



## Radical Resiliency—Thinking, Feeling, Acting NEW in an Upside Down World

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“A crisis is a terrible thing to waste.” So said the senior vice president of an enterprise software company. And he’s right. While much of the business world can wring its hands, jump into the downsized, rightsized, capsized mode and frantically look for solutions, the RESILIENT organization is the one that will win the day... and win the future. A crisis is an opportunity to break ingrained structures and processes.

Consider this: Cisco, Corning, Intel, IBM, and Schwab have been battered by worse economic storms and yet have constantly emerged even stronger. (See *Fast Company* June 2009) They are living proof of what I believe is the best definition of resiliency. Resiliency in human beings and in organizations is NOT about bouncing back. It is rather about GROWING through adversity or opportunity so that one emerges stronger than before.

Such growth is possible only with the skills of adaptability, agility, and alignment. Adaptability is predicated on finding multiple responses to any given situation. It is foundational for resilience and literally rests upon our ability to challenge past ways of doing things, to embrace different ideas, to beware of sacred cows, and to know that solutions can come from any quadrant.

Agility is the speed with which one responds to ideas and strategies, taking steps that are both thoughtful without being hastily conceived. And alignment refers to staying truthful to core values, a vision, and a larger purpose.

Sounds easy. Not so. Consider this:

QUESTION: What do these events have in common: The subprime mortgage disaster, the dot.com failures, the upward battle of the US auto industry, and the bypass surgery of my 55 year-old friend? ANSWER: they were all *preventable*. ANSWER: No one could truthfully claim surprise. Not one of these events came out of the clear blue sky. Plenty of information abounded. The data was there all along. QUESTION: So what was missing.... ANSWER: The ability to questions, access, and actually deal with the data.

In short, organizations and individuals get into untenable places because of “thinking”. Such thinking includes rigidity, status quo paralysis, feedback disregard, unwillingness

to open dialogue, and not listening to intuition-- all of which reside in a collective or singular thought process. This thought process results in “*rustery*” rather than “*mastery*”.

Martin Luther proclaimed, “When you rest, you rust.” Masterful individuals and organizations don't rest on their accomplishments. Pablo Casals, the world's finest artist of the cello, was still perfecting his craft well into his 80s. Georgia O'Keefe, well past her middle years, continued to play with elements of light and various subject matter as a way of exploring the American Southwest.

Larry Bird of the Boston Celtics, who in his prime was perhaps the finest basketball player of all time, would still tell reporters “I've got some things I want to work on.” He'd start training in off-season while the other players were soaking up the rays on a distant beach. Cisco doesn't stop with routers but has crafted a web engine that not only connects prospects with an expert resource but has rolled out a “virtual account manager” online system to personalize the experience of a prospect so that a client rep knows instantly what the prospect needs.

Implicit in these examples of masterful individuals and organizations is a willingness to re-think (to think again) what is known so that they can out-think and therefore, out-perform their competitors and their own past performance. Throw in a complicated world of unprecedented change and rapid pace, global change—

Consider this: The first books on customer service came out in 1985. As late as 1992, seven full years later, JD Powers & Associates reported that only 46% of customers in the automotive industry thought car dealers were working to satisfy the customers. The information was there all along...What took so long?

When you lose your market share, your top employees walk out, your customer goes to the competitor, or you have bypass surgery after having missed many vacations, having put in too many long nights and having eaten too many jelly donuts, it is NOT a surprise. The information was there all along.

It's not for lack of language. Rather it is our resistance to seek for and deal with the information that's available to us. Staying on the road of mastery is predicated on how we THINK about information.

May I propose the following tool as a model for “thinking about thinking”? Consider this model a template over which you can superimpose any information. This **McDargh Mastery Model**<sup>1</sup> is an adaptation and expansion of the Johari Window that was created over 40 years as a way of explaining group process.

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<sup>1</sup>Joseph Luft, *Of Human Interaction*, National Press Books, Palo Alto, CA 1961

**YOU DON'T KNOW**

**YOU KNOW**

RISK & Revelation	Creative Opportunity
Common Knowledge  <b>I KNOW</b>	Inquiry (feedback and possible blind spot)  <b>I DON'T KNOW</b>

Let's explore a brief overview of the model and then go back and look at what might be probable places where we get "stuck" in "rustery" rather than in "mastery".

**Quadrant #1: Common Knowledge.** This is what I or we (the company, the team, the management group) and "they (the other employees, the customers, the vendors) all know about a given topic. If you and I work for the same company, in the same department, we would have a common knowledge about "how we do things around here". If we are part of a community, there's a general body of knowledge.

For example, if we had lived at the time of Columbus, our common knowledge would say the world was flat. In 1899 we would have closed the U.S. Patent Office, thinking nothing else could possibly be invented. If we worked for Volkswagen 20 years ago, we thought that the world would always buy Volkswagen Beetles.

*The only way to grow in mastery is to challenge common knowledge and to access other quadrants of this model.*

**Quadrant #2: Inquiry --potential blind spot.** There's information that I or "we"(the company, team, whatever) don't know and other people do know. The Gallup Organization planned to open 21 offices in China. The Chocolate Manufacturers and Washington Apple Commission was among their first customers. Gallup was charged with uncovering a basic question: do Chinese consumers even like chocolate or apples? One would think all companies would ask critical questions first. Not so. Had Disney asked similar questions in the design, buying patterns, and structure of their French Disneyland, the company could have forestalled major financial losses.

**Quadrant #3: Revelation and Risk.** In this quadrant, we test out what we know and disclose what others would have no way of knowing without our revelation. There is dialogue and discovery in this quadrant as well as risk. For example, Johnson and Johnson knew about the Tylenol poisoning and decided to tell the public. That risk earned them great public favor. President Obama has become known for bringing around him individuals who have a far different background than he does. He shares his plans and then asks for input, criticism, and ideas.

**Quadrant #4 .Creative Opportunity** This is the quadrant of unlimited possibility that is accessed only to the extent that we can “open” the other three quadrants.

The question now arises: what keeps us back from venturing into these other quadrants and therefore expanding the knowledge base and staying on the road of mastery? Where do individuals and organizations get stuck in thinking about data?

*Why we resist challenging the Common Knowledge Quadrant ?*

Experience can be an enemy. Past information filters thinking about the future. Success can keep us from venturing any further. Consider what happened to trigger the closing of Kroch & Brentano's, a 90 year-old Chicago bookseller. According to *Publisher's Weekly*, “ after building a reputation for innovation, the bookseller of Kroch & Brentano's stopped innovating just when the competition began to get tough.” The fate could have been avoided had the bookseller responded to the discount challenge of Crown Books.

One former employee said that they knew for at least six months that Crown was opening down the street and, with Kroch & Brentano's standing in the Chicago community, the store had the opportunity to discount. But the company refused and waited a full 10 years. But by then, the belated discount strategy and under capitalization left the company without tools to battle to competition. As Daniel Boorstin so wisely said “The greatest obstacle to discovering the shape of the continents and the oceans was not ignorance but the illusion of knowledge.

“Why” becomes an operative question. Ameritech began saying “why” when they created a financial reporting team made up of CFO, controllers and accountants. The team roamed around and asked, “do you REALLY need those financial reports. They found out that one employee spent 5 days/month preparing a 25-page report that no one read. The team eliminated six million pages of reports-- a stack four times taller than Ameritech's 41-story headquarters.

By the same token, sometimes an organization needs to restore the past. Remember the days of the house call? Think of the companies who now are returning to the practice of going out to the customer.

Or consider modern medicine's return to study native medicinal herbs and practices. The National Cancer Institute has contracted with the New York Botanical Garden's Institute for Economic Botany to collect rain forest plants which may be useful in the treating cancer and AIDS. The most promising find so far: an extract from a vine in Cameroon has reacted against the AIDS virus in the lab. Some leading edge research companies even look for guidance to native shamans.

**Strategy for Quadrant #1:** Define as much as you can about your current situation, process, and product. Test the status quo.

Are we looking far enough into the future? What are the sacred cows that might bind our hands? Can we practice “joyous anarchy” and explore other options? Are the right people doing the work? Are we paying attention to core tasks in-house and contracting out other tasks? What are the things we are doing today that if we were not already doing, we would not start doing? Ask why? Ask why not? Was anything discarded that shouldn't have been? Was anything discarded which now is relevant?

What are trends that we need to pay attention to and how might they impact our work. Such trends include:

The rise of the Experience and Authentic Economy

The greening of an economy

Social Networking (But remember: Information discovery might work with technology but face-to-face communication best supports information integration.)

A yearning for human connection

Viral marketing-- the “sticky” factor

*Why we resist opening the Inquiry Quadrant ?*

Sometimes, we're more concerned with looking good rather than being good and so we become masters at what Chris Argyris calls “skilled incompetence”. We become very adept at protecting ourselves from the sometimes-painful parts of learning, hesitant to say “I don't know”.

Cognitive dissonance throws itself into high gear in this quadrant. In short, once an idea is planted into a corporate or individual pattern, any data that contradicts that idea is discounted. Recall President Bush's insistence that there was no recession, despite poll after poll in which the public expressed grave concern. In too many instances, I've seen organizations survey employees and customers and then discount the results.

Management often fails to ask the right people for insight. Example: McDonald's in Britain learned the hard way when they launched a new sandwich of cheese, salad and pickle, dubbed McPloughman's. When the menu item flopped, an investigation revealed that not even McDonald's employees liked the sandwich but nobody had asked his or her opinion beforehand.

Only 31% of 1500 North American managers rate upward communication in their companies as good or excellent, according to a survey conducted by Watson Wyatt Worldwide. Only 19% of the managers said they take into consideration information from their workers when making policy. Not acting on employee suggestions and ideas can be worse than not asking them at all.

A mining company proposed buying a new brand of bulldozers but first asked the advice of field supervisors. They were opposed because they felt the equipment had serious problems. In response, top managers raised the issue with the vendor who set up meetings with the supervisors. The vendor explained how the problems had been corrected and demonstrated the equipment on site. Supervisors also operated it. The result: a successful purchase. Quadrant #2 had been opened.

Listening to the customer is another way to open Quadrant #2. Smart managers do exit interviews to find why customers leave. GM would have known ten years earlier that it was failing if it had only tracked customer defection. Ken Olsen, founder and past CEO of DEC refused to listen that customers wanted workstations. "We always say that customers are right but they are not ALWAYS right." DEC lost.

The slow rise of 360 degree feedback systems, if one is willingly to admit to blind spots, can have dramatic results. One manager learned that he stood too close to people and little bits of spit flew from his mouth when he spoke. He got speech therapy and kept his distance. His career dramatically improved.

**Strategy for Quadrant #2:** Design a method for getting input from others. Decide whose input matters to the health of the organization. Whose input do we resist and why? Might it be that cognitive dissonance is operating?

Seek what others know. Define what are possibilities that could result as a way of accepting some or all of this information.

Dumb might very well be the new smart. What would have happened if investors would have questioned just HOW Bernie Madoff achieved such "on paper" astounding results?

Ask, "Of what might this be true?" Ask: How can I most effectively respond to this feedback? What needs to be changed based upon this information. What and I/we resisting and why?

*Why we resist opening the Revelation and Risk Quadrant ?*

This is an emotional quadrant, filled with fear: fear of failure, fear of rejection, fear of loss (jobs, ideas, status). Too often, when this quadrant is accessed, it looks more like ponderous discussions with individuals trumpeting their positions and wisdom.

And yet, expanding the revelation and risk quadrant is the only way to reality test. Not sharing ideas can stifle true growth. An unwillingness to solicit input from others might be foolhardy. I find it no small coincidence that the root word for "idiot" comes from the Greek word for "privacy".

This is the quadrant for dialogue not discussion. Dialogue requires a willingness to suspend judgment on ideas, to seek for grains of truth and possibilities.

To overcome fear, an organization must be able to honor truth, give credit where credit is due, and celebrate the learning's that come from well-intended mistakes. "Do it right the first time" and "continuous improvement" can be contradictions. AT&T Copper Shop in Atlanta, GA. discovered that the American hero who tries and fails and tries again is

very much present in corporate America... There is a pressing need to talk about mistakes, failure, feelings connected with failure so individuals and groups can learn and move ahead

Dr. Warren Bennis makes a valid point when he insists, "The single most important characteristic of a good follower may be a willingness to tell the truth. Followers who tell the truth and leaders who listen to it are an unbeatable combination."

Sometimes we don't open this window for just plain fear of losing power. Example: One organization refused to share customer data with its people. Said the data might leak to the competitors. How can employees improve satisfaction if those closest to the customers don't have the information they need to fix it?

**Strategy for Quadrant #3:** Reward honesty. Make heroes of those who share ideas. Honor people who acknowledge their mistakes. Look for discounting statements and behaviors and flag them as unacceptable. If there is a perceived risk, ask "will it help the customer and the organization?" If the answer is yes, take the risk. Ask what can we do to make feedback "safe"?

Does your suggestion system resemble a "black hole" where input vanishes without response? Is credit shared equally?

#### *How do you open the Creative Opportunity Quadrant*

This quadrant is a natural result of the integration of the other three areas. Once organizations and individuals begin truly accessing data from challenging common knowledge, seeking what others know, revealing ideas through dialogue, entirely new systems, products, services, and processes can arise.

Note the arrows on the drawing of the model. Today's creative opportunity becomes tomorrow's common knowledge and the road of mastery continues to expand into the future. Work toward what can be. Push out the envelope.

**Strategy for Quadrant #4:** Try anything in which you can fail quickly, get feedback even quicker, and accept the risk without regret. Take the elephant into the basement and the rest will follow. What is a need your customers can't articulate but would love (eventually) to have satisfied???

Ask: How can we take what is, what has been revealed, what is no longer hidden, and turn it into something different? Ask: What's the worst thing that could happen if we take this new creation into reality.

The classic film "The Wizard of Oz" serves as a powerful metaphor in considering this journey toward mastery. The Tin Man had never felt his heart and literally rusted from lack of use; the Lion had never tested his courage; the Scarecrow had never used a brain; and Dorothy had never had to look for home. In order to get on down the road toward improving their individual performance, they had to share what was common knowledge, reveal what they lacked and needed, learn from each other and create an adventure and an opportunity that none of them would have done alone. Like those

main characters, the road to mastery takes brains, courage and a heart. As the Wizard from Oz told Dorothy, “you’ve had the ability in you all along.”

## Recommended Reading

**The Medici Effect:** What Elephants And Epidemics Can Teach Us About Innovation by Frans Johnasson

**Wired To Care:** How Companies Prosper When They Create Widespread Empathy by Dev Patnaik

**The Resilient Spirit:** How To Stay Right-Side Up In An Upside Down World by Eileen McDargh

**Listening Leaders** at Harvard Business Review: ***Why Good Leaders Make Bad Decisions***, February 2009, Manny Steil