A REIMAGINED MINDSET FOR ENDLESS DISRUPTION **Brant Cooper**

As the parade of media outlets remind us daily, change—big waves of change—keep coming.

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These waves are fundamentally reshaping our way of working. Our relationships with the companies we lead and the organizations that employ us continue shifting and realigning, if not completely unraveling.

The Great Resignation saw four million Americans leave their jobs in July of 2021 alone, according to the U.S. Bureau of Labor Statistics[1], and millions more have moved on or plan to box up their virtual belongings and quit their real jobs soon. With upwards of 10 million-plus jobs now available, the waves of change rippling through our companies and our communities will be felt for a long time. This reset might constitute one of the most dramatic realignments of labor in our lifetime.

Perhaps we shouldn't be surprised. When a tsunami makes landfall, it permanently alters the landscape. What does that professional landscape look like? In record numbers, people admit to burnout from long hours of work, and for those who work in the knowledge economy, there's an exhaustion and frustration from being stuck at home behind a screen of electrons with no clear end to the pandemic in sight. It turns out working from home during a global pandemic has provided people the time and space to reconsider their priorities.

1. https://hbr.org/2021/09/who-is-driving-the-great-resignation

People have been forced to reconcile the demands of work with the other aspects of life that make people feel human. Many see the present as a time to move on to explore a better fit: whether it's a desire for more meaningful work, more money, more flexibility, a new role that's supportive of a particular lifestyle or family needs. Or maybe it's the need for a more empowering organizational situation, one which supports people's desire to contribute and grow.

Businesses themselves remain in flux, their leaders facing daunting management challenges. Like their employees reconsidering priorities, managers, too, are faced with their own sets of reprioritizations. Organizations large and small struggle to make sense of the rapid pace of the world: innovation, digital transformation, remote work, big tech antitrust movements, supply chain issues, China trade, ransomware attacks—on and on. Can't we just go back to the simplicity of the Great Recession?

Is this mix of unpredictable disruptions at unprecedented speed the true new normal, pray tell? Uncertainty and increased complexity are the way of an accelerating world wrapped up in technological transformation dipped in ever-shifting human wants and needs. But just because the world feels less certain than ever, this doesn't mean we can't become more proactive as leaders and organizations in our effort to adapt.

Any business, whether it's a large enterprise employing tens of thousands or a small business of fewer than 20 people can react the right way, by developing a mindset based on resilience, awareness, and dynamism along with a distinct set of behaviors (what I call the 5Es) to empower leadership, teams and your entire organization on a steady path forward to creating value.

Change has been a constant in human history, leading us to our place today. We've always dealt with disruptions, and we will continue to do so. Weathering the storms of today's endless disruption requires a new toolkit fashioned for our times.

MAKING DISRUPTION WORK FOR ALL

What we've witnessed since the pandemic began are the components of the disruption story on full display: the incredible wins of capitalism in creating vaccines—truly life-saving work; the failure in bailouts going to executive compensation and stock buybacks; the accelerated inequity of the economy; the struggle of some businesses versus the rapid growth of others; the failures, challenges, and successes of various governmental institutions. The list goes on.

In the end, we should not lose the bigger picture here. The pandemic is a microcosm of the larger disruption at play. *Business cannot return to the way things were before.* The pandemic is a lesson we mustn't miss. Continuous disruption is the new norm. To confront it, the questions we must answer include: How do we ensure that disruption benefits us all? How do we protect those that are disrupted? And moreover, how do we create radically resilient organizations?

Weathering the storms of today's endless disruption requires a new toolkit fashioned for our times.

The good news is, understanding the nature and magnitude of the disruption we're in the midst of means we all can set forth to adapt and own the desired outcomes of disruption. We as leaders and professionals of various ranks fundamentally must change how we organize and manage business. The way we make that change happen is in our hands. We must create institutions that are designed and managed such that they not only survive disruption but can continue to create value for all stakeholders.

Business leaders must reinvent their organizations for the twenty-first century. Most organizations today are still structured and managed as though they are extended assembly lines. We're not in the industrial age anymore. We must reimagine what twenty-first-century businesses look like. As the dominant force in society, business will lead the way in re-shaping and reimagining our future. But similar, conscious disruption must occur in other organizations, as well. Outside of business, leadership in all levels of education, government, NGOs, and so on can follow a similar program.

And while it's optimistic to imagine that there's a one-size-fits-all scheme for this reimagining, that is not a practical approach. The desired outcome of change is the creation of an organization that is Resilient to disruption, Aware of its environment, and Dynamic. In other words, a "RAD" organization that knows change is occurring and can react quickly is an organization built to last. This is the objective as we think about a future where more frequent disruption lies ahead.

The way we make the necessary change happen is via the Five Elements, or "5Es," which describe the desired behaviors or states of being required for a RAD organization. The 5Es are Empathy, Exploration, Evidence, Equilibrium, and Ethics. Decades of research and real-world experience support the promise that some combination of these attributes,

implemented and propagated throughout an organization, will produce a business that is able to deal with the accelerated world and massive change we're all a part of.

One challenge, of course, is to navigate the intentional evolution of the business, while the business must continue its current execution. The flow of my proposed evolution is such that the new business emerges from within the old. It reveals itself from the ground up, while being sculpted by the very organization it is replacing. This is a departure from the external disruption paradigm peddled by the Innovation Industry. It's different from the typical mandate-driven change programs offered by the management consultant industry, dominated by companies suffering from the same twentieth-century anachronisms as those they counsel.

I propose ways to kickstart the change, intentionally urging behavior change until momentum takes over, change then accelerates based on need and driving impact, scale is created as change is pulled in by core groups, and eventually the very structure creates the desired behavior so that RAD organization will endure. The newly emerged businesses, in combination with the purposeful reinvention of other economic and societal entities, provides a powerful opportunity to create the world we would like to live in.

Societal transformation depends on how we all apply a RAD mindset, methods, and models to drive initiatives designed for impact on and benefit to various institutions, like government, education, NGOs, small businesses, and others. Reimagining the role of capitalism, which protects the fundamental purpose of business, contributes to a more balanced economic system, such that the vast majority of stakeholders benefit as opposed to the few. Instead of trickle down, it's value flowing up.

DEEPER INTO THE RAD MINDSET

The belief among many for the last five decades has been that a business's sole responsibility was to maximize shareholder value. But that is an incomplete thought. A business operates in order to sell specific types of products or services for particular markets. These products or services represent the company's purpose, or, if you will, its mission. Therefore, in actuality, the belief would be more coherent if instead it stipulated that a business's responsibility is to maximize shareholder value through its mission. The shareholder doesn't buy stock in an automobile manufacturer with the assumption that managers will decide to convert the business to a skateboard manufacturer or restaurant delivery service if shareholder value were to increase.

It follows that if the mission of the business is to sell services or products to customers in particular markets, then customers are the first priority. Employees must work to accomplish the mission; therefore, they are the next priority. If your employees are unable to successfully deliver value to the customers, there is no business and no value for shareholders.

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The solution to business woes going forward seems so simple, yet in practice is complex. The straightforward idea is that business needs to refocus on creating value for customers. Most companies I interact with believe this to be true. We hear endlessly how companies are "customer focused," "customer-centric," or even "customer obsessed." But it's definitely one of those easy-to-say, hard-to-do concepts.

Perhaps counterintuitively, it has become more difficult because of the digital revolution. It's more difficult because everyone has a computer in their pocket. It's more difficult because of complexity. It's more difficult because twentieth-century methods don't work. Using twentieth-century conventional wisdom to manage a system of twenty-first-century complexity (such as your business) doesn't work. Facing an unpredictable, unmodeled world that is subject to black swan events requires a different type of organization. With this in mind, and at the risk of exposing my cultural background further, organizations must be something that talented surfers inherently are; that is, they must be RAD: Resilient, Aware, Dynamic.

Resilient. Strong like an oak and flexible like a reed, able to bounce back from adversity, and to remain stable as a whole when parts of the system change or fail.

Aware. People are able to recognize what's not known, to absorb and share new information and data that come from the outside world as well as from within the company, and to be present in the moment.

Dynamic. Adaptable, the very structure able to change in response to needs; the organization is fast and nimble.

The mindset change begins at the top. It requires focused self-awareness and vulnerability. In her seminal leadership book, *Dare to Lead*, Bréne Brown writes, "The courage to be vulnerable is not about winning or losing, it's about the courage to show up when you can't predict or control the outcome." She's exactly right.

Leaders must be able to recognize uncertainty. They must be able to recognize the difference between poor execution of best practices and when they aren't the best practices anymore. They must admit when they don't know the answer. They must be willing to embrace humility quickly. Leaders must understand when to learn first, rather than just execute harder. Ultimately, they balance the efficiency and learning mindsets. Uncertainty has always existed inside of business, of course, but the digital revolution has vastly increased it.

John Chambers, former executive chairman and CEO of Cisco Systems, shared with me a painful story of learning to embrace his own imperfection. "One of the hardest things for me to learn was to admit that I had flaws and there were some areas that I really struggled with." At a "Bring Your Kids to Work Day" at Cisco, John helped a young girl who was struggling to overcome her dyslexia on stage in front of an audience of five hundred. In his conversation with her, he admitted his own struggles with the condition— but, little did he know, his lavalier mic was still on.

"I never intended to share with anybody that I was dyslexic because I viewed it as a huge weakness. The audience got really quiet, and I realized everybody had heard me say that I was dyslexic and that I have struggled with reading and writing since I was a young boy. It was crushing because I thought my company and my teams expected me to be a superhuman. Cisco was on its way to becoming the most valuable company in the world,

and I thought we needed somebody at the top who didn't make mistakes and didn't have weaknesses. However, I soon realized it actually was the reverse. The fact that I shared with people that I've struggled—and how I dealt with those challenges—built empathy and connection. It was ultimately one of the best things I've ever done as a leader."

The trick to dealing with uncertainty and insecurity is no trick at all: You must actively reduce it. How? You must identify the uncertainties. You must respond to that which you have control over and prepare, proactively, for those areas you don't. To paraphrase former U.S. secretary of defense Donald Rumsfeld, you need to understand your knowns versus your unknowns.

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THE 5 ELEMENTS: A TOOLKIT FOR TRANSFORMATION

The RAD framework is how we adapt to disruption and uncertainty as leaders and companies. Yet as leaders know, this is only the beginning. There's more work we need to do in order to ready ourselves for implementation in our organizations. The brain-bending we need is wrapped around the disruption mindset, which is based on and flows from five key elements. These are the pillars on which we build our attack plan for changing how we do business in this new environment. Based on my work with more than sixty enterprises around the globe, working with people on the front lines and in the C-suite, from all corners of an organization, I've come up with the 5Es: five characteristics of RAD organizations: Empathy, Exploration, Evidence, Equilibrium and Ethics. Here's what this looks like:

1. Empathy | Empathy is about understanding people deeply. It requires us to temporarily get out of our own skin and try on someone else's. It's being fully present and respectful of that person's take in the moment. How you use the information and understanding you experience is something else.

2. Exploration | Exploration is what we do when we don't know. Uncertainty exists everywhere to varying degrees. We can't execute through uncertainty, which typically leads to failure. Humans are learning machines. We learn to walk, run, and ride a bike. We fail, learn, iterate, until we succeed. The faster we iterate the sooner we can execute on what we've learned.

3. Evidence | Evidence" is short for "evidence-informed decision-making." Evidence comes from the data we receive through experiments, execution results, feedback

loops, and insights we glean through customer empathy work. Decisions should not be made purely by data, except in rock-solid, known-known circumstances. Evidence is a key to forming consensus.

4. Equilibrium | Equilibrium is established when you have opposing forces that result in a stable system. When one force becomes too strong, the system becomes unstable. Equilibrium inside the business requires balancing efficient execution with exploration. Strategy determines what the stable system should look like based on priorities and gaps in progress toward desired outcomes. Leaders and employees also must achieve a stable equilibrium in their lives. Many forces are at play, including family, security, health, and work.

5. Ethics | Ethics determine the values a company seeks to maintain in pursuit of its mission. Ethics includes how businesses interact with customers, manage data, including behavior tracking, and privacy, among many other considerations. Ultimately, companies need to define expected behaviors, establish guardrails, and enforce accountability. Leaders must model their values. Ethics also establishes the relationship between leadership and employees.

When it comes to implementation, the most common issues I hear are:

- How do we get leadership buy-in?

- How do we get aligned on strategic priorities?

- How do we create an innovation mindset?

While it helps to understand the concerns, these questions are off the mark. In my experience, leadership is bought in. They recognize that the old way of doing things is not working. They see that at the economic level, with the rising inequality, and they see it in their businesses, where growth is difficult to find while at the same time there's little more opportunity to squeeze more efficiency from the organization.

The pandemic brought more issues to bear that cost money, time, and resources. Issues like employee health and happiness, operational disaster preparation and recovery, and community well-being. Needs, in other words, that aren't compatible with the pure execution mindset of the twentieth century. Leadership is aware of the need for a more "innovative" mindset, but it can't be in service only to "innovation." The question isn't whether change is needed, but what that change will look like and how they can get it. Traditionally, big consulting firms help with strategy and designing top-down "innovation" programs, or "culture change," or "transformation," all of which start with another reorganization. To beat a dead analogy in the face, it's another plan to rearrange the deck chairs on the *Titanic*.

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Additionally, many executives and middle management have spent time with leadership coaches to learn and practice some of the desired behaviors mentioned above, including empathy, vulnerability, and empowerment. But how to apply it to daily challenges is not apparent, when there are numbers that need to be hit, fires to fight, more meetings to attend.

Missing is where the rubber hits the road: In the end, it's the behavior change in the bottom layers of the organization that drives true organizational change. It can't be just top-down driven. Approaching change from the ground up is an opportunity to equip talented, learning-hungry people with tools for transformation, build shared values and trust, and optimize performance. Your people lead the way. But not without tension. Once the behavior change occurs on the bottom layers, middle management finds itself in an untenable position: pressure to change in the form of words from the top, change bubbling up from below, yet no modifications to skills, performance measures, or incentives to new behavior. They're caught in a pincer move.

Building and maintaining a resilient, aware, and dynamic system starts by taking specific action that puts the 5Es into practice. One must do this in such a way that leverages existing capabilities while also incorporating new skills development, as in the leadership traits mentioned above. Company impact should be built into the action, such that success is demonstrated as quickly as possible.

As mentioned, this is hard work and there is no one-size-fits-all solution. Nor is there a fixed organizational structure, ready-made frameworks, or airport business books that can tell you how to get to the other side of the long, difficult journey in front of you.

My hope is by sharing this framework and the knowledge of organizations that have successfully figured out components that work for them, ideas regarding what the desired outcome looks like, and specific actions you might adapt and use to get going, you will be prepared to start the adventure.

In my view, the first step is to not plan. In fact, that's mostly what's happened over the last decade. Since the Great Recession, there has been a lot of talking, planning, reorganizing, and digitally transforming, without actually driving the real changes necessary.

To kickstart change, you have to start. You have the people with the right mindset to get started today with a structured program to work in a less structured way. A successful kickstart brings a positive return on investment. To accelerate change, you simultaneously expand the program while also putting in place the vision, values, and vector of the program in service to the organization's mission. Successful acceleration results in "product-market" fit, meaning the program is creating momentum for change.

Scaling change is the long journey, requiring modifications to the broader systems, processes, capabilities, and mindset. As with Joseph Campbell's *The Hero's Journey*, the internal obstacles are formidable. But again, you have the allies and champions to get over them. Successfully scaling means that the new mindset becomes the new norm. An enduring system requires an organizational design that is resilient, aware, and dynamic. You no longer have to push the new mindset. Desired behavior comes out of the structure. Ultimately, the system surviving new disruption will be the test of an enduring system.

A business that *works to maximize efficiency in achieving its mission* is a statement everyone can get behind. Corporate values, based on ethics, establish the behavior needed to achieve the mission within the laws of capitalism. Customers become the primary beneficiary to value creation, since they are likely to be a core part of the mission. Empathy and exploration skills help organizations serve them better now and into the future. Empathy, exploration, and equilibrium principles, applied internally, empower employees to execute on the mission. Evidence-informed decision-making provides a means to overcome disagreement, cut through biases, and build consensus on ways forward. Eventually, all this directly results in value for shareholders.

These five elements put into practice immediately, iterated upon, fine-tuned, and made part of the company culture are primed to scale. Organizational structures put into place that natively produce desired behaviors ensure the new way of working endures. This is a twenty-first-century system that produces and supports a successful digital age disruption mindset. Ensuring businesses thrive in the twenty-first century based on creating value for customers while demonstrating respect for employees and also producing positive returns for investors is the first step, and a vital one, toward owning disruption such that it works for all of us.

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MAKING ORGANIZATIONS DISRUPTION PROOF IS A CHOICE

Transforming your organization requires strong top-down leadership with equally strong ground-up behavior change. Gone are the days of hierarchical, command-and-control, execution-minded, output-driven management. Here are the days of working with speed and agility, with empathy, vulnerability, and the empowerment of people. Here, too, are the days of less hierarchy while still maintaining some hierarchy; accountability, but with new metrics; and leadership that rallies people, both for their own benefit and that of the world.

The promise of capitalism has always been about raising the standard of living for all people. It's not a zero-sum system. For much of the twentieth century, capitalism made the middle class. Capitalism solves problems. We celebrate that. But it doesn't do so perfectly. It is sometimes ugly, brutal, and systemically discriminatory toward people who have had as much to do with its success as anyone. In a world filled with invention, value creation, and entrepreneurial spirit, there's absolutely no reason why we cannot apply this spirit to fixing problems in the system itself. We will continue to succeed through capitalism by reinventing how it works for the twenty-first century, leveraging the revolution from the industrial to the digital age by purposefully making disruption work for all.

Finally, it's worth reminding you that we all wear multiple hats in our lives, whether as business leaders, students, parents, siblings, volunteers, and so on. The RAD mindset and Five Elements (5Es) can play a part in helping us navigate many of our different hats. By learning how to apply the 5Es to other organizations we are a part of, we can help make them RAD as well. ⌖

Info

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