MASTERCLASS INSIGHTS:

Beyond Measure – the big impact of small changes: Margaret Heffernan

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Overview and Key Takeaways

A former CEO of five businesses and author of several books including her most recent titled "Beyond Measure: The Big Impact of Small Changes", Margaret Heffernan is an acute observer of human patterns of thinking and behaviour, in particular those that often lead managers and organizations astray. In this Masterclass, kindly sponsored by Zurich Life, Margaret revealed how deceptively small measures can have a disproportionate impact on building a strong, sustainable organisational culture. In her keynote she drew on her considerable experience in business, and ability to synthesise and apply diverse models and thinking, in a challenging and insightful reflection on current organisational, leadership and societal topics of concern.

Wilful Blindness

Margaret began her reflection by looking at the concept of Wilful Blindness. This is a subject she addressed in her 2011 book. Wilful blindness is a legal term, cited in the trial of Enron's Skilling and Lay, which states that if there is knowledge that you could have had and should have had but chose not to have, you are still responsible. Margaret researched several cases across business and society and found in all cases there were people who had 'spoken up' but were ignored.

Margaret now sees that wilful blindness has a second aspect – not only is it the failure to see and acknowledge cracks and problems, but it is also the failure to see opportunity, creativity and innovation.

The session was infused with stories such as that of the epidemiologist Alice Stewart who identified the correlation between x-rays during pregnancy and the rate of cancer among children, but who had to champion this for 25 years before a change of procedure in the NHS. Margaret used this story as an entrée to the discussion of the role of mental models in wilful blindness.

Mental Models

Mental models are used to organise and understand data and the world. The tendency, however, is to trivialise, marginalise and repel all contradictory data that doesn't fit with our mental model. (Paul Krugman ... the data which made it into my economic models was more important than the data that did). The link between ignoring data that doesn't fit with a mental model and wilful blindness is obvious, so we seek to mitigate against this by working in groups which allows for others to see our blindspots. However, because we typically choose to work with others who have the same mental model ourselves this doesn't happen!

Citing the Texas City Refinery explosion of March 2005 as an example, Margaret discussed the dangers of overtiredness and multi-tasking in an already stressful situation. She mentioned that when the brain is too tired the critical thinking facility is the 'first to go'. Missing one night's sleep is equivalent to being over the limit and prolonged 'overwork' is associated with earlier cognitive decline. She said that research had shown multi-tasking was not productive and again when assaulted by too much information, we lose is what we need most: critical thinking.

Fear and futility

Returning to Wilful Blindness, we have seen that some people do speak up. Why don't more people? A survey of employees in the US and Europe indicates that 85% of employees have issues at work that they do not voice. The top reason for not doing this in the US is fear; in Europe fear is the second reason, the top reason is futility. (Note: it's important to state here as Margaret did during the Q&A session that the speaking up we are talking about here must be about the stuff that matters.)

Margaret moved the discussion towards what happens in the group dynamic that militates against people speaking up. Referenced Stanley Milgram's experiments in obedience and Solomon Asch's in conformity, Margaret said 'we are not the same people in groups as we are alone' and 'when we come into work, our moral focus shifts from wanting to be a good person to wanting to do a good job, and by in large most people see doing a god job means doing what they are told.' Hence, no one takes action. Failure leads to Wilful Blindness. (Margaret says 'our hope in organisations that people we hire to be independent thinkers will prevent this is fragile.')

Bystander Effect & Diffused Hierarhy

Other thinking referenced by Margaret at this juncture were the Bystander effect (the more people who see something going wrong, the less likely an individual will help. We think 'Someone else is going to do something.) and Diffused hierarchy ('There are so many people above me, someone will do something.)

So Wilful Blindness happens for human reasons – adherence to our mental models; bias and being drawn to people like ourselves; not speaking up because of fear or futility or being conformist; or because there is always someone to blame.

During her study of Wilful Blindness Margaret because interested in the people who do speak up and wonderer if there was something special about them? If there were maybe we can start to hire these people. She found those she spoke to to be all different apart from being detailed oriented and paying attention to data. In general, they were compassionate, dedicated employee who tried to speak up because they loved their institutions and felt let down.

Margaret says that instead of looking for these special people who speak up, organisations should seek to create and environment, set of conditions or climate of safety where challenge, question, argument and debate are encouraged and where people feel they can speak up both in terms of problems and ideas. One suggestion is to actively question our decisions using questions such as 'How might the least powerful be impacted by this?' 'How would this decision look like if it were on the front page of the paper?'

It has been believed that making people compete against each other makes them more productive. Margaret says this works to a point but ultimately this creates a climate of threat. She said that collaboration pays greater dividends, and notes that in a collaborative environment, people are more likely to speak up.

Collaboration through helpfulness

Margaret spoke about teams in the context of collaboration. She referenced Tom Malone, Professor of Management at MIT and his research on collective intelligence. We know that those with high IQs have higher problem solving abilities. If we combine people with high IQs in teams how does this team perform versus a lower IQ aggregate team? In his work he found out that the highest achieving teams not equal to highest aggregate IQ; the highest achieving teams had 3 characteristics in common- they score high on empathy, there were no passengers and no dominant voices. There were also more women.

Margaret suggested that collaboration showed up in an organisation as helpfulness and supported this with some research from the banking sector, Bell Labs and ARUP. Helpfulness is linked to the sociological principle of Social Capital. Margaret believes that development of Social capital is a vital factor in reducing Wilful Blindness and increased organisational creativity. Building bonds between people matters. She says that the degree to which people can spend time together and get to know each other builds social capital. The quality of the conversation changes.

Network Nodes

Alex Pentland, from MIT, maps organisational networks. From his work it clear that really efficient organisations are ones where the network has quite tight bonds. The most knowledgeable people and those who add most value to the organisation are those who talk to most people – these are network nodes. Margaret says that companies don't have ideas – only people do – and that these tight networks are vital in shaping a notion from inception to realisation. She mentioned other characteristics of this collaborative culture including trust and reciprocity.

Collaboration is now so urgent, says Margaret, because everything is now multi-disciplinary; because we have moved from complicated organisations to complex organisations too much for one person

to understand. To think in this type of system. (Philip Tetlock (University of Pennsylvania) says it's not possible to do an accurate forecast for more than 2 years out.) Margaret says highly adaptive organisations where information must flow at top speed need to have high levels of social capital. Margaret gave example of experiments in collaborative companies – including Dutch home care teams and Microsoft.

Summary

Before the Q&A session, Margaret closed off the session by looking forward to when 'we build organisations that respect the human nature of work – organisations that are efficient and productive and truly value the sustainable resource that is humanity.' Below captures the key points through an artist's impression of the session.

Q&A

In the Q&A Margaret suggested some actions to address issues around Wilful Blindness, Collaboration and the building of Social Capital:

• Find someone different from you and talk to them
• Listen instead of speaking
• Reflect on what is going to be your contribution to the organisation
• Sleep and schedule recovery days
• Consider what questions open a discussion instead of shutting it down
• Assign roles in meeting – to represent different points of view
• Reduce hierarchy and titles
• Go for a walk – it increases creativity!
• Be out in the world

- Be where you are (be present)
- Spend time with people
- Encourage people who are introverts to contribute one-to-one
- Cross generational mentoring can be phenomenally productive

References:

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February	February	March	April
THURS: 4.00pm-6.00pm*	TUES: 9.00pm-1.00pm*	THURS: 8.30am-10.00am*	Thought Leadership Webinar
16	21	9	Date and Time TBC
Talent Forum 1 Kevin Mulcahy	Masterclass 1 Jennifer Petriglieri	Advant-edge 1 Philip Matthews	

April	May	May	May
WED: 4.00pm-6.00pm*	WED: 9.30am-12:30pm*	WED: 9.00am-1.00pm*	THURS: 9.00am-1.00pm*
5	10	24	25
Talent Forum 2 Rob Cross	The Connect Lounge Fabio Grassi	Masterclass 2 (Cork) Manfred Kets de Vries	Masterclass 2 (Dublin) Manfred Kets de Vries

June	Sept	Sept	October
THURS: 8.30am-10.00am*	THURSDAY	Thought Leadership Webinar	THURS: 9.30am-12:30pm*
15	28	Date and Time TBC	5
Advant-edge 2 Fiona Buckley	National Management Conference		The Connect Lounge Tara Nolan

October	November	November	
THURS: 4.00pm-6.00pm*	THURS: 9.00am-1.00pm*	THURS: 8.30am - 10.00am*	
12	16	30	
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