



Steven D'Souza

Not Knowing - The Science of Possibility

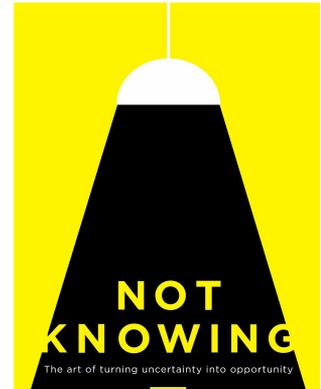
A podcast interview with Steven D'Souza, author of Not Knowing and advisor to global companies on leadership, diversity, and managing in uncertainty.



By Roddy Millar



Steven D'Souza is the Founder and Director of Deeper Learning. He is an international educator and the author of two books, Brilliant Networking and Not Knowing. Today, he discusses a leader's relationship with uncertainty and the unknown. He also dives into how companies can embrace the concept of 'not knowing' and how to teach your staff to be more curious and engaged with the unknown. Find out more about this fascinating subject by listening in.



Steven, welcome to the show.

Thanks, Roddy. It's great to join you on this podcast.

“The main premise of our work and the research is that the unknown is not the same as uncertainty.”

As I was just explaining, you recently published a book [with Diana Renner called Not Knowing](#). It's very much positioned, I think, for our VUCA world (the Volatile, Uncertain, Complex, and, above all, Ambiguous world that we now all live and work in). But I was interested -- embracing uncertainty, which obviously 'not knowing' is, is something that humans don't like to do at all, and yet we're also trying to create more human organizations. So 'not knowing' is something that we don't want to do, something that goes against our human nature - but you think we need to do it? There's a tension there, can you explain that?

Yes, we're hard-wired to know and neuroscience even points to the part of the brain called 'interpreter'. When there is no meaning, it seeks, automatically, patterns for recognition. The research done by [David Rock](#) for example has shown that uncertainty has a physical impact as much as an emotional impact of feeling threatened or feeling endangered. So we are afraid of the unknown, but the main premise of our work and the research is that the unknown is not the same as uncertainty. So, for example, you have children and they are waiting at Christmas or they're waiting at birthday to see what's inside their presents and that's wrapped up, they don't feel uncertainty, but they might feel curiosity, they might feel excitement, they might feel possibility.

So, the concept of the book is that there's many different ways to relate the unknown rather than the feeling of uncertainty and if we can grasp the benefits of engaging with the unknown rather than what we already know, which doesn't seem to be able to solve the complex challenges we face, there is the opportunity to create something new. So, the basic premise is, yes, we are afraid of the unknown. Our default reaction - we can talk more about this - tends to be the feeling of uncertainty. But, if we are able to look at the unknown at a different way, to reframe our ability to be with the unknown, that's really looking at it as a place of opportunity for something new to emerge in, in the business world, and in context of living in the VUCA environment that you described.

But the part about the VUCA environment is, presumably, really the uncertainty. This goes back also to the basics of neuroscience around emotions which is what paralyzes us from that perspective is the fear of uncertainty and that is the fear of not knowing and that's how things are going to evolve and emerge. There's hopefully not much fear in opening up your Christmas presents in the morning but, in a business sense, it's that concern we always have that things are not going to go according to plan. Is that a different kind of not knowing?

Yes it's not 'not knowing information'. So, for example, taking the analogy of VUCA, still - many of your listeners who have been familiar or might have heard of this Snowden Model or Cynefin framework. So it distinguishes between different types of problems. So, for example, on one hand, there might be simple



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problems: how do I turn this and make this work? There might be more complicated problems but the challenges that we're facing today aren't simple, or complicated, they're complex or chaotic and so one of the main premises is that it's impossible for leaders in organizations and managers to have all the answers in complex situations where we are in that environment of VUCA and interconnection made even faster by technology and, as we know, the abundance and maybe the overload of information. So, in that context, when it's impossible to know. 'Not knowing' isn't not knowing information', it's being able to operate in complex and even, perhaps, chaotic situations.

What's impossible to know, to give you a specific example, take 'unconscious bias'. We spend a lot in organizations now in recruitment and we're looking at the impacts of unconscious bias. But such a simple thing like this, Daniel Kahneman in his book, 'Thinking, Fast and Slow' points to over a 150 unconscious biases from primacy, recency, confirmation bias. So if you think you have reasons for your beliefs, you're probably wrong. It gives us a sense of humility, as Schein calls it, humble inquiry to recognize the limits of our knowledge and in terms of even in dealing with the business problems we face.

Actually, what we start with in the book is actually the dangers of knowledge, the dangers of thinking that we know, and that thinking that we understand. So, going back to a simple example of the global financial crisis, the Queen visited the London School of Economics in November 2008 and she asked them, "If you're all so clever people, how come nobody predicted the crisis?" The British Academy decided to answer her legitimate question and they convened a panel of experts, academics, regulators and business leaders - and in the following summer, in July, a letter was released which they wrote in response to the Queen and it said essentially that many did predict the crisis coming.

In fact, one bank had four thousand risk managers. The problem wasn't a lack of knowing, the problem was overconfidence in the belief of a few, that experts understood what they were talking about. So it points to hubris, it points to overconfidence in our own knowledge and I think one of the situations that we're all facing in the world of business at the volume things change and the interconnectivity and interdependencies that we're all operating under is that we all face the unknown and that we all have limits in what we can know and the time of the heroic leader, to use a metaphor or the Cult of the Leader, Chris Bones from Henley Business School, is over and so we need a different approach to leadership that recognizes the limits of expertise, the limits of knowledge, as well as its value but to balance our knowing with not knowing and creating space for something new to emerge.

That's great. I mean, I love that -- I mean, that's a very holistic understanding of that culture in organization. But, how do you suggest that organizations change that culture; because that sounds like a collective need to embrace 'not knowing' but that has to presumably come from individuals too and we know that in order to change organizational culture, there needs to be some direction from the top, possibly even a heroic direction from the top.

Yes, I think you're right in the sense that our perception is that leaders need to role model their behaviors of -- or role modeling the idea that they're not so certain and they don't have all the answers, which is very humbling and it's very confrontational and confronting for some. So, I was with a CEO the night before he was speaking to his global management team, for beer company in Belgium, and he said to me, "Steven, I do not know where we're going in five years' time. I cannot tell my team with conviction and any degree of certainty but it's one thing I can't say to them. I can't say to them I don't know because I'll lose all credibility. I'll be de-authorized. I might even lose my job."

So there's this culture that we're in that we look to our leaders or those in management to provide direction, order, clarity and they're in an impossible situation. So part of it is loosening the expectation we have on leaders to provide the answers and that does differ by culture. So, in some cultures, as we look across the spread, it's less expected that your manager has all the answers, so, for example, Finland. But in some cultures we expect our managers or those in authority to have all the answers such as Spain, for example. So, their ability to loosen them and give more range to our leaders is important and it has to start with them and role modeling that behavior.



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So, to give you an example, Charles Handy tells a beautiful story at London Business School where they were deciding which professor to promote and there was one professor - there was one person called Brown and people were not sure about him and they weren't sure whether to promote it but nobody could name why they were so unsure and then someone raised their hand, "I know why we shouldn't promote Brown. He doesn't have any 'decent doubt'." He was so sure about what he wanted to do. There was no room for space for an oppositional thinking or looking at something in a different way.

So I think this is a quality that leaders need to demonstrate, this 'decent doubt' and this ability to role model and say, "I don't know," in safe situations. So it's not saying it to the shareholders but it's giving more space for multiple possibilities and multiple hypotheses rather than one individual way.

Another example, specifically, in a global bank, there was a CLO and she was rated 100% competent by her people and when she read the rest of the feedback, it said nobody wanted to work for her. She was so upset and angry. She said, "How can you rate me 100% competent and you don't want to work with me?" and the response was, "Because we don't feel we can contribute anything. You always have all the answers, you are very bright, you know which direction to take us, but there's no room for us."

So, part of leadership is making space for others to contribute their ideas, making space for oppositional thinking to your own and creating that space of decent doubt that Handy points to that can allow those within the organization to come up with something new.

I think the really fascinating part about that is that it seems, though, that there are two really quite discrete, distinctly separate sort of modes there for leaders. One is when they're working with their close team and you've got to give them space to add diversity to the conversation and add input and not know all the answers, which you clearly can't do as a leader in any case, but when you're presenting that outside external image, we know that marketing doesn't work if you are putting forward an uncertain projection. If you look at politicians who stand up and say, "I don't know the answer," they're just not going to be followed. So, on one side, you need to project absolute certainty but when you're dealing, perhaps more closely with people that then you can allow that interplay to occur and that, obviously, is a really difficult balance to achieve.

Yes, it's having the -- I think you're right. It's in consensus that showing the uncertainty and the ability to people to contribute to you and then in actual display of leadership because you've done this, so willingness to go forward with what you have with some form of confidence rather than arrogance, but also willingness to challenge your own opinion and to change direction as appropriate, and that is difficult. We're in a culture where we call people who change direction 'wishy-washy' or they're not with a firm convictions. Yet, I would question any leader that doesn't change direction based on changing data and whether we are living in a world that has to be more tolerant that we live in with dilemmas. We live with contradiction and things aren't as simple or clear-cut as we would like to believe.

So, I think one of the challenges of leadership is making more space for that ability to change opinion on data, on valid data, ability to have humility to challenge our own perspectives, but also the confidence to go forward. So I'm not suggesting we stay in the space of "I don't know", I'm suggesting that it's a space to be in from which something new can emerge and then to go forward from that space with conviction but it's not certainty and it's not the arrogance that maybe - or hubris - that got this --

Absolutely. I mean, you worked with lots of senior executives and CEOs from a wide array of organizations and cultures too. It's interesting what you mentioned just earlier that Finland has a greater capacity to embrace the sort of level of uncertainty in their senior leaders versus, the one you suggested was Spain, but I think there were a great number of cultures. A lot of that comes, presumably, from the hierarchy of the organization itself and the flatter the structure, the greater the ability, presumably, to allow that 'not knowingness' to exist. So, if that is the case, and I'd be interested to hear what you would say about that, then the issue or what needs to change is a much bigger organizational shift than individuals just embracing, not knowing.



“Dunning-Kruger Effect: when you are a beginner, you tend to overestimate your ability; as an expert you have a more modest understanding”

Yes, one example to make this come alive is that when we're at the edge of our knowledge and we're facing the unknown, we use a method called after Cape Finisterre in Spain, and if you're familiar - our listeners are familiar - with the Camino de Santiago, an ancient pilgrimage from France to Santiago in Spain. People would journey another three days to this coastal town. In Latin, Finisterra means the end of the Earth, and, literally, they thought that's where the earth ended and they would look people sailing off to the sea, they thought they would fall off the edge of the world and they would draw dragons and lions in the water to show how terrifying it is.

So, when an organization is facing the unknown, it can be a terrifying place, and there are certain reactions that individuals, but also organizations do when they come to that terrifying place. We'd like to call it 'reactions at the edge'. So, for example, one of the reactions might be a rush to action. "Let's do something. Anything." So, that might manifest in the organization hiring consultant, might be, "Let's just take some --" might be the action plan, but it's not sitting with the sense of the world changing or with the unknown.

Another might be control, so they might assert more control, taking back roles, taking back authority, centralizing. Another reaction might be 'paralysis by analysis'. "Let's call a meeting or hire a consulting company to tell us what we need to do." By the time it changed, I'm thinking, "Look we are not going to survive now as an organization. We need to fold or not invest in the top line and just reduce cost at the bottom line." or there might be catastrophic thinking, "We'll all be fired or this industry is dead"

So we will have reactions at the edge of knowing, which is individual but can also be displayed by the culture of an organization and it's recognizing what our automatic default reactions are at the edge that gives us an opportunity to try to do something new. If I'm always rushing to control, I might look at it as a clue. "Maybe I'm facing my own uncertainty here, and I can let go of some of the control and see what's available when I'm not holding on so tightly, when I'm not trying to control so tightly." That applies for the individual, but also applies to an organizational culture.

From your research, do you see that it's more difficult to do that in different types of organizations, either based on size or sector? Can you observe different cultural approaches to being able to accept uncertainty or not knowing?

Paradoxically, I've noticed a greater acceptance of uncertainty in the financial sector. Who I tend to work mostly with -- possibly, this is in reaction to the great changes happening within that industry in terms of possible break up or disintermediation by new startups. But also the recognition that the world isn't going back to the way it used to be and that they, as large institutions, they are going to have to do work in a different way. So, part of it, I'm noticing a tendency within traditional large institutions.

So, I think there is a big myth that smaller, flatter companies tend to be more facing the not knowing. I think, more, smaller sometimes tend to be more assertiveness and more control and, paradoxically, more freedom within large organizations and then the small startup. It's like the dilemma between the open office and the cubicle. Which is better? So, David Burkus, in his new book [Under New Management](#) drew some attention to that, so sometimes open spaces can inhibit our freedom to speak freely, and lower that. So, I wouldn't say that not knowing is only for startups or for SMEs, I say it's also for larger organizations, and it's the ability, and it's particularly important for larger organizations because they are more at risk of the threat of the unknown from other competitors, et cetera, in that space. I'll point to the cross cultures but my experience tends to be particularly important in the larger organizations.

Does that play through from their own perception of themselves as a commercial organization into their ability to innovate, do you think? Is there a connection there or do people tend to think innovatively about their products and their services on the one hand and then rather differently about their organizational structure and how they work internally as something completely separate?

I think innovation happens in all levels, of course. It often happens at the individual level, or the unit level, the business team level. But, to give you an example of how the new thinking can happen industry wide or by changing something sustained with the banking, looking at such a simple, like Microfinance, the founder

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of Microfinance, Muhammad Yunus, he was speaking about how he developed the concept because not knowing something can be a blessing sometimes. You're open; you can do things your way without worrying about rules and procedures. He said, "I can try because I just don't know anything," and that research is backed up by [Christian Busch from the London School of Economics](#) at the innovation that he said that microcredit, mobile banking, micro-saving, all innovations that came out-of-context where there was no real infrastructure in place or pre-existing concept of how things can be done.

So, I think, in an organization where it's always been done this way, it's much harder to generate the innovative, and the 'beginners mind', but it is possible and I think it demands a leader who's open to conflicting opinions to their own and a willingness to hear original, rather than to crush, differentiation of opinions. So it points to range of factors there.

I was just about to pick up, because I love that quote from your book from Shunryu Suzuki on 'emptying your cup' and that difference between the beginner's mind and the expert's mind and which one has the greater capacity to accept possibility. I think it's intuitive for everyone to understand the less you know of something, the more you are prepared to accept.

What happens is there's a psychological effect that's called the [Dunning-Kruger effect](#) and the two psychologists from Cornell won the Nobel Prize in psychology for this effect. It talks about when you are a beginner or you have no knowledge, you tend to be overconfident, you tend to overestimate your ability but, as you become an expert, it tends to go down, and then you return when you are really expert, you tend to have more modest and more humble understanding of your issue.

Although I talk about it, I'm not saying -- it's not like TechLok. I'm not saying expertise is negative. If I want heart surgery, I go to a heart surgeon, heart surgeon generalist. But the value of real experts is that people that are deep in that domain recognize the limits of their knowledge and they are not fully into overconfidence. Part of it is, yes, recognize the beginner's mind, recognize -- I love the quote, "In the beginner's mind, many possibilities; in the expert's mind, there are few."

But the idea here is how can we develop expertise, but develop the other openness to be willing to entertain, to dialogue with alternative opinions, and that's really difficult. Like [Lynda Gratton in her book, The Shift](#), which she wrote, really, for her young children to prepare them for the world, to work in the future. She talks about the concept of becoming a serial expert. So, not just diving in gently, but mastering the subjects so you have some grounding and some depth, and then moving on to master another subject and look for the interrelational aspects between the two and so forth.

I think this is one of the new ways of working too in which we won't have people with one job for life or 10, 5 jobs for life. It might be 20 different types of roles for the up and coming generations. So, that ability to be neo-generalists, which is a term by the new book coming out that that ability to recognize the value of expertise, but to be able to have the agility to be open and to keep on learning. I think that's one of the key messages there.

I think that opens up this whole idea of experimentation and playfulness in what you are doing too. The part of the problem of being an expert is that you see too many barriers. Are there things that you suggest or recommend that allow people who are immersed in their subject to, perhaps, adopt again a bit of a beginner's mind?

I'd say part of it is we talk about the value of working with the people who are absolute beginners, because it's like being from a mentoring, might be in the form of teaching. But, when you're working and you're describing what you know to somebody who is without any foundational knowledge, it demands from us an ability to translate our thoughts and also to re-evaluate our thinking. So, one of the exercises in the book is speak to somebody who doesn't have any knowledge of your field and see if you can describe it simply. I think it's Warren Buffet who describes how he describes his investment to his wife and says, "That's the test." Like Mark Twain who says, "I'm sorry I didn't have enough time to write a shorter letter." That's the



ability to re-evaluate our thinking and communicate it clearly, I think is there.

Also, in terms of an organization and the experimenting you talked about, part of it is how to make a room for that. Not as setting up an incubator, but in everyday working life. How do you make more space in team meetings for multiple hypotheses for example around what's going on? Maybe staying with the questions a bit longer rather than moving straight to solutions.

So, there are small things that we can do in daily organizational life. I think make more space for more interpretive and more experimental and the more playful rather than this is the way, this is what we can do much more linear and which might not be the best solution in terms of tackling the complex challenge.

That takes us back to the original point around curiosity. We know that some people are just naturally more curious than others. Are there ways to make people in your team have a sense of greater curiosity, to be intrigued by the 'not knowingness' of things or does one just have to accept there are going to be team members who are looking for certainty and want direction?

I think we can encourage and we can nurture their practice of curiosity rather than thinking it's something that we either have innately or we don't. So, for example, one of the exercises I do with the executive is I ask them to get a piece of paper and write down everything they know about a complex challenge they're facing at work and give them a minute or so and they fill that paper. We ask them to fold it in half, fold it in half again, and then put it into their pockets. So, they can keep what they know. We're not asking them to remove what they know; there's value there. And then we give them a second piece of paper and say, "On this, at the same time, I want you to write down all the questions you have around your problem, all the curiosities you have, all the things that you don't know," and they write that. Then I ask them, metaphorically, to hold the two pieces of paper in their different hands, "Which seems to be the lighter and which the heavier? Which was the longer list? Which was the shorter list?" and it's quite a fascinating exercise because it does show that people have curiosity that there is much more space for questions and for what they don't know around a challenge.

We need to create the context in which they're able to hold that and that they're just able to hear opinions that might have doubts, might have different points of view, and that basically not knowing is a very powerful tool to do that. So that's a simple example but it's possible to put a structure for curiosity and for our questioning and for the space of balancing the knowing with the not knowing.

It's giving people permission to 'not know' in a large extent. There are couple of things I just quickly want to touch on. I'm conscious that our time is flying past, but I know your previous book, [Brilliant Networking](#), that you wrote some time ago, also covers an area that in modern work we need to understand a bit better. What are the connections between Not Knowing and Brilliant Networking?

I think one of the connections is in reaching out to others and going past that model of one person has all the answers. So, the value of -- so, for example, in Networking, I don't talk about business cards to elevate the pitches but I talk about the structure, the quality, the diversity of your network. So, one of the direct parallels is building diversity in your network, building differences in your network, enables you to have more data in terms of addressing situations of not knowing, benefiting from different perspectives.

A simple business example is the company, IDEO. Very small team but they have built, specifically, differences into that team. So they might have the linguist, they might have the psychologist, they might have a medical doctor but they all contribute in the diverse network to giving and to generating new ideas that might not have been possible with one person only operating the field. So, I think networks and networking enables us to deal with the VUCA world and it gives us the ability to recognize our limits, but also to benefit from the knowing of others.

Superb, thank you very much. A question we would like to ask our guests is, given this, the knowledge and insights you've gained from your research and work with high level executives over the years, looking back, what advice would you give your 25-year-old self, or your younger self now, that you think would

"The Spanish poet, Antonio Machado says, "Traveler, there is no path. The path is made by walking." So, the advice would be to walk the different routes, to find your own path"



have been useful for you to have had than?

I once interviewed a comedian called Angela March, who was one of the first British-African comedians on the television radio program and she said to me something. I think it was very important for young people. She said, "When you are 14, if you don't choose the right options then your career will be over. 16, don't choose the right A-level, so that's over. 18, get the right degree then it's over." We put too much pressure on ourselves to follow the path and to be able to know what the right direction is here. She said to me, "Steven, you don't need to do anything before you're 30. It's about playing, it's about experimenting, it's about trying new things," and I think this is one of the challenges that we -- well, advice that I would give to myself: time to experiment more, time to try different new things. One of the quotes that we entered in the introduction of the book is by the Spanish poet, Antonio Machado who says, "Traveler, there is no path. The path is made by walking." So, the advice would be to walk the different routes, to find your own path rather than -- and this is the same for organizational life and not just your personal life.

What a lovely idea, concept; that really chimes to me. In fact, oddly, it's something similar that my father told me. That was, of course, after I'd chosen my path, He hadn't told me at the age of 14 or 15. I think you can be quite brave as a parent to tell your children that at that stage, but I completely understand and agree with the sentiment. Steven, I've really enjoyed our conversation and, despite the focus on not knowing, I think that you've brought a great deal of knowledge to us in this conversation and I hope that the listeners, like myself, have found it stimulating and useful. So, thank you very much, indeed.

Thank you, Roddy.

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