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November 1988

The assignment is:

How to Create a risk-taking environment
and I believe this leads us in a direction that makes the accomplishment extra difficult. Risk is something that a sensible, prudent person seeks to reduce, or avoid. It is a word that carries the connotation of danger and injury. Webster defines risk as "The possibility of loss, injury, disadvantage, or destruction".

I believe it would be useful to change this concept to focus on experimentalism/innovation. The connotation is then one of learning rather than on danger and loss. Webster defines experimental as "A test or trial--a tentative procedure or policy, one adopted in uncertainty ...an act or operation carried out to discover some unknown principle or effect or to test, establish, or illustrate some suggested or known truth"

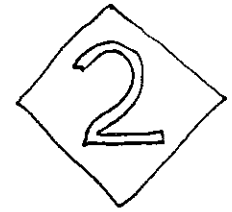
Also "of, relating to or based on experience. Something learned by experience". All of these are easily related to learning, an activity most of us applaud (and some of us seek!)

So I would retitile (and reframe) the task as:

How to Create an Experiment-oriented Environment

A desirable experiment-oriented environment is one where everyone believes he or she has the freedom, in fact, the mandate to experiment to discover ways to improve the operation.

If we think of any organization of one or more persons as a living entity that evolves and develops on a continuing basis it



individuals and relationships with rules and regulations seem to be useful only when something has gone wrong and we are trying to find out who caused the trouble. We believe we have helped the situation by fixing responsibility.

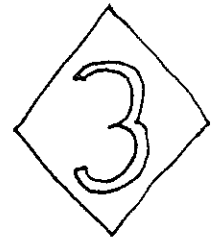
In an experiment-oriented environment, the responsibility is clearly owned by the individuals and group involved. When something is going wrong, an experiment is telling them they need to invent a way to improve it. And because they are tuned into the experimental mode, they get the signal. They are not lulled into inattention or false complacency by 'this is not my problem'. And in most cases, the wrong is corrected before much damage by the alertness of the persons in this environment.

And there are situations where it is essential to 'go by the book'---such as when operating a nuclear power plant. Even in these cases, the operation will be more effective if the posture of everyone is "How can we improve on this step?"

However, if we habitually think of organizations (and persons) as evolving and adapting, we can consciously create an attitude that evaluates each change as an experiment. When the outcome is a less effective operation, we can learn from that experiment and change appropriately. When we think of experiment as a mutation, we are getting in the right frame of mind.

A mutation is a kind of purposeful accident.

Nature then permits the accident to lead to improvement or to disadvantage. If disadvantage, nature will discontinue; if improvement, Nature adopts it as a continuing procedure. All the innovations in our species are the result of



such `experiments'.

I am suggesting that the same is true of innovations in an individual or in a company group. When there is continual experiment there will be discovered many small and some large improved ways of doing things. It will also enliven the thinking of all concerned and increase the level of experimentation---a charmed circle.

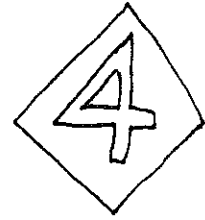
If an environment to encourage this healthy, generative behavior is to be created, it must embrace everyone for if it is limited to a chosen few `knowledgeable' experimentors, the wrong message is transmitted: only those who know `how to be right' may experiment; in other words, we approve of experimenting, but we do not want mistakes so we will select people who we believe will make no mistakes.

The emphasis is then on `successful outcomes' and unless an experiment `guarantees' success it will not be tried. In most adventurous experiments there is promise in the sense of a rewarding outcome if it works, but the essence of an experiment is uncertainty.

If there is to be a genuine experimental environment, it must be for everyone, or it will not be for anyone. This seems an unacceptably black and white statement and of course there are exceptions---but they are few.

The Key is Courage

There will probably be no experimental/innovative environment without a widespread understanding of courage. Few of us think of courage being involved with the accomplishment of everyday tasks and that is why so little courage is demonstrated.



This lack is not in the courage department of the individuals. Nearly every one of us has a full share of courage and we prove it in the way we stand up to the emergencies and pain that each of us encounters in our lives. The problem in organizations is awareness. Most of us do not realize that in all relationships and in many situations we need to call on our courage to see and deal with discrepancies and bad feelings (frequently a signal that there is a problem): a colleague who is ignoring the consequences of an action; a boss who, we think, is wrong; a boss who is discounting me and my thinking or actions; a procedure that is right by the book, and wrong in its result; a fellow worker with whom we need to be honest and it is going to be painful.

Adler defined courage as the willingness to go forward in the face of consequences that are uncertain and/or painful. Webster lists an obsolete meaning that captures a lot: "the heart as the seat of intelligence or feeling"

More up-to-date: "Mental or moral strength enabling one to venture, persevere, and withstand danger, fear, or difficulty firmly and resolutely".

We all have a good understanding of what courage is; what we need are constant reminders that to enjoy the remarkable benefits, both individual and corporate, of everyday courage, we must learn to call on it whenever we feel anxiety.

I have a powerful quotation. I do not know its source.

"If this is my vision, what courage is required of me at this moment?"

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The Difference

The present model of managing is characterized by the use of power to judge and make decisions. The manager (anyone of higher rank, or anyone asked for an opinion) musters her/his experience and prejudices and responds to a proposal with a reaction—an opinion or decision. In this model the proposer is considered guilty or at least suspect until proven innocent (being subordinate is grounds for being guilty). By that I mean the judge makes the ~~add~~ assumption that the proposer has not thought through the proposal and needs to have the shortcomings pointed out to her/him.

The manager focuses on the possible undesirable consequences of the proposed action, and raises these as obstacles that make the proposal unlikely to succeed. The manager, being human and unaware that this is a time for courage, is against anything that has an uncertain outcome. Proposals and ideas get judged. The apparent reasonableness of this posture conceals the real issue. Courage vs prejudice. Experiments are avoided everywhere. I should say that since all of life is experimental, experiments cannot be avoided but we can pretend we will only do 'sure things', and blind ourselves to the learning possibilities of unexpected outcomes. The denial of experiments makes dullards of bright, capable persons.

"NO" is not permitted

There is a simple and extremely difficult remedy. Make it a capital offense to sit in judgment without clarifying what one is really doing. ¹ Preceding the judgment process the judge must tell the presenter "I do not have the courage, right now, to entertain

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your proposal so I am going to judge it on the basis of my reactions, experience, and prejudices."

George Leonard, in Magical Child says: Intelligence is the capacity to interact with the world and what is in it. To the degree one reacts, or acts against, he is crippled."

An Interaction Method

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The interaction problem is that we have a strong tendency to respond to almost any proposal, idea, or opinion with a reaction--a counter opinion, a pointing out of a flaw, a criticism, or the silence of disapproval. This tendency is so pervasive in most companies that it creates an invisible barrier to experiment and speculation. Whenever I surrender to my impulse to react, I cut myself off from open-minded consideration and learning--I am not available.

The very heart of synergy depends upon one person being available to interact positively with others. So, the second law of interaction (the first is admitting to lack of courage) is a) acknowledge the offering b) admit my impulse to react and c) invoke, in myself, a procedure for open-mindedness. It is again, a simple concept that is emotionally difficult to do: I save my negative concerns for later (I promise myself I will get to them). I focus on the positive implications of the proposal, opinion, or idea. I entertain it. And I prove I am doing so by enumerating all the positive implications I can create. Only after I have used energy and ingenuity on that do I raise the initial negative reactions. And to demonstrate further that my

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heart is in the right place (supportive and not adversarial) I word these concerns as problems ie. "How can we make it less expensive?"

And this brings us to the third law. The final response to a proposal, opinion, or idea needs to be "How can we run an experiment to learn more about it?"