Essay

Anticipatory Action Learning, Leadership, Strategy and Foresight: Creating a Successful Future While Enhancing Results Today
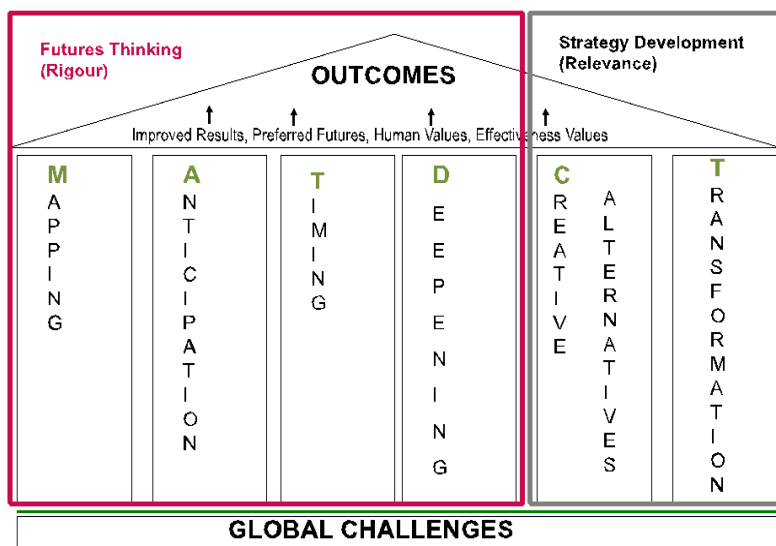
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The opportunity for CEO's and other senior leaders to improve their leadership effectiveness and organisational performance through futures thinking and strategy development is examined. The framework for this paper is based on the model below positioning futures thinking in a leadership context as the thinking that's needed to do first before executing strategy. This is in order to challenge assumptions and consider the alternatives (scenarios).

Strategy is what you actually do. Strategy happens in the present, in the now, by individuals engaged in insightful dialogue. Strategic and business planning, although very important, is only espoused strategy, it is not strategy in action. This is why futures thinking matters. It is the thinking that's needed to be done before even thinking about strategy. It is the rigour needed to create the relevance. Therefore, linking organisational culture with learning, strategy and leadership is critical.

The conceptual context is based on the work of Professor Sohail Inayatullah with particular reference to his six pillars of futures studies as I have interpreted below. The first four pillars represent the rigour of futures thinking by setting priorities through mapping the past, present and future, then disturbing that map through anticipation and emerging issues analysis, timing the future using the patterns of change from macrohistory, and finally deepening the future using Causal Layered Analysis (CLA). This is represented as the rigour in the left side in the model below. The strategy development box on the right side of the figure below represents the relevance by scenario planning work and putting it into action for strategy and transformation.

Fig. 1: Six Pillars Analysis

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Underpinning this is a foundation pillar, that of transformational leadership (what kind of world do we want in answer to our global challenges?) which relates to all the pillars to apply strategic foresight.

Clarifying scenarios are about their future context and how to use this context to inform what to do in the present. The business case for futures theory and methodologies is that the futures tools and methodologies not only are challenging conventional assumptions, but they are also challenging the worldviews, myths and metaphors that created these assumptions in the first place. This allows new thinking to emerge that has the potential for forward thinking executives to significantly increase their innovation to co-evolve a desired emerging future as it occurs in the here-and-now to enhance strategy. A strategic plan is not rigid. It does, however, give the parameters within which to work. That is why it is important to base scenario and strategic planning process on a real understanding of the external environment achieved through futures thinking, scenario planning and backcasting.

Better performance evidence of corporate foresight (CF) was made by Rohrbeck, (2017, pp. 105-116) in his paper on corporate foresight and its impact on firm performance:

> To our knowledge, our study is the first to be able to report on the strategic foresight maturity of companies and its impact on firm performance in a large dataset. Our study has produced strong evidence for the positive impact of CF on firm performance. We used a seven-year time-lag to allow for the translational processes from corporate-foresight insight, to action, to value appropriation. This analysis revealed that vigilant firms had a 33% higher profitability and a 200% higher market capitalization growth when compared with the sample average.

To succed in intergrating futures into business planning, It is preferable to position foresight as a means to achieving existing business goals, rather than as another goal for already-busy executives. The emerging business case for using foresight work includes both profit improvement opportunities and risk mitigation requirements. New market forces are creating new profit opportunities and threatening companies' social license to operate. Smart sustainability strategies address both as Bob Willard (2008) claimed at the *Communicating the business case for sustainability* program SEA (Sustainable Enterprise Academy) seminar June 2 2008 at the Schulich School of Business, Toronto University, Canada. Organisations need to tailor the business case to their particular situations. As with sustainability, foresight champions should anticipate arguments against their proposals and arm themselves with effective counter-arguments to push-backs from sceptical executives. The futures approach described above enables the counter-arguments.

The approach is to adopt a balanced portfolio that looks at the future (there) and the present (here) at the same time. This is achieved by using the future to inform planning in the present. In particular three areas for examination are discussed:

1. Corporate Foresight and Deep Learning
2. Corporate Foresight and Leadership
3. Corporate Foresight and Strategy Development

These three areas are essential for success as they cover the human dimension as well as the strategic dimension needed for highly productive and successful outcomes that do no harm.

Corporate Foresight and Deep Learning

> The culture of management is built around the assumptions that mistakes will occur but that one should not make the same mistake twice. To learn a complex new skill, however, we will make mistakes over and over again as we practice and slowly get better. To speed up this kind of learning we have to provide practice fields and coaching in a psychologically safe environment. (Senge, 1990)

Futures thinking is one way of creating a psychologically safe environment by positioning future possibilities as learning opportunities. In learning to live with uncertainty, it is necessary to become a lifelong learner and be constantly gaining new skills in order to be as multi-skilled as possible and therefore have greater opportunity. Whatever the organisational forces might be, you still have to assess your own personal readiness to teach others. Teaching others is a very good way of learning, as it is also reinforcing your own learning. This requires, in Tichy

and Cohen's opinion (1997), who ran G. E's Crontonville learning centre, several characteristics. One is having a teachable point of view – beliefs in what will make you win today and the principles for running and growing a business into tomorrow that can be clearly communicated. The other requirements are an intense commitment to development, the willingness to be a vulnerable role model and the ability to personally coach and mentor.

Corporate foresight and deep learning can play a significant role in organisational effectiveness by opening up possibilities of choice and more effective communication. Historically education has been largely based on rationality and explicit knowledge. In more recent times there has been a shift in corporate education away from the acquisition of knowledge for its own sake, to the acquisition of specific information as a means to a defined end for enhanced performance. I refer to this shift as the 'performance cult' (Burke, 2004) which to me has undermined the fundamental purpose of education which is inquiry (Burke, 2002)[1]. A deep learning challenge is how to placate vested interests at the same time allowing learning freedom. The focus is not to frame the future of leadership education for performance per se but to equip leaders as inquirers, through deeper learning, so they can be part of a process that creates different types of identities, processes, structures: possibilities.

Possibilities and identity are our underlining assumptions that often challenge us to engage in significant unlearning and deleting what we believe to know deeply, even unconsciously, in order to learn to understand how resistance to change presents. How we learn and how we develop what we think is 'right' and what we think is 'true', summarized as how we develop our worldview. Our worldview is the way we see 'the world' and how we see any situation we are confronted with. It is the reason for conflict, for religious and other beliefs, and why we make judgments about almost everything and everyone we come in contact with.

Critical Processes and Critical Capabilities

In order to lead and plan for the future there are certain critical processes and capabilities required. These can be learned and will help us dive to a deeper level of learning.

Normann (2001, p. 249) argues there are five domains of critical capabilities and three domains of critical processes.

The Five Critical Capabilities are:

1. *The style of interaction (the social domain)* - critical issues are discussable and confronted rather than non-discussable or internal power games.
2. *Cognition, worldviews and mind-frames (the cognitive domain)* - the ability to move between conceptual levels of "seeing" things from the angles of different paradigms - of framing.
3. *Artefication skills (the design domain)* – artefacts can be physical or mental (memes). Manifest the identity of the concept of "structure".
4. *Ecological interfacing (the spatial domain)* – "the edge of chaos" for the purpose of reinventing ourselves to survive without fully "controlling".
5. *Political leadership (the power domain)* – using power to protect emergent processes as well as to mobilise power to move ahead.

The Three Critical Processes are:

1. Single loop learning (maintaining consonance) leading to adaption and correction within the existing paradigm (innovation).
2. Double loop learning leading to reframing and a new consonant framework – "the great new idea" (creation).
3. Learning how to learn / knowing how to know leading to recurrent purposeful emergence ("The Great Organisation").

Added to these three critical processes in futures work is narrative learning, learning how to link strategy with story.

To enable us to be enterprising and innovative we need to link leadership and learning together as the key to productivity and profitability so as we have the confidence and knowledge to innovate. Creativity, on its own in my

opinion, is not innovation. Creativity plus implementation is innovation. Innovation can be either incremental or disruptive. It is one thing to have a great idea, but it is the doing of it, by mobilising people into action, that is leadership.

Corporate Foresight and Leadership

The leadership role in a futures context is important because it enables you to examine the future you truly desire and to give priority to actions for achieving this, as well as simultaneously enhancing the present. The distinction between linking long term with the short term is pivotal and is demonstrated through backcasting, i.e. from there (the future) to here (the present). This means challenging what James Dator, Professor of Political Science and former President of the World Futures Studies Federation (2009), calls "crackpot realism", the view that there is no change and that thinking like we did yesterday actually works.

Corporate foresight and leadership are linked because the primary role of leadership is to create through actions, culture, and strategy a preferred future for the organisation, its vision. Usually this always involves some sense of disequilibrium and change, always involves people, and is usually, as a result, always creating a level of anxiety. Foresight is an effective way of navigating anxiety in a productive way in a safe psychological space, by devoting time and method to it.

Leadership embraces multiple intelligence and both rational and non-rational behaviour (IQ/EQ/SQ). The rational parts of our intentions are to set the direction for the organisation through a vision, usually through the process of futures thinking and strategic planning. The next step is to lead the organisation towards that vision and to translate that vision into what it means to the market and to define what that market meant and in which segments of it were we most likely to succeed, and from this to build robust processes across all functional parts of the organisation and to deliver these to the customers. The non-rational intervention includes motivating and skilling people to run the processes so as they can deliver them to the market and hence achieve the vision and for the team to find new insights about themselves, through the exploration of attitudes, beliefs and values.

The community at large can learn to generate a wealth enhancing knowledge environment by understanding that sometimes it is necessary to destroy the old in order to create the new. Constructive destruction, in my view, is why community and organisations cannot operate effectively independent of each other. Most constructive destruction emerges not from organisations but from individuals in the community. There are no institutional substitutes for individual entrepreneurial change agents. Entrepreneurs are central to the process of creative destruction as they bring the new technologies and the new concepts into active commercial use often as a result of foresight work.

Sohail Inayatullah (2019) writes "To conclude, in times of dramatic change, we don't simply need better maps of the changing world, we need special powers or super powers to avoid the futures we don't want and create the futures we do". Along with the superpowers of understanding alternative futures, most important is the superpower of leadership.

The leadership superpower which has the effect of mobilising people into action to facilitate the necessary changes sought. Such leaders provide their associates with a sense of purpose that goes beyond a simple exchange of rewards for effort.

Adaptive Challenges and Leadership

Futures thinking moves people into the realm of strategic leadership capabilities. It gives them the tools to navigate the anxiety the future can hold as most change is approached as a technical problem, with a readymade solution, rather than as an adaptive challenge. Technical problems (even though they may be complex) can be solved with knowledge and procedures already in hand. Adaptive challenges require new learning, innovation, and new patterns of behaviour (Heifetz & Linsky, 2002). The most common leadership mistake is treating adaptive challenges as if they were technical problems. Leading effectively requires recognising both the adaptive and technical aspects of a situation and tailoring your efforts accordingly.

The leadership role of futures thinking is understood as shaping the future by providing direction and vision, hence problem definition and solution. It is also to provide protection, particularly from external threats. The leadership role is also one of creating order so as to maintain stability. (Heifetz, Linsky, & Grashow, 2009)

Adaptive leadership is the framework people need to effectively close the gap and make their aspirations reality. It provides a disciplined approach when dealing with what they care most about. Adaptive leadership is purposeful evolution in real time. Kegan and Lahey (2009, pp. 310-314)) argue that one of the ways in which leaders can lead is by honouring the distinction between technical and adaptive learning agendas.

An example of this is the Global Financial Crisis (GFC). The term "Global Financial Crisis" (GFC) is a misnomer that attempts to divert attention from anxiety about the real problem - that is, treating the crisis as though it was a technical problem with a technical solution. "Finance" was not responsible for the humanitarian tragedy this "crisis" precipitated. It was in my mind, a Global Leadership Crisis (GLC). A leadership component of good futures thinking, and strategy development practice is to checklist what you do against STEEPLE (or a similar checklist). That is:

Table 1: STEEPLE

Checklist	Conditions
Social	Does it meet the needs of society
Technical	Is it using all technical methods available, including social technology
Economic	Does it make sound economic sense for all tiers of society and does not favour one tier at the expense of others
Environmental	Does it comply with best practice environmentally including, but not exclusive to, the natural environment
Political	Does it benefit all society without creating losers
Legal	Does it comply with all laws and therefore is the right thing to do
Ethical	Is it good

When we examine one of the major factors (but certainly not all) contributing to the GFC - sub-prime housing loans in the USA - it can be argued that had the financial institutions checked their advice against STEEPLE the future may have been different as it appears it only got a tick for legal. A futures thinking approach may have revealed they were not giving good long-term financial advice.

Corporate Foresight and Strategy Development

Cynthia Montgomery (2008) writes:
- If your company were shuttered, to whom would it matter and why?
- Which of your customers would miss you the most and why?
- How long would it take for another firm to step into that void?

Montgomery writes that when the questions are presented, classrooms that minutes earlier were bursting with conversation fall silent—not because the questions are complex but because they are so basic and yet so difficult. Managers long accustomed to describing their companies by the industries they are in and the products they make often find themselves unable to say what is truly distinctive about their firms. For these leaders the challenge is a matter not of unearthing an existing purpose but of forging one.

An understanding of purpose and culture, and how to transform it, is a crucial skill for leaders trying to achieve strategic outcomes. Strategic leaders have the best perspective, because of their position in the organisation, to see the dynamics of the culture, what should remain, and what needs transformation. This is the essence of strategic success.

Montgomery (2008, pp. 54-60) argues that at heart, most strategies, like most people, involve some mystery. Interpreting that mystery is an abiding responsibility of the chief strategist, the CEO. The need to create and re-create reasons for a company's continued existence sets the strategist apart from every other individual in the company. He or she must keep one eye on how the company is currently adding value and the other on changes, both inside and outside the company, that either threaten its position or present some new opportunity for adding value.

Strategic planning often fails to acknowledge that to be effective it must be informed by the future so that actions taken today are in the service of that future. Businessdirectory.com defines strategic planning as "a systematic

process of envisioning a desired future and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them. In contrast to long-term planning (which begins with the current status and lays down a path to meet estimated future needs), strategic planning begins with the desired-end and works backward to the current status." This is backcasting by method. As researched by Sohail Inayatullah backcasting is enhanced by incasting using his method CLA (Causal Layered Analysis) before forecasting.

For example, I used CLA with the Australian and New Zealand arm of one of the world's largest financial services organization which I will refer to as FI for confidentiality reasons.

Their issue was "*Our perception of the skills shortage now is shaped by our current world view and assumptions."*

As a result of CLA, FI proposed several short-term initiatives to overcome their skills shortage today. Some "radical" long-term opportunities also exist, which could move FI from player to leader in attracting and retaining talent. Of most significance, however, FI targeted unconventional labour (e.g., developing economies) and to "Sponsor" a third world community in Asia / Africa. As financial advice becomes more "virtual" and remote in the future FI could develop talent by establishing an "FI University" in a burgeoning "third world" community where geographical boundaries will be irrelevant. Language translators will mean language will be no barrier for a virtual advice experience.

Table 2: FI CLA

	Deconstructed	**Existing**	**Reconstructed**
Litany	Home grown Intense competition for young, qualified professionals (First entrants to workforce, professionals in mid-career)	Shortage of skills / talent / people in Australia and NZ (A/NZ) Pool of skills is reducing in size Competition for that skill pool is increasing	There is no shortage of people and/or skills outside A/NZ, if we invest in skills, training and development
Causes	Most of the world's population is non-western, poor and in third world countries	Strong economic growth worldwide – Developed countries Low unemployment worldwide – Undeveloped countries Reducing participation in workforce in A/NZ - Ageing population, workers going abroad	Non-western, third world countries enjoy strong population and economic growth
Worldview	Current A/NZ population mix ("western") is the only skill pool relevant to FI A/NZ	People have to fit into our current business model	No geographical boundary to the skill pool FI A/NZ can access – Developing countries provide a rich talent pool
Myth/ Metaphor	My Island Home "Anchored to our land"	One size fits all "If it doesn't fit, don't wear it"	Don't tie me down "Up the anchor"

The value of CLA for FI came from using this chart to understand how decision making is made, not as a criticism, but as deeper learning. An appreciation of the conscience power of worldview which in turn is a response to the unconscious power of myth and metaphor created, passed on, and sustained over time, as their right of passage. In this case that their skills and talent needs are to be found in Australia and New Zealand exclusively. By using the chart in this way enabled them to be free of this burden, first, by having them articulate their current thinking, then to get them to deconstruct how this thinking evolved over time. The result was a deep learning experience of the power of myth, metaphor and worldview in dominating strategy decisions. From this they were able to reconstruct a different future, understanding the significance a consciously created worldview supported by an enabling myth/metaphor, enhances the successful implementation of strategy for obtaining the people with the skills and talent the organisation needs to achieve their preferred future from previously unthought of places such as many parts of Asia and Africa.

Failing to measure result

Angela Wilkinson (2011) states that the challenge of producing actionable foresight rests critically on the client: who will use foresight and for what purposes? The test of good/bad scenarios is did the work produce the client's needs? 3/4th of the work is in producing scenarios and understanding what they are for and how they can be used. This 3/4th is the work upfront which is very important. In Inayatullah's six pillars model this is represented by the rigour of the first four pillars. The timeframe for scenarios depends on the purpose you have given for yourself or for someone, as the client is always an individual not an organisation. The outcomes sought are to help individuals to focus on their own actions to support them to take responsibility for innovation and creation by becoming more comfortable with taking some risk and to provide relevant data that identifies issues or trends that may not have been considered. Then as a group, going forward collectively to think about and map out what happens today versus what you want in the future, and how you might work better together to build a work environment supportive of change and innovation.

Wilkinson states that clarifying scenarios are about their future context and how to use this context to inform what to do in the present. They are about sense making, value judgement, and learning to enhance our instrumental judgement to reveal what could happen so as a clear set of decision points can be constructed. Scenarios are inviting you, as part of your job, to get to places of alternative thinking and to see the world as less narrow. Facts are always in the past and knowledge theory is usually evidence and fact based. However, for effective strategic foresight work taking something for a fact is a lazy way of thinking, claims Wilkinson.

Conclusion

As I wrote in my essay (Burke, 2005), given the plethora of courses, models, tools and leadership techniques available to enhance organisational effectiveness one could be forgiven in thinking that if you invested in these the successful operation of an organisation would be relatively straight forward. If you employ people with the 'right' skills and capabilities, get 'buy-in' from them through vision, mission, value statements, and with the creation of the 'right' culture and provide leadership skills accompanied by 'feedback' in the form of direct and anonymous feedback then you have all the hallmarks for a successful organisation that will achieve 'alignment' culminating in financial and organisational success. That said, from my observation, there are very few organisations today that don't do any, if not all, of the above but still fail to achieve the outcomes expected.

A more effective approach is one in which corporate foresight and strategy development occurs and includes the four 'castings' when co-created: backcasting, incasting, forecasting, and then broadcasting the new narrative, the new story. Linking Corporate Foresight and Deep Learning with Corporate Foresight and Leadership and Corporate Foresight and Strategy Development is the ideas, decisions, and actions that enable an organisation to succeed. Strategic management analyses decisions and actions an organisation undertakes in order to create and sustain a competitive advantage. Strategic leadership, however, is the need to create and re- create reasons for a company's continued existence.

Strategy is action in motion. It is dynamic and happening in the present. Strategy is a continuous cycle of insightful leadership dialogue with an engagement process of quantification, analysis, creative, critical and futures thinking. If that relates to the espoused strategy as dictated by the organisations strategic plan it will be effective. Often it is not effective because at least one of the three components (foresight and deep learning, foresight and leadership and foresight and strategy development) was not inclusive of each other and of all voices or not considered. Non-appreciation usually takes the form of omission and avoidance and therefore non-actionable with no possibility of people being mobilised into action. As a consequence, the changes espoused are a fantasy.

Notes

1- The traditional distinction between the verbs enquire and inquire is that enquire is to be used for general senses of 'ask', while inquire is reserved for uses meaning 'make a formal investigation' (en.oxforddictionaries.com).

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