

Corporate Foresight – Using Futures Thinking to enhance organisational performance.

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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.

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 the essence 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

For twenty years I have taught leadership and strategic foresight and strategy development at Mt Eliza Business School and Melbourne Business School, University of Melbourne, and through Searle & Burke, and together with Professor Sohail Inayatullah created the 'Futures Thinking and Strategy Development' program thought to be the longest continuous running program of its type delivered anywhere in the world (mbs.edu/ftsd). The motto of Melbourne University is *Postera crescam laude* – which means to grow in the esteem of future generations. To grow in the esteem of future generations, must ensure first that they have one. After several government funded commissions comparing the importance of ethics against actual ethical behaviour across a range of sectors, particularly Banks and Financial Services, has forced leaders in organisations to become more conscious – self-aware and reflective and change significantly their behaviours. But can they learn and change quickly enough to grow in the esteem of future generations?

As far back as 2008 David Korten claimed that the contributing factors to the unethical behaviour were a potentially terminal economic crisis with three defining elements:

1. *Excess human consumption*, which is accelerating the collapse of Earth's ecosystem.
2. *Unconscionable inequality* and the related social alienation, which are advancing the social collapse manifest in terrorism, genocide, crime, and growing prison populations.
3. *An economic system ruled by financial markets*, global corporations, and economic theories devoted to increasing consumption while rolling back real wages and benefits for working people to make money for the richest among us.

Ten years on in 2018, Oxfam notes (Werber, 2019), just 26 astoundingly rich individuals (led by Amazon founder Jeff Bezos) owned as much combined wealth as the poorest 50% of the entire global population. Since last year's report, moreover, that bottom half has become 11.1% poorer. At the same time, more people became billionaires, and the richest billionaires became even richer.

Oxfam proposes that national governments worldwide impose a tax on their wealthiest citizens, using it to fund basic services for those in dire need. Getting the top 1% of the rich to pay as little as 0.5% of their wealth in tax could, Oxfam says, pay for every child in the world now not in school to be educated, and save 3.3 million people from death through better healthcare this year alone.

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. Many educational institutions have been forced to embrace a performance cult through government, reducing financial support in favour of student fees, prohibiting people without sufficient financial support, the opportunity education provides, and industry intervention through vested interest.

A deep learning adaptive challenge is how to placate vested interests at the same time allowing academic 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. Indeed, race, historical culture, and land are three aspects of the same single issue: identity.

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. 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 we go to war, form religious and other beliefs, and why we make judgments about almost everything and everyone we come in contact with.

Every country in the world has a past that it does not always acknowledge honestly and continues to be shaped and influenced by the legacy of that past, that worldview, as well as by the consequences of failure to address them. There is no country on the planet that has successfully achieved this essential first step.

Stephan Lake (2019) to demonstrate this point writes "As a ... point, it may be noted that peaceful, harmonious, and mutually beneficial co-existence between ethnic populations and sectarian minorities in single countries on every continent over the long-term has never been achieved; it is not 'normal' for this to occur, but it is 'normal' for human nature to be intolerant, to perceive real or imagined threats posed by 'the Other', and for one group to

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).

dominant and mistreat others, which provokes a spiral of violence that can persist over many centuries, as occurred in the former Yugoslavia, between Sunni and Shia, between the Hutu and Tutsi, as well as in many other cases. Every supposedly democratic western society also has a history of racism”.

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. Our traditional notions of organisation and organisational leadership will undertake a journey of discovery about what it means to be human and the nature of what the reality of work itself means.

Corporate Foresight and Leadership

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. In my view creativity, on its own, 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 that is leadership.

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. 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. Where there is no difference in diversity of thought we are trapped. Conflict, which, apart from being inevitable, can also be highly valuable because a different meaning can emerge.

Towards the end of the twentieth century traditional corporate learning has been challenged, for example to the MBA (Master of Business Administration degree). As valuable as it is, the MBA is no longer an automatic entry requirement to a successful corporate career. “Indeed, to be successful professionally it is not even given that you need an MBA at all” (The Economist 2011)². Other qualifications from diverse fields of interest and study are seen as equally important in order to challenge our basic assumptions. For example, what many consider to be the greatest global challenge is the attitude that the planet is here to be of ‘use’ to humans and that the future will look after itself.

At the same time subjugating nature is becoming more and more out of fashion and ecological living becoming the new imperative despite many leaders who are climate deniers. Lake (2019) asks “How would we judge ourselves for voting into office a government that committed crimes against humanity (e.g. against the Indigenous population, or against asylum seekers and refugees), or which supports others who are so responsible, or which in any way breaches conventions on human rights? Do we justify supporting such a government by claiming that they felt threatened and that such acts were therefore necessary in order to

² <https://www.economist.com/whichmba/finding-the-right-mba>

protect themselves and their country? Is this a legitimate defence, in the one case as in the other? This would also now include voting for a government that fails to act on climate change, as climate change itself is a moral problem and a crime against humanity, and it will cause innumerable more such crimes. In voting for such a government, whoever it may be, we are as complicit in its crimes. Is climate change denial, in face of the now overwhelming evidence that it is happening, comparable with Holocaust denial? Whereas the Holocaust killed 5-6 million Jews and more than 3 million Russians, Poles, and Gypsies, climate change will affect 7 billion people – nobody on the planet will be unaffected - and it will also contribute to the deaths of thousands or millions – through extreme weather events, through famine, and through wars caused by these conditions. Tolerating this, or tolerating those who tolerate it, is tantamount to a crime against all, not part, of humanity ... for example. We need an alternative.”

For a while that alternative was looking like global governance and with it a devolution of power to the grassroots. Recent events such as ‘Brexit’, Trump’s USA first, and those political parties that advocate totalitarian concepts such as white supremacist who foster one race and one nation and other far-right extremism, has created fragmentation and slowed down or even halted this rise. A deep learning outcome might suggest that a new generation of leaders will need to emerge not from the political class but from ordinary communities, bringing with them new modes of learning and new definitions of intelligence.

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. We need the super power of:

(1) Being able to stay calm and focused through meditation;

(2) We need the power to learn and reflect instead of acting from unchallenged assumptions and past behaviour.

(3) We need the superpower to challenge the used future – what we have been doing but no longer works.

(4) We need the ability to understand how the world is changing, and the impacts of these disruptions on our day to day life and strategy.

(5) We need the superpower to understand and create alternative futures instead of being fixated on one view: one future. This means letting go of the train-track worldview.

(6) We need the super-power of narrative, of telling a different story about our lives. And, finally,

(7) We need to link story to systemic change, creating a virtuous cycle of change, ensuring that what we value, we count.

Corporate Foresight and Strategy Development

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. Effective corporate foresight and strategy development occurs when the four ‘castings’ (4Cs) are created: backcasting, incasting, forecasting, and then broadcasting the new narrative, the new story.

Strategy is change in motion. It is dynamic and is what is actually happening. If that relates to the espoused strategy as dictated by the organisations strategic plan well and good. Often it is not 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 even 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.

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