leaders try to hide or minimize their level of stress and fear, it actually ends up seeping out. So they should embrace



them rather than avoid them. Although the priority is often a feeling of control and presenting a face that says: “we know what to do”, having the ability to question in order to learn and adopt flexible personal tools will help leaders guide others through this process. Moreover, in order for uncertainty to function as a strength, it is essential to emphasize how we approach it, considering it as a source of opportunity. In this way, preparation – understanding strengths and weaknesses and knowing the risks – allows management habits to be created, balancing the known and unknown. Furr also advises taking action in small steps for best results.

In short, the pervasive uncertainty of today is in itself an opportunity to innovate and challenge ourselves. It happens that the unknown invites us to expand the way we think and find more options to use in the benefit of our organization. We can all improve if we allow some uncertainty into management. ▽

### Tools for managing uncertainty, presented in four groups

1

**Reframing:** changing the perspective from seeing uncertainty as a loss to seeing it creatively in terms of possibilities.

2

**Preparing/anticipating:** using tools that help leaders to be more courageous when faced with uncertainty.

3

**Doing:** unlocking the rewarding possibilities concealed within uncertainty by taking action to increase the possibility of creating the organization's future.

4

**Sustaining:** remembering why and how to continue, or how to maneuver when things don't go as planned.

*Source: The Upside of Uncertainty: A Guide to Finding Possibility in the Unknown*