



# ABN BOOKCLUB

INTELLECTUAL TOOLS FOR THE YEARS AHEAD

The central principle of all foresighting techniques, including scenario planning, is that by and large, the essential details of the future are unpredictable. If they were not, then businesses would not fail to the depressing extent that they do, and strategic planning would be an utterly irrelevant exercise. The fact is that the environments in which virtually all business organisations operate are immensely complex, dynamic, and changeable. The uncertainty is not really that surprising when we consider that the environment reflects the status and interactions of a host of different 'forces' which include social, cultural, economic, political, technological, and even intellectual 'currents'. The wonder is that with so many possible states for all of these factors and with so many combinations and permutations of each with the others, that there is anything at all about the future which has any semblance of certainty at all - save for the inevitability, as the saying goes, of death and taxes!

A cursory examination of the history of our organisations is enough to indicate that the past is littered with events which were quite unexpected at the time that they happened: Indeed the more we explore the past of our organisations, the more discontinuities we discover in their streams of development. It is not only events which change, but ideas too, and these are sometimes so powerful that they are strong enough to trigger new changes in events. And so it goes, with events and ideas locked together in a permanent, but continually changing braid of history. It makes it very difficult to accept that the future will be any different. Yet for all the changes to which business managers and leaders are constantly exposed, they retain a perpetual hope in, and quest for, the security of the predictable. We humans like our our certainties to such an extent that we spend a lifetime trying to generate them wherever possible. There are times when we are genuinely quite successful at this, where we are able to influence our environments to turn out in ways which we both predict and desire. There are other occasions when we create such an illusion of certainty that we come believe that it is real, and that it is the uncertainty which is the illusion. A moment at any gaming table in the land provides compelling evidence of this phenomenon. Finally, there are those events in nature and society which actually do occur in predictable patterns, albeit in ways which we rarely recognise at the time, or even *ex post facto*. We learn little from history save that we learn little from history, as the wit had it.

In scenario planning the objective, as we so often emphasise in these pages, is to avoid getting the future wrong rather than trying to get it right. By exploring numbers of different, yet plausible future states of the environment which we might feasibly encounter in a decade or more's time, we learn from the scenarios which are prompted through our exploration of the driving forces of these business environments. We learn to give different shapes to events/ideas braid of the future, and from these in turn we learn to design the sorts of strategies which will be robust in the face of variation. Yet even within this domain of imaginative learning about potential futures, there are situations which we can consider to be reasonably predictable. In the foresight trade they are usually referred to as the predetermined elements of the driving forces of our forthcoming business environments. And they quickly acquire the mantle of predictability.

We feel that there is insufficient emphasis placed on the need to research the environment much more profoundly during the scenario development process within organisations. There are inevitably patterns of predictability within the future which can often be revealed through a study of the past, and as a corollary, the absence of strong research will often result in the loss of the capacity to be able to spot patterns of familiarity borne of long personal and shared experiences. One of the huge downsides of the craze for downsizing, is the risk of this loss of 'in-house' patterning capacity and the institutional memory that accompanies it, leading to a sort of induced organisational Alzheimer's condition!

The two selections this month give strong support to the above contentions about predictability and patterns. In "Do Lunch or be Lunch", Howard Stevensen, in association with Jeffrey Cruickshank, explores the power of predictability in creating desired futures, while in "The Fourth Turning", William Strauss and Neil Howe, explain what the cycles of history tell us about America's next rendezvous with destiny. Both are good yarns with strong lessons for those prepared to suspend their commitment to linearity, and seek different worldviews on the way that the events/ideas braidings are, or might be, or could be, or even should be!

## ***Do Lunch or be Lunch.***

Howard Stevenson with Jeffrey Cruickshank. Harvard Business School Press

This is an unpredictable piece about prediction and predictability in the sense that it runs against the tide of fashion. Where all the current talk is about living with uncertainty and about thriving on chaos and complexity and unpredictability, here a clarion call is for the restitution of prediction, predictability and what the author terms projectability, into strategic futures. Howard Stevenson's central argument, which he presents as a tale with Geoffrey Cruickshank, is that "we humans -in business organisations and elsewhere - have to find ways to be predictable to each other." It is a basic human trait, he contends, to seek certainty wherever and whenever we can, and that where and when it is not present, we have to all that we can do to create it. This is a position which is far removed from the convention that as individuals and organisations alike, we are but mere victims of circumstances which are ever-increasingly uncertain and unpredictable. "We have to acknowledge and counteract the increasing number of forces that, at the turn of the century, are pushing us all into unpredictability", contends Stevenson.

We can start that process of acknowledgment by recognising that prediction is a word that "has fallen into serious disrepute, mostly because of the crystal-ball connotations it has acquired". Literally however, as the author is at pains to emphasise, it means the sort of foretelling based on observation, experience or reasoning that we indulge in almost every moment of our lives. We are forever making predictions about what we think will happen next, and then acting accordingly. In other words, prediction, we might say is both the focus and outcome of future-orientated or strategic learning. From this comes the further notion that predictability refers to the likelihood of things happening in a way that we have learnt to expect that they will happen.

Having restored prediction and predictability to respectability, and having connected such restorations to our basic psycho-bio-social needs as a species, our author and his writing companion turn next to the novel concept of projectability - "being able to assess *today* how you are going to feel about something that can't happen until *tomorrow*." And while this is complicated, difficult and absolutely crucial, we actually do it all the time.

Even in the midst of great uncertainty we can and we must create predictability and learn to embrace projectability. This has a special significance for situations, like in organisational life, when it is important that we learn how to take collective action when working for the common good. Stevenson elaborates on, and provides a framework for using, predictability as crucial for coordinated action, and that that in turn depends upon a necessity for agreement about what it is that we want and about how the world works. Through communication and collective learning we find out how we can achieve agreement on such wants and worldviews as the basis for collaboration in the name of both predictability and projectability. The author further uses the wants and worldview framework to introduce a unique interpretation of the four factors of power, management, culture, and leadership and to use them to both assess and build consensual agreements. Leadership for instance, is most vital in that domain where there is a high level of agreement about wants, but low agreement on views of the world. Included in the tools of leadership which can be used to change this situation and modify agreement Stevenson cites motivation, negotiation, empathy and role-modelling. Using tools from each of the four domains where appropriate, we can learn how to hone our capabilities of prediction while concurrently improving the status of our own predictability. And all of this is as applicable to the future success of our organisations as it is to our selves as learning beings.

This is a soundly reasoned book which tackles the potentially unexciting and unfashionable concept of predictability in a highly readable manner. The author stimulates the mind while concurrently providing adequate frameworks for guiding effective action. And as the title intimates, the book also has the capacity to amuse, in that wisecracking-cum-folksy genre that so many American business writers seem to adopt when tackling topics that they know are basically unexciting and unfashionable! ●

**RRP \$49.95**

**ABN BookClub Price \$42.50**

## ***The Fourth Turning***

William Strauss and Neil Howe. Broadway Books

Strauss and Howe take the matter of predictability to very substantial heights in arguing that like the seasons in nature, there are also natural rhythms of social experience, with modern history revealing the

remarkable pattern that: “over the past five centuries, Anglo-American society has entered a new era - a new *turning* - every two decades or so”. These are transforming periods in the affairs of mankind, with people changing how they feel about themselves, the culture, the nation, and the future, at the start of each turning. Marshalling powerful evidence from history, the authors then proceed to claim that turnings come in cycles of four, with each complete four-turning cycle roughly spanning the length of a long human life - eighty to one hundred years which is a unit of time that the ancients called a *saeculum*. “Together the four turnings of the saeculum cycle “comprise history’s seasonal rhythm of growth, maturation, entropy, and destruction”: Here referred to as the High, the Awakening, the Unraveling, and the Crisis respectively. Each turning comes with its own identifiable mood, the authors claim, and “[a]lways these mood shifts catch people by surprise”. So within a certain macro-predictability lies micro-unpredictability which might however be little more than the fact that do we seem to learn so little from history, including the fact that our own view of history is severely distorted by the worldview which we typically adopt when we explore it.

The great saecula recognised and described in this fascinating book, are little known as cyclical patterns of history that repeat themselves with an amazing predictability - a point which our two authors set out to rectify after indicting their fellow citizens with the claim that “Americans’ chronic failure to grasp the seasonality of history explains why the consensus forecasts about the natural direction turns out so wrong”. And we Australians are hardly paragons here either. So it is not so much that we can create our desired futures, but that we could amend our activities to fit more closely with the ‘turning’ in which we find ourselves, if we adopted the worldview that history is indeed seasonal (and thus cyclical rather than linear), and studied the nature of the turnings for hints at where we are and where we are headed.

As they are the first to acknowledge, Strauss and Howe are certainly not the first writers to either recognise or elaborate upon cycles in history, and indeed throughout this book, they are careful to cite the many eminent historians upon whose shoulders they are standing. What is unique about this book however is both its detail with respect to the turnings of the past few centuries of Anglo-American history, and the startling and not unprovocative connections that the authors make between the turnings of history and the concept of changes in the constellation of generations. “Roughly every two decades (the span of one phase of life), there has arisen a new constellation of generations - a new layering of generational personas up and down the age ladder”. Each generation, elders disappear, a new batch of kids arrive, and the in between generations “transform the new phases of life” they enter. But there is more. With each turning, a different archetype of each generational stage appears such that, at least within America, there is a direct correlation between the different stages in each cycle of history with an analogue generational archetype. And the stark differences in personality, disposition, and ambitions being shown between each of the four generational archetypes are in turn both reflected in, and provoked by, the characteristic mood of each of the four turnings. “A turning is an era with a characteristic social mood, a new twist on how people feel about themselves and their nation. It results from the aging of the generational constellation” ...[and so]...like archetypes and constellations, turnings come four to a saeculum, and always in the same order”. This is no astrology; the attempt here is to construct a serious thesis about the recursive relationships between eras in society and different generations within them.

Using this logic of the convergence of the characteristic phase changes in the cycles of history and the concomitant changes in generational archetypes, Strauss and Howe present the notion that during a High, a *Prophet* generation is born, during an Awakening, it is the *Nomad* generation, during the Unraveling it is the *Hero* generation, and that during a Crisis, it is the *Artist* generation that is born. They then compile a very rich set of evidence to support their radical proposition, which they extend to the point of submitting that America is currently nearing the end of a third, unravelling, saecular phase with the fourth turning, the crisis, soon to follow. Learning from history, this will be a time of considerable upheaval and possibly extensive warfare, “when the values regime propels the replacement of the old civic order with the new one”. For the moment however, Americans live in a “downcast era of strengthening individualism and weakening institutions” and the old civic order decays. While our authors are adamant that there is nothing that we can do to prevent the inevitable crisis occurring during the first decade of the new millenium - the Oh-Oh generation as it is labelled here, there is much that we can do to prepare for it. We will have to pay particular attention to values, institutions, politics, society, the economy, the youth and the elders, and defence.

Believe these predictions or not, you will be fascinated by this most unusual treatise on Anglo-American history over the past few centuries, and by a very plausible hypothesis, with foundations in such respectable theories of history.

Look out world, a fourth turning is imminent and a crisis is nigh - again! ●

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