

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

You can listen to past episodes at www.TheFutureOrganization.com/future-work-podcast/. To learn more about Jacob and the work he is doing please visit www.TheFutureOrganization.com. You can also subscribe to Jacob's [YouTube](#) channel, follow him on [Twitter](#), or visit him on [Facebook](#).

Jacob 00:39

Hello, everyone. Welcome to another episode of the future of work with Jacob Morgan. My guest today is Dr. Margaret Heffernan. She's a TED speaker, entrepreneur, Professor of practice at the University of Bath School of Management in the UK. She's also the author of six books, including her most recent one, which is called Uncharted, how to map the future together. Margaret, thank you for joining me.

Margaret 01:02

Well, thanks for inviting me. I'm looking forward to our conversation.

Jacob 01:06

Yes, no, I had the opportunity to watch some of your videos and listen to some of the other interviews that you did. So I have lots of questions for you. But why don't we start with just a little bit of background information about you? Because I also know you're an entrepreneur, you started many companies over the years. So take us through your, your career path, your history,

Margaret 01:28

Right. Well, I started working at the BBC, when I left university, I worked as a radio producer, doing dramas and documentaries. And then I moved to television, where I did dramas and documentaries, and ended up doing quite a lot of International Co production. And then I left and ran the leading trade association for film and television producers. And then I moved to the United States, because my husband got a position at Harvard and and the media market in Boston is pretty dreary, or certainly was at the time. So. So I started working for tech companies instead when they were just getting into multimedia in the short lived summer of CD ROMs. And that, of course that gave way to the internet. And I ended up running three internet companies, really at the dawn of the web, which was an immensely exciting place to be. And had a fantastic time did some wonderful work with some fantastic people not thoroughly burned out. And that eventually decided I really wanted my kids to grow up in Europe. So we moved back to the UK.

Jacob 02:52

Very cool. Is it true that you did a play about Enron?

Margaret 02:56

Yes. So after I moved back to the UK, I thought, well, now what am I going to do? And I felt quite strongly having run, you know, so, so many businesses that I didn't want to start another business. So I thought, Well, what do you do if you don't want to employ anybody, what can you do? And I started writing books. And the first two books I wrote were about women's careers, first of all, in corporate environments, and secondly, as entrepreneurs. And then I thought, well, I have absolutely nothing left to say about women and feminism. And I felt very much that I had a kind of written myself into what was a female ghetto in the sense that it was at the time this is in the early noughties, a time where, you know, women didn't particularly buy books about business or leadership. And men definitely didn't buy books about female businesses or leadership.

Margaret 03:56

So I thought I'd you know, as, as passionately as I feel on these issues, I've got to get out of here and find a larger audience. And I've always been quite attracted to what I think of is business car crashes, you know, these spectacular flameouts. And I had read a lot about Enron. And then Ken Lay very soon after his trial, died quite suddenly. And I got very interested in him in particular. And I ended up writing two plays for the BBC about what Enron had been my kind of hypothesis about why he had died. And so I so I wrote those and they were produced as a co production with the California Institute for the arts. So we went and did it in Valencia just outside of LA and in doing the research for that I read the transcript of the trial of Jeff Skilling and Ken Lay. And when he was instructing the jury, the judge mentioned the legal concept of willful blindness, which is that if there are things you could know, and should know, and somehow managed not to know, the law deems that you've been willfully blind, because you had a choice to know, which you shirked.

Margaret 05:24

And this really met was a sort of epiphany for me, because I knew I had seen it in many, many walks of life, not all business by any means. And it just became a kind of powerful organizing concept that explained a lot of things that had been unexplicable. before. And, and so, you know, kind of white heat, I sat down and wrote willful blindness, which definitely catapulted me quite swiftly out of my female ghetto, and found me a much bigger audience. And it was an interesting moment, because I think that before 2008, so before the banking crisis, I think there was a, well, I know that was a received wisdom, you could not write a business book that was in any way negative or critical, it all had to be upbeat and optimistic. Now, and I know this, because I had spent about a year researching a book on resilience, which my agent, you know, duly took around to every publisher in the universe, and nobody would touch it. And the reason they wouldn't touch it was because if you're interested in resilience, the implication is bad things might happen from which you have to recover. And in 2007, which is when this was the book was looking for a publisher, in 2007, nothing bad was ever going to happen. Again, read beat, boom and bust. And so why would you want to think about resilience it's pointless.

Margaret 07:08

So I was lucky in a way in the sense that by 2011, which was when willful blindness came out, people had woken up from this childhood dream, right, and nothing bad was ever going to happen again. And there was more appetite than there had ever been for books, which I think were more adult, less facile, and willing to acknowledge that actually in organizations of all kinds, all kinds of terrible things happen.

And we actually need to get those and thinking about those. And it was a change in business box. I think it was the moment at which maybe, maybe, maybe they started to grow up. They moved away from Hey, everything's great if you're just smart enough, and they also moved away from this very mechanical engineering mindset that was, you know, pull this lever and you get that kind of productivity. And, and yeah, I mean, that's the way I like thinking suddenly became fashionable. I don't think I pause that, but I was definitely the beneficiary of it.

Jacob 08:20

And your new book is obviously called Uncharted. Can you talk a little bit about why you decided to write that book?

Margaret 08:27

Yeah. So Well, after willful blindness, I wrote another kind of daring, death defying book, called a bigger prize about how competition doesn't work in the benevolent way that we think it does. And then I wrote a tiny book for Ted, because I was interested in writing something short. And, and then I kept having all these weird conversations with people where they kept asking me, what was gonna happen about Brexit? What was going to happen about Trump? You know, was there going to be another banking crisis? And I kept thinking, why are people asking me these questions? Why do they think I know. And it really made me think quite deeply about how people think about the future, and actually how poorly we think about the future.

Margaret 09:16

And I became kind of interested in what's the underlying fantasy here, which I think was it. The, you know, the future exists behind some sort of locked down door and a few very lucky people have a key and they can kind of take a sneaky peek and then report back. And I thought, That's ridiculous. There's no door, there is no key the future hasn't happened yet. Therefore, it's intrinsically unknowable. But also encountered Philip Tetlock's research that showed that, you know, if you're very, very rigorous, and you read a very broad cross section of impeccable sources, and you're constantly updating your forecasts, and you're always Assigning probabilities to them, then maybe if you do all of that consistently, and you evaluate each forecast to see how well you did, maybe the farthest out you can see accurately is 400 days. But if you're not as rigorous as that, and most of us are not, probably the window for accurate forecasts is 150 days. And this a bit like willful blindness just stuck in my head and thought, Well, you know, companies the world over doing one year plans, three year plans, five year plans, you know, in some, in the UK housing associations are required to do 30 year plans.

Jacob 10:43

Wow.

Margaret 10:44

I thought this is madness, right? This is madness, the way we've been everything about the way we've been teaching, management does not work. If the first part of forecasts plan, execute, doesn't work. And we're going around using a 20th century, maybe even 19th century mindset in the 21st century, and no wonder things are going horribly wrong. And so that's really what the genesis of the book was,

which is, you know, why can't we know the future? And once we accept that, if we can't accept it, what do we need to do?

Jacob 11:23

So do you think that forecasting or thinking about the future is just something that we we shouldn't be doing at all?

Margaret 11:30

No, I absolutely don't. But I think we have to be superbly humble about how accurate we're likely to be. And I think we have to, we have to ask a whole range of very different questions. So first of all, we have to understand in our in our businesses, and also to some degree in our lives, we have to understand the difference between complicated and complex and recognize that you need to approach the two in quite radically different ways. complicated things are things that repeat it can repeat themselves, with predictively. So a lot of old fashioned management works just fine on those running an assembly line is the same as running an assembly line.

Margaret 12:18

But there's a lot in our lives, it's complex. And some of it really looks simple, but isn't. But they're just lots of lots of different forces acting on lots of different forces, most of which we can't control, many of which we can't see where there's quite a lot of change, and therefore their expertise won't necessarily keep up with that change. And in those environments, you need a very, very different way of working. So in addition, you have to think about how much in a complex environment you might never be able to predict accurately. And in those cases, you have to do two things. You have to really forget about efficiency, because efficiency will strip you of the capacity to respond and start thinking about preparation instead of planning. And you also have to start thinking about in this in this complex environment, what might be the high impact events for which there is a high likelihood, which I have to prepare for, even though I can't predict it? And you obviously can't in it, because you obviously can't prepare for everything. Right?

Margaret 13:41

So you have to think about what are the things that could really undo me, for which there is a very significant probability? And how do I cushion myself against that, well in advance of needing to, because when it happens, whether it's an extreme weather event, whether it's a banking crisis, whether it's an epidemic, I won't have time to plan. So I have to try and get ahead of this problem. Now, recognizing that if it never happens, I may have wasted a lot of time and money, but it's simply too uncertain for me to ignore it.

Jacob 14:24

So what might be an example of something like that?

Margaret 14:27

Well, so soso if you think that the banking crisis of 2008 one of the reasons the crisis was so severe, is because all of the banks were being hyper, hyper, hyper efficient with capital. So everything was basically spoken for, right? So when you suddenly need lots of capital, the banks didn't have any why

that's a that's a classic example of being too efficient in a complex environment. Now, all of the banks have agreed under the Basel regulations to hold far more capital. Now this is inefficient, you're not making money out of it. This is terrible. This is what bankers hate doing. Right. But they've agreed to do it. Because they know that there will be banking crises in the future. They know that they don't know when they'll start or where they'll start or what will trigger it. So they have agreed to hold more capital than they were doing in the past, because it's going to cushion the shock when there's the next failure.

Margaret 15:35

Equally, I mean, I think I mentioned epidemics on page three of my book. Epidemics are intrinsically unpredictable, because every single one is different. So we know that they always happen, we know they will continue to happen. But we don't know where they're going to start. We don't know what the pathogen will be. And we don't know where they will start when or where they will start. And so, you know, one of the people I interviewed for my book was Richard Hatchett, who was the founder is the founding director of the Coalition for epidemic preparedness, which was launched in 2016, saying, we actually have to get ahead of this problem, we have to start investing now in vaccine platforms, for diseases for which have epidemic potential, which will have a huge impact. And so as thrilling as it is that we have been able to develop vaccines so fast, the truth is, we didn't just start in 2020 is, you know, the Coalition for epidemic preparedness started working this problem in 2016. And I think it's a really beautiful example of the of the strength and power that preparedness can give you. Because had we not done any of that we'd have been in a much worse situation than we are anyway.

Jacob 17:05

It actually reminds me a little bit of playing chess. So anybody who listens to this podcast or consumes my content knows I'm very obsessed with chess, I take chess lessons with a grandmaster I spend a lot of time in the in the chess world. And it sort of reminds me that because in the game of chess, you obviously you can't predict the move that your opponent is going to make, but you can think about the different options and scenarios and think about what's most likely to happen, what piece they might be able to capture. And to me, it's very much the same mentality as far as how leaders think about the future, right? Obviously, you can't predict what move is going to be played. But you can at least start to think about these and plan for you know, where the threats might be where the opportunities might be. So it's it's very analogous, I think, to what you're what you're saying,

Margaret 17:53

I think it is, up to a point, which is, you can see all the pieces on the board. And the board is the sum total of your universe. So I think if you really want to get into the kind of deep difficulty of uncertainty, right, you're playing chess with someone whose moves you can't make, you can't see it. So you're playing your game and the world is playing another and you might win. But it's, you know, it's got this, I mean, it's a very small detail that you can't see the board. But in complex environments, very small things have a gigantic impact. And so you can think about, you know, what is it likely move and in the chance of that likely move? What would my best response be? And I would imagine, there probably are some grandmasters who playing against people like me would always win it. But but not being able to see the board. Does that make a really big difference?

Jacob 19:09

Yeah, no, it does. What role do you think data plays in everything, because I was just interviewing a CEO of a company yesterday. And she was telling me that she actually doesn't make decisions in her company purely based on data anymore. Because she found that a you can get into the analysis paralysis, where it's just more data, more data, more information, and you end up ultimately, just taking a long time. And the second thing she said is that you can basically use data to tell any story that you want. And if you want to justify a decision, you know, an acquisition and investment, you can. And if you want to say why you shouldn't do it, I can use that same set of data to explain why you shouldn't. So what role does data play in all this and are we relying too much on it for decision making?

Margaret 19:52

Well, I must say I think your CEO is a very, very intelligent woman because I I work with a lot of CEOs. And I definitely see the problem she describes. And I sit on a number of boards. And, and especially over the last five years is, you know, everybody has been persuaded, you know that data is the key to everything in the universe, you know, the call for data, and then they look at it, and they don't really understand it. And because they don't want to admit they don't understand it, they ask for more. And it does exactly as you say, you know, just prolong terrible decision making.

Margaret 20:32

However, it is really useful, it's really useful, if you know, the best questions to ask. It's really useful to see what are the different stories you can tell with the data that you have. And a great deal of scenario planning, which I think is a very powerful tool for big decision making, is really saying, okay, so if we think this is a meaningful data set of hard and soft data, let's actually think through what are the stories we can tell with it? And then with each one of those, ask ourselves the question, if this were the story that came true, what would we wish we had been doing right now, that's a very powerful exercise.

Margaret 21:20

The difficulty comes, I think, with a lot of executives who want certainty. And so they think they get to choose a narrative, right? But you don't get to choose, you only get the option of thinking about it ahead of time. So that they find difficult, and many of them simply find it too hard to conjure up different narratives. So it's partly that their biases, overwhelm them. But it's also that you can take any data set, and we have quite an optimistic and quite a pessimistic story. And so surprise, you know, they generally find the optimistic one. And they find all kinds of reasons why they're really truly bad one couldn't possibly happen. And so one of the things that kind of obsesses me at the moment, is the lack of imagination that I find in general in the executive suite, which is everybody has been so data driven, and looked at the world in such a two dimensional way, that if you ask them to lift their head, and imagine more discursively, what this data could add up to good and bad, most can't do that at all. It's that's not what they're used to. They have been brought up in the world of Newtonian physics, there is cause and effect, there's no margin for error. And that's how the world is for them.

Margaret 22:56

But then, of course, the downside of that is something like the pandemic comes along. And they're completely blindsided, right, they couldn't prepare, prepared for it. They could have prepared for some extreme event. I mean, they could right now be preparing for extreme, you know, service outages. Most

of them aren't. Because they feel and this is their training, well, it's a such a waste of time and money to think about something that might not happen, then you have to go back to likelihood and impact, you've got to do this. So I think there's quite a crisis of imagination in the C suite. And it's partly because planning always used to reside in finance. And you genuinely don't hire CFOs because they're creative accountants, you hire them in order that they not be creative accountants. But it's really getting in the way. And I see this, you know, every day, it's getting in the way of thinking ahead to what kind of future do you actually want to create?

Jacob 24:07

Yeah, I think it's a very important question. In fact, a lot of people always ask you what is the future of work? And to your point, I think that's sort of the wrong question to ask. It assumes that the future is going to happen to you instead of it being something that you can shape and control. So the right question should be what is the future that you want to see happen and how are you going to build it?

Margaret 24:28

I think that is exactly right. And it dismays me that we have this fantastic opportunity now to reimagine work. And that makes most so called leaders so anxious that they would rather cut pop go right past the creative part of that exercise and start thinking about how much you know what square footage Do we need, how many desks how many chairs, and it's like, but if you do that, and then later you decide I want this kind of future. You may not, you know, you've got the wrong furniture in the wrong offices, you know, you really got to be able to lift your head out from the weeds and think long term about what is going to make our organization meaningful to the world long term. What kind of people are up for that? And how do they want to work? And when you've done that really well, then the desks and chairs will be the easy part.

Jacob 25:36

I like that. I like that. You talked a lot about forecasting in your book, and I actually studied foresight at the University of Houston, I got my professional certification there. And, you know, they talk a lot about forecasting and scenario planning, and they have that cone of possibilities framework that is, you know, quite famous. Do you think that leaders inside of organizations need to be trained in these areas of foresight and scenario planning, and just kind of thinking a little bit more creatively about the future? And how would you go about doing that?

Margaret 26:10

I absolutely think they should, because most of them have been trained in Well, what I think of as a 20th century mindset, which is very much about cause and effect, it's about complicated versus complex. So I think they need to be trained in it, not only in terms of how it works, but the kinds of people that do it best. The kinds of questions for which it's most useful. And you know, how to use it as a as a strategic tool. And I'm absolutely stunned by the number of CEOs I work with, who have never done this, they've never encountered it, you know, they've always, I mean, basically, the way that most planning works in organizations is you start with this year's business plan. And you figure out, okay, 2% 3% adjustment, you know, what, what do we think is going to happen, and that's it, and it's a spreadsheet exercise, you know, the sort of foresight that you studied, is a much more imaginative creative exercise.

Margaret 27:14

And it's also, as I'm sure, you know, it involves a lot of argument and debate and discussion, which means that as a leader, you need to be able to leave that open for as long as possible, in order that all those possibilities be explored. And you know, and we inhabit a business environment where people want to cut to the chase, you know, get through it, do it fast, and from which they want to emerge with what they regard as a sort of cap cast iron guarantee that this is the future. And, and I just don't think in the world that we live in now that that's going to work for them. And so I think, I'm not saying that financial planning doesn't matter. But I think the parameters we need to put around it are quite different. I think we have to think about in which areas, must we be resilient, which means if something goes wrong, we know we have the capacity to bounce back. And in which other areas must we be robust, which means that if there's a crisis there, we are so well protected, we won't feel a thing, which is how we design airplanes, for example.

Margaret 28:30

You know, they're very different orders of magnitude in terms of effort and expense. But there are certain areas of most businesses where actually you want to be more than resilient. And there are other areas of business, we're actually okay. If we lose a couple of days. It's fine. It's not fun. Right, but it's fine. And I think we need to understand those kinds of priorities. But But I think coming back to, you know, to what you were saying, I think the big thing is this big vision of what do we want to be to the world. And the way I talk about this in my book is I talk about Cathedral projects, which is a phrase of Stephen Hawking's. And he talks about, you know, the great cathedrals of the Western world, which were started by people who knew they would not live to see them finished. And which evolved over generations. So they're constantly incorporating new technologies, new aesthetics and new materials. And many of them, you know, have lasted 1000 years. And the way they've done that is partly their adaptability to incorporate new technologies and building methods and so on. But it's also because they've changed their function over hundreds of years right that how they work, what they do, how they say The community has changed.

Margaret 30:01

I mean, in England, you know, we have some cathedrals that are really dedicated to the homeless. Some have become art galleries, you know, but they've really been asking themselves these hard questions. What does the world need from us now. And this has been kind of packaged up, I think has a generally rather facile discussion of purpose. I don't think it needed to be facile but it's almost as if, you know, the business world is kind of too afraid to think for legendary period of time. And so now we have, you know, purpose. My purpose is, I mean, there's a bank in the UK whose purpose statement is to help Britain flourish. Now, I don't know what that means. I don't know if they I mean, you could say they could be a gardening center. They could be a health care center. They could be pet breeders, they could be any darn thing.

Margaret 31:01

So this is, I mean, sadly, corporate comms just got the idea of purpose between its teeth and ran away with it. But I think this need to have a genuine soul searching debate about what makes us meaningful to the world, what earns us our licence to operate is sorely needed in most organizations.

Jacob 31:26

In the book, you actually talk a lot about artists. My mother in law is an artist she teaches at its scad, in Savannah, Georgia. And you say that there's actually a lot that we can learn from artists. And so what is it that you think leaders can learn the most from artists? And how can they go about doing so?

Margaret 31:47

Yeah. Well, I wrote this, I mean, I'm interested that you pick this out, because my editor was quite keen for me to leave this chapter out

Jacob 31:56

Oh interesting,

Margaret 31:57

Which was a bit of a fight. And I don't like having fights, but I will have them when I need to. I included it, because I've read, I've worked with a lot of really fine artists in my time. And I'm fascinated by how they work. And I'm also very struck by the fact that artists are always not all of them, obviously, are, are ahead of their times, right? That's what we mean by the term avantgarde, right? They're ahead of the rest of us. And I've thought a lot about and talk to them a lot about how they do that. And a lot of it is simply about thinking it's an significant task to notice. What's going on in the world. What am I seeing, what does is it mean to me? What are the patterns that I'm starting to see? What might be the words people are using that they weren't using a year ago? Why is lime green the color this summer? They're just they're kind of they have mine sort of like Street Sweepers, except as a sweep up all of this apparently random stuff. They're kind of sifting through it to see, what does it mean. And in general, over time, an idea kind of coalesces.

Margaret 33:08

And then they're brave enough to think, okay, that's now what I'm going to take a big risk, and invest my time in trying to make something you know, a painting a poem, a piece of music, you know, whatever, around this story, or this idea, this observation or this word or this color. So they have lives that are saturated with uncertainty and risk. They tend to change before anybody asked them to. So they keep ahead. And all of this, I think, has a lot to teach us. And I think it particularly has a lot to teach us in terms of noticing. Because generally, we see what we're looking for, which means we miss everything else. And I think there's a crying need. And I'm by far and away, not the first or the last person to say this. To give ourselves time to let our minds wander, to hear what our brain

Jacob 34:07

Curiosity

Margaret 34:08

to tell us. Well, to be curious and to go in directions where we don't know what's at the end of that road. But also to just let our minds wander and hear what our brain is thinking. Because in general, if you do stop long enough, and give yourself enough silence in space, all sorts of things will occur to you that you have been processing but you've been too busy to pay attention. And so I think there's a lot about

the very frantic way in which we work and frantic ways that we celebrate working. And in some ways, I think maybe lock downs have been good for us. Although it's also the case that some people have been working harder than ever because actually the prospect of sitting quietly and thinking is too frightening.

Jacob 34:59

Yeah, no, I totally agree. So, how should leaders go, because there are a lot of leaders who are listening to this podcast and watching us. And probably one of the biggest questions a lot of people are going to be asking is how should I, as a leader, think about the future? So when you, coach, you said, you sit on boards, you talk to a lot of these business leaders? Do you walk them through a process, a framework, a mental reframing that they should be using as far as how they think about the future? And if so, what is that?

Margaret 35:35

Sometimes I do, uh, sometimes I kind of am the process if you like. So we're doing a lot of thinking together. I mean, the first thing I do is try to get them to understand or try to evaluate how far they understand the difference between complicated and complex. And then I try to get them to think about which bits of their business are which, because most businesses, some is complicated, and some is complex. Then, when you take if you like, the complex side of the house, I ask them to think about, okay, you know, what, how much room for adaptation and adaptability do you have in that area? Do you have the kind of processes you need for innovation, for exploration for experimentation? You understand how to use scenario planning for that aspect of the business?

Margaret 36:35

Generally, the answer to all those questions is no. So that's what we dig into. And, you know, this is pragmatic work. So we're thinking about, where are the areas where it really matters, where is mistaking complicated or complex really going to hurt you. And where the opportunities for experimentation that could really give you a tremendous advantage. So you know, it's, I mean, it is philosophical, but it isn't merely philosophical. And, and then we also look at what I think of as kind of just in time, and just in case planning, so just in time, we know about that supply chain. So but again, you know, which of the areas of your business, which you want to be resilient, which are the ones where you have to be robust? And how are you going to do that, and cleave to it and not lose your nerve, because this really is your bulwark against uncertainty.

Margaret 37:38

And and in some ways that work has become easier, because the pandemic has given people a visceral taste for what uncertainty really is, right? It's not just vagueness, it's not just doubt, it's, I really don't know what the future holds. So that part has become quite a lot easier. And although it gives me no joy to say this, they all know by now that we're in a climate crisis, they know that this is an absolutely critical decade. And if we don't put in place radical shifts in our infrastructure, we are creating a terrifying legacy for our children, and probably also for ourselves. And so now, this is this is a absolutely urgent emergency, to think about how we get all of our organizations to net zero as fast as we possibly can. And it makes the pandemic look like a cakewalk. You know, the conversations that I'm having are not just, oh, gee really be a great competitive advantage if he had a long term vision of meaning, you

know, and you could kind of put some double seatbelts on, it's like, No, no, now you this is now government policy in most countries, is going to become government policy everywhere, it will become criminal to do business, the ways Some of us are doing business, we have got to get ahead of this because actually changing fast is going to be gigantically difficult and expensive. So let's get going.

Jacob 39:29

It sounds like the first place then for leaders to start would be this separation between what's complex and what's complicated and trying to understand what fits where. But instead of doing this kind of traditional forecasting and business planning, I think one of the things you also talk a lot about in the book is the conversations, the dialogue, the debates. So do you recommend that leaders just spend more time talking to people instead of looking at spreadsheets?

Margaret 39:59

Yeah. It's, it's really it's a wonderful question. I was working with a big consulting firm A while ago. And they were saying, you know, we've, you know, we've really enhanced our products, and we've really enhanced our sales and marketing and, and now the one thing left is we really need to enhance our people and get them to be a kind of more more productive and more engaged. And I said, Okay, so where do you think you are now? And this? Well, we did an engagement survey, you know, when it and it's getting better? So last year, it went from I don't know, 59 to 61%. Okay, well, what does that mean? Well, it's getting better, is it? Well, not necessarily, you know, it could just be that everybody hated working here has left, right. It could be ran the survey on a sunny day.

Margaret 40:53

And soso what is it? What do you think it means there was this long silence? And they said, Well, I guess we don't really know. What should we do? And I said, Well, what do you think you should do? long silence. And they didn't know. I said, I think you should talk to people. I think you should buy a cup of coffee for somebody down random person down the hallway from you, and sit there and say tell me what it's like working here. You know, when you get home at the end of the day, what do you tell your kids? Do you get home in time to talk to your kids? Do they know what you do? Are you proud to talk about it? Are they curious? Or do they think it's the most boring thing in the universe? What is it like having this job as a major part of your life? Because this data, which you collected with great rigor, and granularity, just doesn't say anything. And, and it's kind of interesting, because I get the feeling that that they'd rather do the survey, because the talking to people is hard.

Margaret 42:02

But I am really interested and excited by the rise of open strategy, which is, you know, a process by which strategy is developed by large numbers of people in the company, if not all of the company. And this is really emerge partly out of things like open source, software development, a recognition of, you know, the wisdom of crowds, and a recognition that actually there is always more information at the edge of an organization than at the top. And what it's showing is it actually all those brilliant people you hired, have tons of ideas, and lots of ways to solve very complex problems. It's just nobody's been asking them.

Margaret 42:51

And I think this is really positive. And I've seen it, you know, in small companies, I've seen it in really big companies. And what I've seen over and over again, is that there are more answers and better answers to strategic questions than the leadership team alone could ever come up with. But of course, what it requires, is being great at convening, so knowing the questions to ask, and it requires a certain humility and saying, I know we're the leadership team, but we don't have all the answers. The reason everybody else is here is because we need you. And let's be honest, if we didn't need you, why would you be here? So it does require that people that leaders kind of get over themselves in this absurd expectation that they're supposed to have all the answers, I think, increasingly, the job of great leaders is to know the questions to ask. And that's not an easy job.

Jacob 43:55

Yeah. I recently interviewed Jeff Immelt, the former CEO of GE. And we were talking about some of the mistakes that he felt he made during the course of his career. And I said, What was one of the biggest mistakes that you made? And he talks about this in his book, and he says he wishes he would have said, I don't know more often? Because he always felt like he had to have an answer. He had to have a solution even when he really didn't know. So I think that fits well with what you're saying. The other thing that I think is interesting is, I think we need kind of, like you said, right, a blend of just data and the human right. Get some data, but interview people. And I think in your book, you talk about two things, or maybe this was on a podcast I heard. One was the famous Oxford jobs report, right? 35% or something of jobs will be. So you talk about that. And you talk about driverless cars and you know, this story that was painted so can you explain that a little bit for people who are not familiar with that and why you were so critical of those things? Because I I think it makes a lot of sense.

Margaret 44:55

Yeah, sure. Well, so you know, the first third of my work really is about forecasting and why it lets us down. And one of the many reasons it lets us down is because it's, it's often done with a rather misleading intention, which is that it's really done in order to come out with fantastic forecasts, which will dazzle people so much, that they'll kind of buy the argument, hook, line and sinker. So this is what other people would call propaganda. So for example, as the AI driverless cars starting to emerge, we got all of these extraordinary forecasts from Google and others saying driverless cars will be on the road in 2017, and they're going to be 100% safe. I don't think there is any product in the world that's 100% safe, to be honest, well, nevermind, you know, of course, we're going to do exceptional things. And then there are all sorts of ways you know, that were that was going to make the world a much better place.

Margaret 46:14

Now, this, of course, you may have noticed that there aren't driverless cars all over the road. So that forecast turned out not to be true. But what it really was, was A, it's a sort of mind grab to capture people's imagination, which is a step along the way to a kind of regulatory co option. So we want governments to start writing legislation that will support these things, so that if we ever can get them to work safely, we don't have a regulatory battle to fight. So let's fight it before these things exist, because then people can't say that there's a problem with them. And, and also, let's do it really fast before the car manufacturers get in the game, because this is the biggest industry in the world, and we want to

take it over. So there's nothing really legitimate about the so called forecasts. It's just it was a fantastic kind of PR, preemptive strike, to try to clear the way so that, as I say, if these things were ever going to work, the road, so to speak, was clear. In the case of the Oxford Martin forecast, which was you know, it was just, I think this was 2015. But I may be wrong about that. In that case, what was really extraordinary was that the, the forecast in and of itself, was so exceptionally gritty. So it's sad, and I'm trying to remember the exact details perfectly, but I think it said 43% of jobs would be would have disappeared. So 47% of jobs would disappear to automation by the year 2035. So 20 years from obligation, this article.

Jacob 48:18

So we still have 14 years to go.

Margaret 48:21

And I remember when I first read that the first thing I thought was, hang on a second 47 exact not 46, not nearly half 47 this is this is ridiculous. Anyway, so you know, I, I like to do my research carefully. So I went and found the paper and downloaded the very, very first paragraph quite upfront about it, it says, We're pioneering a new model. Well, what does that mean? New is code for untested. So this model of forecasting, it might be right, you might be wrong, we'd have no idea how accurate it is. But of course, it was perfectly attuned to get everybody's attention because Wow, 47% sounds so authoritative. Right? And of course, if you know about forecasting, you will know that if you before cost anything even now for 2035 That's absurd. It's just absurd. Because and and you can be you can do it because you can feel totally comfortable that by 2035, everybody will have forgotten about your forecast.

Margaret 49:31

But of course, there is an intent here. This isn't just playing game, right? It got headlines around the world, very cunning. Nearly half isn't nearly as powerful statement. As 47% say get headlines headlines around the world is the basis for our lucrative consulting, consulting business. It is quoted and I've sat in conferences where I've heard this it's quoted all over the world as gospel truth. And it really makes people sit up and think so it's fantastic for the academics who publish the article, hundreds of citations. It's fantastic for their reputation. It's fantastic for their consulting business. It's fantastic, fantastic for their fame and reputation. It just happens to be absurd.

Margaret 50:25

But a lot of forecasts, Well, I mean, I would argue all forecasts have an agenda. Many are more benign, many are more neutral. But every model is based on assumptions, those assumptions, have beliefs built into them. So it's in the nature of forecasts that you know, the data may or may not be complete. The agenda is probably unstated and because their time span of them at the time that this one was published 20 years is completely implausible. And as Maynard Keynes said about forecasting, which will because he was very worried about the forecasting business, because it really developed into a commercial enterprise in his lifetime. That the more drama there is, the more money you make out of it. So the forecasting business is in itself biased in favor of big announcements. And that's why Keynes got out of the business, because he thought it was the there was too much. There were too many conflicts of interest to make it now a viable, legitimate business.

Jacob 51:47

I love that. Well, we only have a couple minutes left. So I wanted to shift gears really quickly to talk about something that you wrote fairly recently, because I know this is probably going to, you know, somewhat controversial topic, and you wrote an article that said, It's finally time to retire the Good to Great from the leadership training. And I wanted to touch on that, because a lot of people know Jim Collins, they, they cite his book, it gets talked about a lot, everybody knows it. But you challenged it, and you said, Well, how impactful was it? So I thought maybe we could spend just two, three minutes and you could explain why do you think it's time to retire that?

Margaret 52:27

Well, you know, I'll, I'll be absolutely honest with you and say that, when it first came out, and I read it, I did take a pretty visceral dislike to this book. But that's okay. What I think really shocked me was how many CEOs that I know, not only read it, but really took it as gospel. And, and so I, you know, I know people who've said, who will say about themselves, you know, I am a level five leader. And I say, Well tell me what a level four leader is, while they don't know, you know, what's a level three leader? I mean, it sounds so scientific, right? But it isn't.

Margaret 53:13

And I think the reason I had such a visceral dislike of the book was because it, the whole thing is riddled with a pseudo scientific language. Jim Collins writes about his lab, as if he's brought these companies into his lab and put them under the microscope, right. So the whole underlying mindset of it bearing in mind that Collins is a mathematician by training, is the these are rules, as you know, as powerful as theories in physics, which are always true. And context means nothing. When I think for a business book, this is just absurd. Context is everything, right? And a good leader for one in one period of time in history. And a good leader with in one kind of organization, in one certain kind of place in time, or geography is going to have very different qualities from another.

Margaret 54:14

So I felt that actually there were two problems with this book that some of the stuff was so kind of meat and potatoes banal as to be pointless, like hire the right people. Well, I've never known a CEO who thought, hey, let's hire the wrong people, some of it which is banal, and some of it was pseudo scientific mumbo jumbo. And, and I also felt this kind of goes back to what we talked about earlier, I also felt that there was a there was something kind of unpleasant in this, which is essentially what he was saying was, everybody can run a great company. Now, given his definition of greatness, right? Was that you had to achieve return 6.9 times the stock market average over 15 years. Everybody can't meet/beat the average. I don't have to be a Stanford mathematician to know that. This is like Lake Wobegon, right? Where all the kids are above average. You can't have everybody above average it. It's impossible by definition, but he was doing this kind of sucking up to his readership. If you just follow my rules, then you too can be a great company. And I thought this was, I thought it was and I think it is fundamentally dishonest. But it was a kind of I mean, it was it was just sucking up to his audience and really making them feel great. And, and it succeeded. He did make them feel great. But it's a fraud. Everybody can't beat the average. The clue is in the word

Jacob 56:10

Yes, no, I agree. Well, I just wanted to end on that because I thought it was a very, very interesting take. And hopefully, it'll get people to think differently about, you know, just challenging anything that they read anything that they see as well. So Margaret, where can people learn more about you, your book, anything that you want to mention for people to check out?

Margaret 56:30

Sure. Well, I have a website, surprise, surprise, which is [www. mHeffernan--all one word--.com](http://www.mHeffernan--all one word--.com). All my books, lots of stuff, all my events and so on are on there. I sometimes write for the The Financial Times, and I write sporadically for medium.com.

Jacob 56:53

Very cool. Well, Margaret, again, thank you so much for taking time out of your day to join me.

Margaret 56:58

My pleasure. It's a really wonderful conversation. Thanks a lot, Jacob. Take care

Jacob 57:02

My pleasure. And thanks, everyone. Thanks, everyone for tuning in. My guest again has been Ducker, Dr. Margaret Heffernan, make sure to check out our book. It's called Uncharted how to map the future together, and I'll see you next time.