

# MANAGEMENT OF UNCERTAINTY: LEADERSHIP DECISIONS AND ACTION

Professor Mark Fenton-O'Creevy

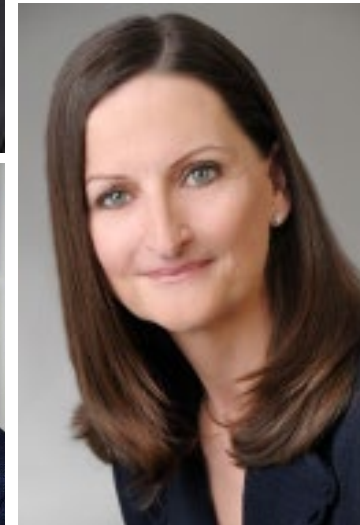
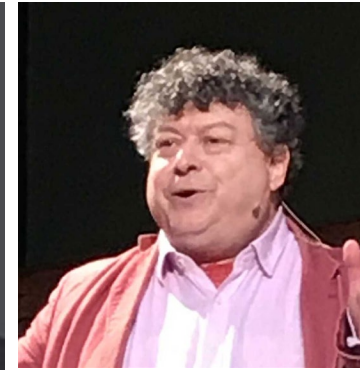
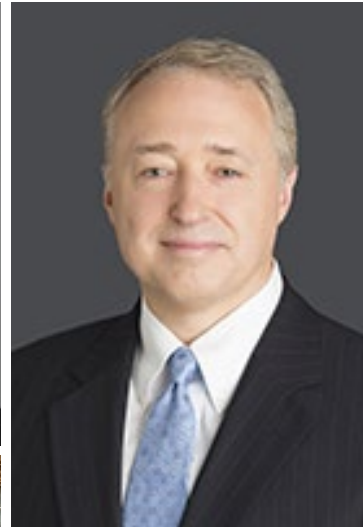




## Management of uncertainty: leadership decisions and action

Mark Fenton-O'Creevy,

A few of our  
contributors






*Life can only be understood backwards;  
but it must be lived forwards.*

*Soren Kierkegaard*



A portrait of Stephen Elop, a middle-aged man with short brown hair and glasses, wearing a dark suit, white shirt, and a yellow and black patterned tie. He is looking slightly to the right of the camera with a neutral expression. The background is dark and out of focus.

"We didn't do anything wrong,  
but somehow, we lost."

Stephen Elop  
CEO of Nokia,  
2011- 2014

---



# Stephen Elop: 2011

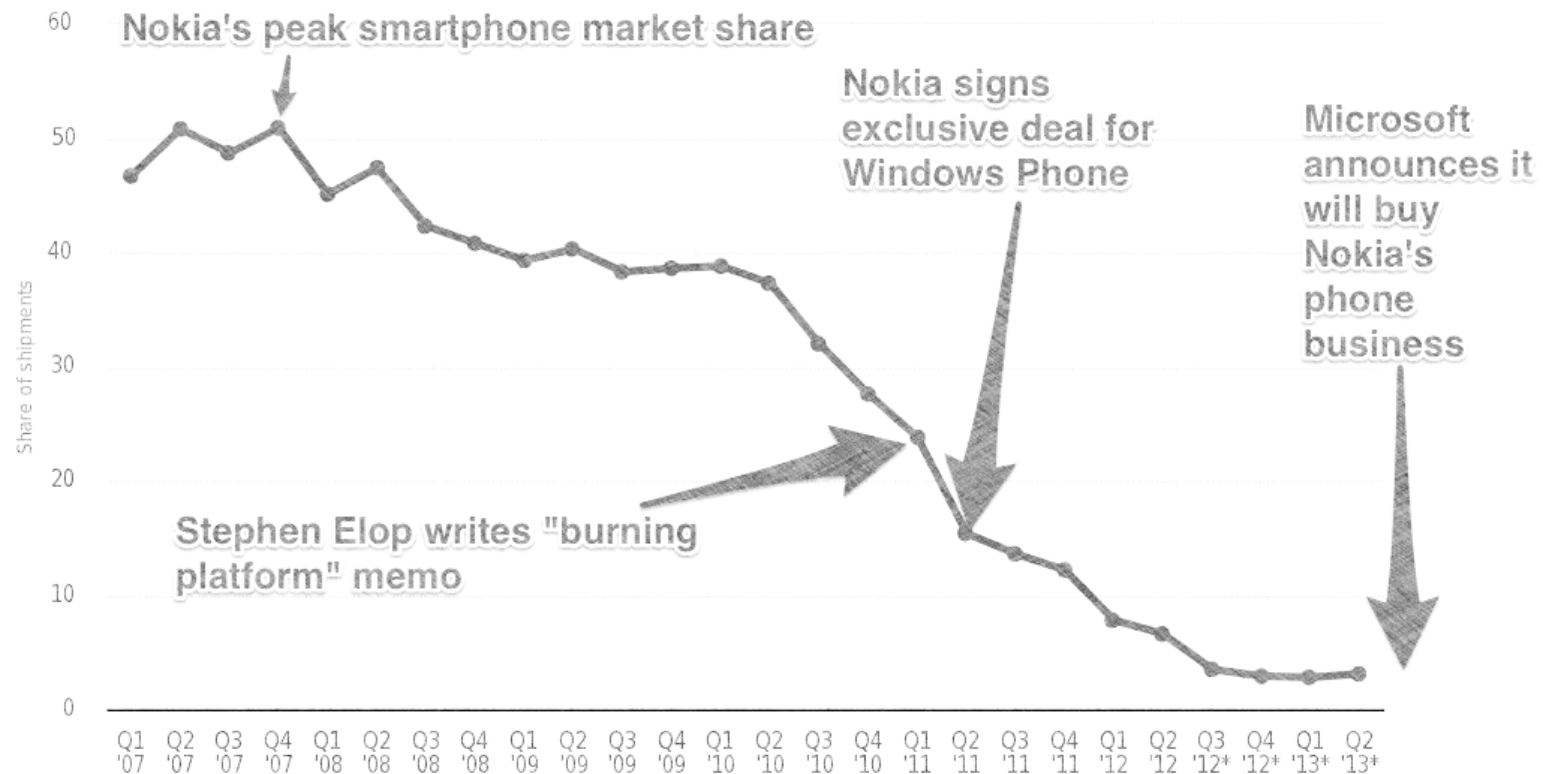
“Over the past few months, I've shared with you what I've heard from our shareholders, operators, developers, suppliers and from you. Today, I'm going to share what I've learned and what I have come to believe.

I have learned that we are standing on a burning platform.

And, we have more than one explosion - we have multiple points of scorching heat that are fuelling a blazing fire around us.

For example, there is intense heat coming from our competitors, more rapidly than we ever expected.”

## Nokia Smartphone Market Share



The danger  
of a single  
story

# Decision-making in your own organisation



DECISION MAKING  
APPROACHES



ERROR MANAGEMENT



# The naming of things

## Nicholas Bielby

---

“Adam's commission,  
the naming of things,  
if only in the imagination,  
brings them into existence,  
objects of thought;  
like God,  
breathes into them the power of the word.”



# Principles for engaging with radical uncertainty

- Anticipatory thinking: less about making predictions than expert gambles with attention
- Imaginative scenarios: not as predictions of the future to use as a planning target, but for testing the robustness of capabilities.
- Stories about the future (however much data they draw on) are useful fictions which can provide insight but not prediction.
- Uncertainty provokes anxiety and action to reduce it. This creates the constant danger of becoming overinvested in a single story and forgetting its fictional status.

# Useful practices

- Good enough and adaptable rather than optimal solutions.
- Treating decisions as experiments.
- Treating models and narratives about the future as useful fictions providing insight but not predictions.
- Maintaining and managing constructive doubt and curiosity in the face of pressures for certainty, whilst continuing to act.
- Diversity of voices (e.g. UK armed forces 'doctrine of constructive dissent')

# Dynamic capabilities for handling uncertainty



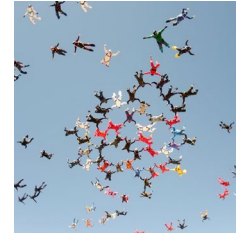
## Sensing

Sensing hazards, opportunities and emerging trends. The art of external attention.



## Seizing

Rapidly designing operational approaches to mitigate hazards and seize opportunities. The art of making things happen.



## Transforming

The ability to rapidly reconfigure the organisation and its operations to respond to new demands and opportunities. The art of change.



# THANK YOU

Follow us on social media:

Twitter - @OUBSchool

LinkedIn - The Open University Business School

