

## Discerning Signal from Noise – Lessons for Today’s Emerging Leaders

You know it when you see it...

It is as if a fuse has been lit. The nervous excitement that once filled the room, raptures as the crowd slowly begins to recognise what is unfolding under the spotlight before them.

Responsible for this energy are two dancers who find themselves on the precipice of something few dream they would ever achieve.

Movement after movement, the crowd senses that it is near, and like a new father expectantly awaiting the first breathe of life from his new-born child, it happens. Time stops. Gravity disappears, and the room becomes weightless.

The underlying and subtle friction found in the traditional causality-based leader-follower dynamic has dissolved. The dancers are on each other’s frequency now.

Guided only by the realities of the music and each other’s capabilities, the dancers have achieved serendipitous synchronicity. Without agenda or ego, they know when it is time to lead, and when it is time to be led.

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Sitting in the audience that night, I was lucky enough to know one of these dancers – Robert.

Growing up in a small town, Robert, Cameron, Simon, Joseph and I attended the same schools, had many of the same friends, played in the same football teams and hung out during school vacations and on weekends. These brothers are all highly effective emerging leaders in their own right.

I believe their effectiveness stems from a common attribute that may nowadays be considered as a super-power – the power of genuinely independent and uncorrelated thought.

In their individual ways, the brothers can formulate viable variant perceptions of their own environment that yield insights seemingly unperceivable by others. They each hold unique abilities that enable them to discern signal from the increasing noise present in today’s business environment.

For me, the value of uncorrelated and critical thought lay with the increased effectiveness delivered to decision making processes. What I witnessed Robert and his freestyle dance partner achieve beneath the spotlight that night further compounds this belief.

The similarities between the challenges faced by Robert (and separately by his brothers) and those faced by our Emerging Leaders are numerous. In dance, Robert must critically evaluate and execute movements in response sometimes to music or songs he may never have heard of before in a manner that pleases the audience. In business, emerging leaders must critically evaluate information and execute decisions in response to problems in their environment in a way that pleases their client base.

What follows are four brief stories containing anecdotes that I believe best ‘sum up’ each brother's ability to continuously make highly effective decisions.

You will see that the anecdotes that follow are not necessarily new - but they are not common. The underappreciated and timeless quality of the principles at the base these anecdotes serves to underwrite their relevance for today's, and also tomorrow's, emerging leaders.

### ***Robert – Yin Yang and the Fifth understanding***

For Robert, the brother who began dancing as a young adult, far from his brothers collective and jealous immaturity as young children, the effectiveness of his dance partnership is telling of a team dynamic that deserves exploration. This dynamic should be considered by leaders of teams and team members alike.

In nearly all forms of partnered dance, one partner will lead, and the other will follow. Why? Simple. Without a lead, no organisation can occur, and any response to the environmental input (music in the case of dance) will be chaotic.

Robert has explained his criteria for agreeing to a dance partnership. He looks for those who are highly capable, of varied experiential backgrounds and, importantly, who are of strong will but equally humble. In short, he looks for partners who he could lead and would follow.

### **The Five Understandings**

With a partner agreed, the first thing Robert looks to do is “induct” them according to what he calls his “Five understandings”. These understandings also represent activities Robert (as a

business owner) performs when inducting new teams or new team members. For the sake of consistency, the dance analogy will be continued as follows:

- 1) understand the shared vision for the intended outcome of the dance,
- 2) understand the environment, in this case materially presented by the music,
- 3) understand the capability of the Follower,
- 4) understand the capability of themselves, and
- 5) understand when to empower the Follower and yield the lead.

Many dance partnerships can operate at a high level and enjoy success by understanding the first four understandings. These four understandings, however, represent the transactional and traditional leader-follower dynamic present in most dance partnerships and many business-oriented teams.

A leader may look to their Follower or team member for input into a decision. Still, the Leader will invariably be the one to decide a course of action based on their propensity to interpret the environment and analysis received.

The inherent friction found in the first four understandings is that leadership is static. The Leader becomes the controlling variable in the performance of that team. When leadership is prescribed, followers and team members tend to abdicate responsibility for the outcome back to the Leader. The prescription of leadership over a team breeds apathy and any ambition for collaborative intent, atrophies. The result is a further deterioration in analytical and interpretational quality.

The fifth understanding removes this friction. Those partnerships and teams who reach the fifth understanding also achieve the 'next level' of performance - a level few can hope to achieve.

### **The Yin Yang moment**

Under the fifth understanding, the Leader must understand the environment, capabilities and the intended outcome of the decision-making process. If the Leader becomes poorly positioned relative to their team to conduct and interpret the required analysis, the lead must empower and yield the lead to their team. In doing so, the team can occupy a more significant phase space and adapt to the environment with increased effectiveness<sup>1</sup>.

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<sup>1</sup> Prigogine, Ilya, and Isabelle Stengers. 1984. *Order out of chaos: Man's new dialogue with nature*, New York: Bantam.

The Leader must know when they are best to follow, and the Follower must know when they are best to lead. The Leader must be at once driven by humility and the Follower, a sense of ego.

The fifth understanding is known as the yin yang moment. Unfortunately, the typical interpretation of 'yin yang' is limited to an immediate recognition of an opposing and conflicting dualism (e.g. day and night, masculine and feminine, etc.). The value of yin yang is found when it is interpreted with a more comprehensive definition that recognises the presence of opposite and interconnected forces the *completely complement* one another<sup>2</sup>.

Without this complimentary feature, we find ourselves back at the transactional and causal leader-follower dynamic.

For yin to be present, there must be yang. For ego to be present, it must feed and be fed by humility. A Leader cannot exist without a Follower. In all cases, the presence of one necessitates and should complement the other.

The fifth understanding, the yin yang moment, leverages all the capabilities and experience held within the team and renders the labels "leader" and "follower" useless. Leader and Follower become simply functions that all team members perform at a point in time.

For Robert, the ability to empower his team and yield 'leadership' as needed is core to the success he has had both on the dancefloor and in business. In calling upon the breadth of capabilities and experience held within his team, Robert effectively counteracts known or unknown prejudices and maximises the identification and analysis of key events, probabilities, thresholds, or outliers found in the data or information<sup>3</sup>.

#### **Anecdotes:**

**~ effectiveness is heightened when team leadership is dynamic ~**

**~ At the core of all problems is a failure of leadership ~**

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<sup>2</sup> Fang, Tony. "Yin Yang: A new perspective on culture." *Management and organization Review* 8, no. 1 (2012): 25-50.

<sup>3</sup> Drucker, Peter F. 1999. *Management challenges for the 21st century*. 126-128. New York: HarperBusiness.

### ***Cameron - What the crowd sees, the crowd seeing<sup>4</sup>***

The development of Cameron has been entirely curious. In high school, he was described as quiet and introverted. Others would frequently quiz me as to why he was so reserved, and on querying Cameron, his feedback was rather forthright and straightforward – ‘they talk about nothing of depth’.

After graduation, Cameron moved to Canada and accepted a job as, of all things, a door-to-door, commission only, salesperson.

To my utter surprise, Cameron quickly started making sales. He then began setting and beating personal bests. Then team bests. It wasn’t long until he was the highest performing salesperson in the organisation. He started training newcomers, then training teams and soon enough, leading teams.

For me, this was an entirely fascinating development, and before long, Cameron returned home. I could not help but understand this evolution and his explanation was stunning.

To this day, Cameron remains ‘reserved’. This behavioural attribute allowed him to hone his observational skills to be a point where he developed the awareness to understand the ‘crowd’. He would explain that he knew not only what the crowd was seeing, but also *what the crowd saw the crowd seeing*. I would later hear this described as the common knowledge game<sup>5</sup>.

By understanding the crowd’s perception of the crowd, Cameron understood the narrative impacting the crowd. Within this perception of the crowd, Cameron could understand the core causal dynamics, aspirations and embedded contradictions of the crowd, and by extension, its participants.

Peter Drucker described his friend Karl Polanyi in a similar fashion to how I would describe Cameron. He held “... an uncanny knack for seeing the importance of inconspicuous developments-at an early stage”<sup>6</sup>.

In fact, the friendship between Drucker and Polanyi is illustrative of the friendships Cameron holds. While few in number, they are deep in nature and transcend some fundamental belief

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<sup>4</sup> The grammar is correct, bear with me 😊

<sup>5</sup> Hunt, B., 2020. *Common Knowledge Game Archives | Epsilon Theory*. [online] Epsilon Theory. Available at: <<https://www.epsilontheory.com/tag/common-knowledge-game/>> [Accessed 7 June 2020].

<sup>6</sup> Drucker, Peter F. *Adventures of a Bystander*. Transaction publishers, 1999.

systems. To genuinely value and respect an alternate opinion (and the opinion holder) is a rare virtue in today's increasingly tribalised society.

For Cameron, his ability to understand and articulate crowd dynamics and engage deeply with others who offer alternate viewpoints allows him access to varied and very well-considered analyses to a range of pertinent problems. The result is a decision-making process that is analysis intensive, but once this has been settled, the course of action reliably unfolds.

In the immortal words of Albert Einstein:

*“If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes.”*

#### **Anecdotes:**

**~ It does not matter what you see the crowd seeing, its what the crowd sees the crowd seeing that counts ~**

**~ Understand and respect the alternate narratives impacting your environment. They will yield prescient insights that few are capable of achieving ~**

#### ***Simon – Absolute, not relative effectiveness.***

Simon, as the youngest, was presented with many situations through his childhood that his brothers would jokingly refer to as “character building”.

It may have been his resilience in the face of these death-defying ‘character building’ moments, but Simon was the most dangerous contrarian of them all. Not because he held extreme opinions or arrived at controversial conclusions. Simon was dangerously contrarian because he undertook action based on a sense of absolute, not relative effectiveness.

Let me explain what I mean using a pertinent example to this case study: Most look to undertake their university studies one degree at a time. If the career the candidate aspires to requires two degrees, the second degree would commence after the first.

Enter Simon, or rather, Dr Simon. He decided to enrol at two separate universities, to undertake two different degrees, both on a full-time basis, to achieve his required qualifications in half the time of his peers and graduate with an overall equivalent of an ECTS 'A' grade.

It was on our way to Simon's graduation festivities that I learned that this sense of absolute effectiveness stemmed from a Peter Drucker inspired "effectiveness not efficiency" conversation we had before him finishing secondary school. In his genuine, understated, and somewhat inelegant manner, he summarised it succinctly: "Assume nothing consistently".

Our conversation continued as he became bemused at the implication that he was somehow other than average. Simon went on to explain Michael Crichton's concept, known as the Gell-Mann amnesia effect, paraphrased as follows:

"You open the newspaper to an article on some subject you know well... You read the article and see the journalist has absolutely no understanding of either the facts or the issues. Often, the article is so wrong it actually presents the story backward — reversing cause and effect.

In any case, you read with exasperation or amusement the multiple errors in a story, and then turn the page to national or international affairs, and read as if the rest of the newspaper was somehow more accurate [...] than the baloney you just read. You turn the page, and forget what you know."<sup>7</sup>

Growing up, I always thought Simon had a fantastic propensity to be 'in luck' more often than not. This, however, was not necessarily the case.

Simon explained that he was aware of his capabilities and competencies, and he was aware that he was unaware of anyone else's. Knowing this, he 'assumed nothing consistently' and questioned the status quo.

Simon could see the asymmetric upside found in questioning the status quo. If the answer was 'yes', Simon wins, if the answer was 'no', Simon certainly didn't lose. When the answer was no, he would find that alternate avenues would appear that could set a path toward where he wanted to be.

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<sup>7</sup> Crichton, M., 2002. *WHY SPECULATE?*. [online] Available at: <<http://geer.tinho.net/crichton.why.speculate.txt>> [Accessed 7 June 2020].

## **Anecdotes**

**~ Do not just aim for societally expected (relative) Effectiveness,  
aim for Absolute Effectiveness ~**

**~ Asymmetric upside exists for those who investigate assumptions  
underpinning the status quo~**

### ***Joseph – Say Says***

Joseph is the eldest of the brothers. He was a gifted footballer and talented musician. The apparent trade-off? He was, at least by conventional standards, academically unengaged. He left his undergraduate studies before completion as a 22-year-old and returned home in order to teach himself 'how the World worked'. Some 5-years later he emerged from his hermitage...

For those 5-years, Joseph deconstructed the World only to re-build it with an innate understanding of the core principles that underpin individual, group, economic and market dynamics.

I was recently invited to the Strategic Retreat for Joseph's company, where his team and strategic partners were gathered to co-create the direction moving forward.

At the time, the now global COVID-19 pandemic was in its early days, but the attendees understood the dire reality that would grip the World in over the coming months. Further compounding the foreboding undertone to the proceedings was the understanding that COVID-19 would act as a catalyst that will likely and materially shift the economic reality for a vast portion of the global population.

The demand and supply side interruptions presented by COVID-19 meant that we could not be sure of the current state of the business' environment. The only adequate description of those present was that they were 'shell shocked'. I held low expectations that the retreat would achieve what it had set out to.

In a single swoop, Joseph allayed everyone's concerns. His opening remarks, as follows:



*“Drucker told us that the purpose of business is to create and keep a customer<sup>8</sup>. We are heading into supply and demand-side disruptions that could stall economic activity and we do not know for how long.*

*You were all taught from Keynes general theory that “demand creates its own supply”<sup>9</sup>.*

*Well, I’m here to tell you that, in this environment, I am siding with an oversimplification drawn from Jean-Baptiste Say’s work, that “supply creates its own demand”<sup>10</sup>.*

*In this environment, demand will struggle to create supply. We cannot wait around for demand to call us. If we continue to supply the market with something they value, demand will naturally follow.*

*To create and keep a customer, we must first supply them with something they value. In doing so, satisfy our fundamental Druckerian purpose.”*

... needless to say, the retreat was back on track.

### **Anecdotes**

**~No matter the magnitude of the change within the environment,  
signposts exist to guide decision making ~**

**~ When in doubt, create value ~**

#### ***Where does this leave us?***

Today’s Emerging leaders are maturing into the twenty-first century, where access data and information is more plentiful than ever. This prospect should not, however,, trouble neither emerging nor mature leaders.

What is often forgotten during such considerations is that of initial reference points. Emerging leaders have only ever operated with plentiful access to data and information, whereas today’s

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<sup>8</sup> Drucker, Peter F. 1974. *Management: tasks, responsibilities, practices*. New York: Harper & Row.

<sup>9</sup> Keynes, John Maynard. *The general theory of employment, interest, and money*. Springer, 2018.

<sup>10</sup> Say, Jean Baptiste. *A treatise on political economy: or the production, distribution, and consumption of wealth*. Grigg & Elliot, 1836.

mature leaders emerged where the data accessibility and information reliability profile was significantly different. Each cohort's initial reference point is materially different.

To that end, I would posit that the relative challenge facing today's emerging leaders may not be materially different from the challenge faced by mature leaders when they held emerging leader status.

As a result, the challenge facing Emerging Leaders has always been difficult, but it is not new. The challenge for all leaders, emerging or mature, remains unchanged: Discern signal from noise and make effective decisions.

According to the late and revered Peter F. Drucker, our ability to discern signal from noise<sup>11</sup> in the formulation of effective decisions is vital to our success as an executive<sup>12</sup>.

The anecdotes offered by the four brothers above are, I believe, an excellent guide to assist today's emerging leaders. It is a true honour to be their fifth brother...

Word Count: 2,893

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<sup>11</sup> Drucker, Peter F. 2002. The effective executive. New York: HarperBusiness Essentials.

<sup>12</sup> Drucker, Peter. 2005. "Be Data Literate -- Know What To Know". Wall Street Journal, 2005. <https://www.wsj.com/articles/SB113208395700897890>.