

“Five Things You’re Probably Not Good At And Don’t Have Enough Of At Work”

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Thank you very much for your interest and courtesy today. I know you are business leaders with plenty to do, so out of respect for your time, and under strict instructions by my friend Tolbert Chisum, I’ve set my timer for 0:20 to make sure you’ll still have some time for questions.

First, a bit of context. Nothing makes sense out of context – not politics, not religion, not finance, not business. A good example of this is when you ask “What were you thinking about?” and the answer you get is, “Well, it seemed like the right thing to do at the time.” Context is important.

So it’s important to look at skill demand in context to help identify what you’ll need. After all, things you needed for business 20 years ago are considerably different than what you need now, and will be different in another ten years.

Those of you who have read anything by Alvin Toffler will recall his fundamental thesis, which in essence is that “the rate of change is increasing.” The three books in his famous series were:

Future Shock, 1970: In this, he outlined the sources of change and the impacts it would have. Rather than taking the usual historian’s approach of using the past to inform the present, Toffler looked to the future to inform his assessment of the present and what had to happen to be ready for the future.

The Third Wave, 1980: So-named for the Information Revolution that followed the Agriculture Revolution and the Industrial Revolution, Toffler examined the impacts of the Information Revolution and data manipulation. He also looked back at what he had predicted in 1970, and found that not only had he been correct but also that change was happening even faster than predicted.

Power Shift, 1990: Here he examined and speculated on the change in power and the influence that would accrue to those who could harness this information and adapt to those new trends.

Engineers are fascinated by the rate of change, or as we call it, the first derivative. Just this morning, on the way over here, I heard four ads that business is changing faster than ever, and largely because of technology. And this year, your business will generate 50% more data than last year, with even more coming next year.

As the rate of change continues to increase, you have to pedal harder just to keep up. When change is aggressive, maintenance of the status quo is regressive.

My advice to individuals is, rather than focus on your employment security, focus on your employability security – make sure that you have in your skill arsenal those adaptable and transferable capabilities that will always make you valuable.

For businesses and other organizations, profitability is important, but you won't be profitable for very long if you're not sustainable. Focus on the sustainability and the profitability will follow.

For both, the good news is that you don't have to bet on a single outcome and hope that you're right. What you'd be doing is building your capacity or that of your organization to take on whatever you encounter in the future.

So here we go:

Five things you're probably not good at and don't have enough of at work:

1. ADAPTABILITY / DECISION SPEED

Rapid change makes it difficult to predict accurately very far into the future, so your capacity to respond to the present becomes far more important than your ability to predict the future. Speed and flexibility are now the watchwords for the future.

If the time required for you to implement a major decision extends beyond the horizon of your capability to predict accurately, essentially you'll be shooting in the dark, struggling to keep up as things evolve and change faster than your ability to respond.

Unfortunately, much corporate governance is predicated on preventing sudden changes, much like our form of government seems to be these days. But sometimes you have to move quickly to keep up with market trends or be left behind.

And occasionally you'll just have to break things to see what else you can build.

2. LEARNING SPEED

Look at a graph of accelerating change in what we need to know over a career, like a compound interest curve but for knowledge, with time on the X-axis and the knowledge we need on the Y-axis. In a crude representation of a very complex system, the curve swoops up as you move toward the right through time along the X-axis. The Y-axis difference between the end points of any career-length time segment on that curve represents how much we need to learn in our career.

As you move a career-length segment forward in time along that curve, the Y-axis difference in those end points gets larger, meaning we'll have to learn more.

The slope between those two points represents the average learning speed that must be employed over a career. Note that it's the average, with the learning speed being slower early, and faster toward the end, which is the exact opposite of what typically occurs.

Recent research on unified cognition by Dr. Nelson Repenning of MIT's Systems Dynamics Laboratory, has revealed that when asked what to spend time on – delivering current value (doing work) or enhancing future capability (training) – most will default to the first, which essentially mortgages the future for benefit of the present. As a species we humans don't like making uncertain investments of

our time. The payoff is too ambiguous, and humans are “ambiguity reduction machines.”

This doesn’t take into consideration the cost of long-term deterioration of our intellectual capital assets, largely because the half-life of what we know gets shorter and shorter. People often see training like insurance – it seems pretty expensive right up to the time that you really need it. Then it’s a real bargain.

3. EMPATHY

One of the most powerful qualities a leader can possess is empathy. It’s one of those “soft skills” that are important and critical to success, but very hard to measure. Hard skills can be quantified and are learned by studying. Soft skills are more like “art forms” and are generally learned only by doing.

Empathy is the “psychological identification with or vicarious experiencing and understanding of the feelings, thoughts, or attitudes of another.” What are they feeling? Why are they feeling that way? What fears are they expressing? Sympathy, which is harmony or agreement in feeling, is something different.

Empathy is not sympathy, not taking the blame, not feeling pity, not solving someone’s problems for them, and not commiserating or explaining. It’s also not judging or agreeing – it’s simply recognizing and understanding.

Recently, at the 47th annual meeting in San Antonio of the Engineering & Construction Contractors Association (ECCA), I spoke to their Future Leaders Group on “Post-Acquisition Integration, the Value of Empathic Leadership, and the Real Goals of M&A.” For the most part, post-acquisition integration is an exercise in conflict resolution, in getting the gears to mesh when two companies come together. It can be a real “mash up.”

Empathy acts as a pressure relief valve on issues within teams and within organizations. Conflict usually doesn’t escalate as much when people feel heard.

Empathy is the foundation of emotional intelligence. The strength of your relationships with the team (through empathy), and the strength of your emotional intelligence and self-awareness as a leader are the foundation of your effectiveness. Effectiveness means you get more done profitably and on time.

Empathic leaders build better teams, make better deals, have happier clients and deliver more smoothly functioning projects.

An empathic leader can listen and derive the feelings and inclinations of another to address them in a way that validates that person's values. That usually means the other party doesn't keep hammering harder and harder to be certain that they've been heard or to combat the sense that their position is being devalued.

A small expression of empathy can produce an enormous amount of actionable business intelligence and organizational insight. What's that worth to you?

As Geoff Colvin, one of Fortune Magazine's senior writers, states in his excellent new book, Humans Are Underrated, "The ability to understand what someone else is feeling and thinking can be extraordinarily valuable regardless of whether that someone is a colleague, boss, customer, prospect, competitor, police officer, doctor, an unknown counterparty in a trade, someone you want to marry, or someone who's just trying to kill you." His last point refers to his discussion of the empathy training now used in the US Navy's Fighter Weapons School, or what we popularly call "Top Gun."

4. INTELLECTUAL DIVERSITY / TOLERANCE

Admittedly, this one is a more than a little self-serving. This means room to accommodate "mavericks, renegades, revolutionaries, and hackers," and recognition of the value that these free spirits have in the genetic makeup of our organizations.

It doesn't mean those who are rude, destructive, or violent in any way, but rather those who have a "restless discontent" with the status quo. It means those with a

“developer’s mentality” who will tinker with something – a product, a process, a project – to make it faster, stronger, lighter, sharper, or just better.

It means those who will question why it’s done the way it is and then try something else; those who will persist, sometimes to the point of irritation, in challenging the established protocol. Those who are so unconcerned with what others think of them that with fresh eyes they will ask the elementary questions that others just skip over. Those who will ignore others who say it can’t be done, and just go do it.

I managed to survive my brash and unruly youth only for those near me to realize that most of what had survived was the brash and unruly part. In time, I learned to harness and focus that energy into unrelenting intense analytical questioning and exploration, the foundation of engineering.

Any monoculture is at higher risk when under assault. Monoculture doesn’t make us more sustainable, just more efficient at harvest. In ecology, the Species Diversity Index (SDI) is a quantitative measure reflecting how many different types of species exist in an ecosystem, while also taking into account how evenly the basic entities are distributed among those types. The value of a diversity index increases both when the distribution and number of types increases, and when evenness increases; and the higher the index, the healthier the ecosystem.

These days, diversity in employment has come to mean representation across race, gender, ethnicity, age and a list of other identifications. But intellectual diversity is also critical to bring a variety of perspectives on issues, problems, solutions, and opportunities. Otherwise, monoculture in thinking puts your organization at greater risk from those with a higher “Intellectual Diversity Index.”

5. INTERVIEWING SKILLS

Historically we’ve used recruiting and hiring to find those who have a knowledge base, those who *know* something, and a skillset to apply. Now it’s even more important that we look for those with learning speed who can adapt quickly, and

sort through information for relevance; those who can get up that learning curve quickly, whose learning speed meets the demands of that change curve we're climbing into the future.

The single most dominant skill in demand now is "problem formulation." Problem formulation or definition must be separated from solving the problem, because the last thing you want to do is quickly and efficiently solve the wrong problem.

In his acclaimed workshops on developing and using emotional intelligence, my friend Brent Darnell runs an exercise on the five stages of the classic design school approach to problem solving: Empathize, Define, Ideate, Prototype, and Test. Too often we rush straight to generating a solution before we've spent time to fully understand the problem. Ask lots of questions to understand a customer's issues and use multiple perspectives to illuminate a problem. Make sure you have a good definition of the problem you need to solve. *Then* go solve it.

Interviewing is not only for adding staff, but also for deploying staff that you already have. Times change and people grow, so do you really know what your people are capable of? Now? What they'd like to be capable of?

After an acquisition, in the integration stage of meshing corporate gears to deliver the projected economic and opportunity benefits, you can't put the right people into the newly formed positions in the combined enterprise until you know what is needed, and have a good sense of who may have the skillsets needed to prosecute that work successfully. And for the record, "available" is not a skillset.

Done right, interviewing is just hard work. Assessing individual intellectual capital, judgment, attitude, adaptability, and now learning speed, as well as making an in-depth evaluation of candidates for employment within your organization to be a part of your company's future simply take time to do well. It's not only those who have information and knowledge that is needed now, but also those who learn quickly, who can absorb knowledge and extrapolate from it to create new knowledge. Discovering that is hard to do in a one-hour interview.

For deployment of your internal intellectual capital, consider staff not just because they're available, but within proper teams and not necessarily with the

most senior individual as team leader. You want the highest and best use for the greatest and most penetrating value. For some it will be just knowing that they're capable of figuring it out, of learning on the fly, and protecting the integrity of the company.

To interview properly, you have to know what you're looking for. Otherwise, how would you know when you find it?

SUMMARY

Many of these are linked and actually play on each other; none are mutually exclusive. Others could easily include AWARENESS, situational and of larger currents and trends; INTEGRATION of acquired assets, from hiring personnel to corporate M&A, which is just another exercise in identifying and deploying intellectual capital; FOCUS, not only on what you *do*, but also on what you *are*; and perhaps INTUITION which often underpins COURAGE.

For some time I've been working on what I call a Unified Theory of Intellectual Capital Management, but that will have to wait for another day. After all, I only had 0:20 to talk, and as Tolbert would tell you ... !

I welcome your questions and comments.

J. Paul

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