



STANDING AT THE DUMB END OF OUR SMARTER FUTURE

WHY ARE WE SO AFRAID OF TALENT DISPLACEMENT AS WE MOVE INTO
THE FUTURE?

By IMD Professor Bill Fischer

IMD
Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

What could ever be dumb about the fast-arriving internet of things — that seemingly inevitable assemblage of ever more networked devices, products and everything in-between?

Dumbness? That would be us: you and me, working class and professional alike, equally vulnerable! At least, we've been made to believe that we are the dumb-end: we're slower, less analytic, less reliable and more prone to hesitation, emotion and absence. As a result, we may well feel as if we are fated to be short-termers in this brave, new, smarter world of work.

Yet, it's not as if we are unnecessary in boosting industrial productivity. No machine that has ever been made can deal as well as we can with notions of: fashion, quirkiness, "customer delight" or ambiguity. Algorithmic thinking pretends that it can handle "variance enlargement" (which is quite different from "variance reduction," where it truly does excel), but it can't do it instinctively; It fakes it! Networked devices engaged in machine to machine conversations can optimize what to do, when to do it, and by how much, but do we trust them to ever ask: "why are we doing this in the first place?" We, alone, reflect, revel in serendipity, explore, are curious, compassionate and generous; no machine has ever given anyone a second chance, much less a third!

Why, then, do we feel so dumb when it comes to what should be more appropriately called "The Internet of Customer Experiences"? Why are we so afraid of talent displacement as we move into the future? The answer is to be found in our organizations! They all too often diminish rather than ennoble us. They reduce the chance of our new ideas succeeding, and they focus our leadership attentions deep inside the organization, rather than outside where the real action is. They are dumberators rather than combinatorators, and we pay the price for allowing their inadequacies to prevail.

Large, complex, bureaucratic, siloed organizations can never adjust gracefully to the speed and complexity required by the exploding Internet of Customer Experiences. Their conversations are not sufficiently inclusive, they are too linear and too slow. As a result, the knowledge requirements of our exploding techno-economy are fast outstripping our organizational abilities to keep up. Astro Teller, GoogleX's Captain of Moonshots, has explained this very effectively to Thomas Friedman for Friedman's new book "*Thank You For Being Late*" by observing that environmental complexity is increasing at exponential rates, while our organizational capabilities increase at much more modest rates, typically tied to individual, and only partially shared learning, and frustrated by inevitable bureaucratic constraints. The only way to break this pattern in order to make change a bit more manageable is to change the way that we design the organizations of which we are a part.

What if our organizations were designed on the metaphor of a brain, rather than a model of the Roman Legions devised nearly 2000 years ago? Wouldn't they be different; act different? Wouldn't we need new and different skills to staff them, manage them, and lead them? Wouldn't it feel different to work in them? Wouldn't more of us participate in real, meaningful decision-making? What if, instead, we chose the metaphor of an aircraft carrier, or incubator/accelerator, or platform? Wouldn't our organizations be faster, bolder, more experimental, open and inclusive? Wouldn't we make different decisions? Wouldn't more of us think of ourselves as "entrepreneurs"? Design metaphors matter for creating high-performance organizations, as Gareth Morgan established in his path-breaking "*Images of Organizations*". With either brains or incubators as our guide, innovation and agility would be the design default, rather than the exception. Indeed, anthropologist [Chuck Farrah](#) has pointed out that: "If Silicon Valley were a brain, it wouldn't be the frontal lobe or brain cell; it would be a synapse, a connector". What an interesting design metaphor that would lead to!

But, we resist! Even when we can accept, along with Ben Horowitz, of Andreessen Horowitz, that: "Building an effective organization requires pretty much the same effort as it takes to build an ineffective one". What we are lacking as leaders is sufficient courage and insight to take matters into our own hands and redesign the organizations in which we live. The technologies of the Internet of Things, and Big Data, are, to be sure, dazzling, but at the end of the day, what captures value from such efforts is not the technology *per se*, but the organizations which adapt it, move it, and offer it into the market. [Historically](#), organizational change has lagged behind technological change by several decades: maybe four decades in the late 19th century, until electricity became an accepted part of every organization; perhaps two decades in the 1970s, as computing technology was accepted and assimilated across our economies. Yet, despite such lags, there are always those organizations which move faster, more nimbly into the future: [A study by the Organization for](#)

[Economic Cooperation and Development](#) found that productivity growth has accelerated at “frontier” companies, which use the most efficient processes and technology, while slowing at the remainder of firms. In other words, productivity is being held back by the inability of competitors to the likes of Amazon, Facebook and Google to catch up.

In the same vein, Santa Fe Institute economist [Brian Arthur](#), has added Airbnb, Instagram, Snapchat, and Uber to the list of firms which have recognized the advantages of network effects and increased returns, and which have moved faster than their competitors. This is all about choices! The leadership choice to be different! We see it as well with “Space X, Tesla and 23andMe” where hardcore commitments and capital intensiveness are necessitated by the audacity of their visions, at the risk of also making them [“anti-lean” start-ups](#). Once again, this is about leadership choice and the courage of the C-suite to take actions that might be counter-fashionable.

Not surprisingly, when it comes to leadership, it was [Steve Jobs](#) who realized that: “To an artist, chaos is natural, [and he] was essentially an artist in a Chief Executive’s disguise.” Since machines abhor “chaos,” it’s hard to believe that an algorithm can play that role as gracefully as a real chaos-loving artist in the flesh. What we need, therefore, are more artist-CEOs who flourish in chaos, who are faster, or at least more comfortable with the unknown, and who are willing to adjust to it; who are [explorers](#) rather than exploiters.

My good friend, and [Driving Strategic Innovation](#) colleague, [Duncan Simester](#), of MIT’s Sloan School of Management, has recently pointed out that “Many executives in big companies attained their positions by excelling at getting things done. Unfortunately, a bias for doing rather than thinking can leave these executives ill-equipped for their new roles. How did we arrive in a state where managers do not recognize that thinking is part of their job?” And, the answer is, of course: managerial choice! We have failed to rethink our organizational designs, and the failure to make a choice, is itself a choice! Organizational capabilities will never catch-up to our accelerating environmental complexities without serious reconsideration of the organizations in which our technologies originate and are brought to market. In the end, our failure to realize the true potential of our innovative instincts lies not in the smartness of these technologies, but the dumbness of our leadership choices.

So, the next time you or I walk into a highly complex discussion concerning how new technologies will change the world, we must keep in mind that we too possess a valuable tool that will ultimately determine how successful these technologies turn out to be. Our tool is the organizations without which none of this will take place, and the stages upon which leadership will perform. Without us, the dreams of technologists are fated to under-perform, if they perform at all. We need each other, but let’s always remember that if we take our design role seriously, then we are not the “dumb-end” of anybody’s smarter future.

[Bill Fischer](#) is a Professor of Innovation Management at IMD. He directs the [Being Innovative Global Leadership in the Cloud](#) program.

This article was originally published in Forbes.

Related Programs



DRIVING STRATEGIC INNOVATION - <http://www.imd.org/dsi>

Achieving high performance throughout the value chain

Program Director Bill Fischer

- Manage the fuzzy front-end of the innovation process more effectively
- Speed up market commercialization of innovative ideas
- Navigate the dynamics of increasingly unpredictable value chains
- Heighten the probability of achieving a more innovative organizational culture
- Engage in business model innovation
- Reconsider your own personal approaches to being an effective leader of innovative activities



ORCHESTRATING WINNING PERFORMANCE - <http://www.imd.org/owp>

Create your own learning journey

Program Directors Jean-François Manzoni and Tawfik Jelassi

- Get exposed to the latest management thinking and to practical and innovative solutions for your business
- Anticipate global business trends
- Boost your performance, broaden your perspectives and expand your global network
- Design the program that suits you and your team
- Become a complete executive through activities that develop your mental, physical, and emotional health