Extraordinary Outcomes
Shaping an Otherwise Unpredictable Future

Iris R. Firstenberg and Moshe F. Rubinstein

KEY CONCEPTS

- In order to succeed in an uncertain world, leaders must learn to work with continual change. The framework for doing so involves purpose, people, and possibilities and addresses teamwork, positive thinking, and encountering failure.

- No one can lead effectively or perform efficiently without a clearly stated *purpose*. A purpose not only establishes a goal, it inspires people to action.

- There must be a *team of people* working in harmony toward the same goal. The latest research in psychiatry offers reliable guidance for engaging minds and hearts and establishing an environment where people can become their best selves. In such an environment, resilience and engagement grow naturally.

- Change means uncertainty, but it also opens up *possibilities*. Leaders and their teams will discover more opportunities if they learn to get a sneak peek at the future, through imagination and collaboration.

- Thinking positively, preparing for success through *priming*, and showing appreciation for the efforts of others can help people become more flexible, resilient, and efficient in times of uncertainty.

- Organizations must learn to handle failure, as it provides feedback that can enable a resilient company to recover quickly.

SUMMARY

INTRODUCTION

Nothing is more certain than uncertainty, but in **Extraordinary Outcomes**, Iris R. Firstenberg and Moshe F. Rubinstein offer a framework for building success in an ever-changing world. This framework involves purpose, people, and possibilities; embracing, engaging, and expanding these three elements enable resilient leader-
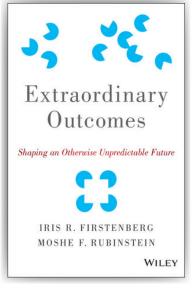
ship amid uncertainty. By drawing on the findings of positive psychology, leaders can bring out the best in themselves and others, reap maximum benefits from failures, and succeed—and even thrive—in a changing environment.

SKILLS AND TALENT ARE NOT ENOUGH

Firstenberg and Rubinstein cite the example of the U.S. Olympic basketball team to address how leaders can shape a rewarding future and achieve extraordinary outcomes, even in times of uncertainty. The 1992 Olympics were the first to allow professional basketball players to compete in the games. With its best players, the U.S. men's team won gold medals in 1992, 1996, and 2000. However, the point spreads decreased with each Olympics, and in 2004 the U.S. team barely won the bronze. In assessing the situation, Duke University basketball coach (and future Olympic coach) Mike Kryzewski identified two concerns:

1. *Lack of purpose:* The team was made up of individual starters who were missing an emotional connection to the team as a whole. They were not sufficiently engaged.

2. *Lack of system*: Each team member was playing his own individual game. There was no coordinated team effort because there was no system in place for one.

The team needed to embrace a purpose, engage its people, and expand its possibilities to achieve extraordinary outcomes in what is always an uncertain future.

CONNECT TO A COMPELLING PURPOSE

People are both rational and emotional beings; for them to accomplish anything of value, both head and heart must be engaged. Nothing engages like purpose. People with purpose are both resilient and future oriented. They know how to evaluate the importance of events and ideas. They are focused and intensely curious. Purpose outweighs pleasure as a source of happiness; it is scalable and inspires people, collectively or alone, to greatness.

On the organizational level, the leader is the one who must articulate purpose. Rather than telling people *what* to do and expecting them to get on with it, a good leader first tells them *why* they are to do it. An effective purpose must be noble and inspiring, engaging both reason and emotions. A clear purpose, succinctly expressed and focused on a value other than the bottom line, awakens people to all kinds of possibilities and inspires hope.

Once teams understand both what they do and why it matters, they can articulate their own purpose. Individual team members need to grasp how their particular responsibilities contribute to the team's and the organization's overarching purpose, that is, how they personally add value. Purpose lies in value created rather than profits generated.

Companies on the Fortune 100 list often disappear [because they] are unable to adapt when their original purpose for existence becomes irrelevant. This means we must remain vigilant, questioning our assumptions about relevance and monitoring the unfolding future for cues that a renewal of purpose may be required.

Individuals are often admonished to strive for work/life balance, as though time spent working must detract from other areas of their lives. Instead, they should consider work/life integration in defining their purpose. Because people can learn at any stage of life, their focus should be not on what they *can* do, but on what they *want* to do. Zeroing in on their dreams helps them identify their passions and their purpose. On whatever level, meaningful work has an emotional component. Dr. Martin Seligman, in his pioneering work on positive psychology, examined the pursuit of happiness. He found that people who want a pleasant life focus on *things*, and people who want a good life focus on leisure *activities*. Neither one brings true happiness. Instead, happiness comes from a meaningful life, from creating value and belonging and making a difference. This type of happi-

ness persists through good times and bad. A purpose is not set in stone, but may need periodic redefinition as needs and circumstances change.

GALVANIZE THE TEAM

A team is an organism, and like other organisms it must function as a single entity. Standards, rather than rules, help a team attain unity, for while rules limit, standards inspire. The starting point for setting standards begins with the following six core values:

Universal values we have identified…are fundamental for creating a team of one mind that is focused on purpose and equipped to achieve extraordinary outcomes.

1. *Trust* is essential, but requires cultivation. It is built on behaviors, not intentions, so leaders must constantly monitor how they act. Transparency and vulnerability on the part of a leader set a good foundation for trust. Studies evaluating levels of trust have found that high-trust societies, where good intentions are assumed, are more prosperous and democratic, are healthier, and experience less crime and corruption than low-trust societies. Similarly, high-trust teams consistently outperform low-trust teams.

2. *Respect* must be mutual and obvious. One of the quickest ways to create mutual respect is by making an effort to learn and use people's names. Remembering names is hard, but other people appreciate the effort involved. Active listening is another way to demonstrate respect. Beyond the obvious rule of not interrupting, multitasking is forbidden. People should not multitask; instead, they should switch attention back and forth. Ignoring someone, even for a minute, displays rudeness. Electronic devices pose an obvious temptation, so people must exercise restraint in using them. Sensitivity to titles and language matters—for example, it is demeaning to call people "non-essential personnel." Simple good manners, like "please" and "thank you," also indicate respect.

3. *Integrity* is as simple—and as difficult—as making one's actions match one's words. People of integrity also admit their mistakes.

4. *Empathy* means accepting that other people almost certainly see things differently, because different experiences lead to different perceptions. People should make an effort to "think inside the other person's box."

5. *Inclusion* is often overlooked, yet all people know that exclusion hurts; in fact, it activates the same areas of the brain as physical pain. Leaders must make an effort, in planning meetings, to include everyone who could have a stake in the subject under discussion. Every meeting should begin with the query, "Who else should be here?" until inclusivity becomes standard practice.

6. *Communication* requires clarity if it is to be effective. Like newspaper articles, people should "start with the headline," then move from the general to the specific. Asking for questions at the end of a talk is ineffective. The best communicators interrupt themselves with the request that listeners make when speakers are being unclear. Stories, metaphors, analogies, and novelty grab and keep attention. Communication also calls for a certain kindness, especially in response to new ideas, which need time to grow.

AMPLIFY THE POSITIVE

Any person who has ever made a New Year's resolution knows that setting standards and meeting them are entirely different things. Organizations that manage to meet their standards do so by providing regular reminders. Groups of employees spend a few moments each morning reminding themselves and one another of the ways they have embodied that particular value. Rotating leadership of this daily discussion facilitates buy-in.

The technique utilizes a psychological process called *priming*, in which people prepare themselves or others ahead of time to behave in a certain way. Athletes, for example, use priming all the time; they envision each shot, each putt, or each serve perfectly performed. There are other ways of priming; a smile, for example, even

in the bathroom mirror, triggers the release of neurotransmitters in the brain that boost confidence and satisfaction, leading people to perform their best.

Good leaders at all levels understand the priming power of stories. Hero stories, or stories about people who do the right thing, inspire listeners to do likewise. Failure stories inspire fear and anxiety, shutting down creative thinking. Positive priming sets people up for success. Success, in fact, can be a habit like any other. Habits are formed by repeating actions until they are automatic, and automaticity frees up cognitive resources.

Another approach to priming is to look for *positive deviances*—small changes that distinguish an excellent outcome from a merely good one—throughout the system. When a team detects a positive deviance, all its members are empowered and willing to adopt it. In contrast, an outsider who only points out what went wrong is likely to meet with resistance.

Successful enterprises have often succeeded by replacing "or" thinking with "and" thinking. "Or" is a limiting word that requires people to decide between two options, both of which may have attractive points. Expanding the range of thinking by using "and" can broaden the scope of possibilities.

Imagine if each day everyone in an organization spent the first 10 minutes in the morning talking about the same standard . . . we would say that all minds would be primed to think as one.

It is helpful to break down a huge problem into several smaller, less daunting, problems. Each small success boosts morale and opens more opportunities for solving the next problem. This incremental-victory strategy has successfully worked in paying off consumer debt: Those who start by paying off the smallest debts first manage the entire debt better.

People have emotional resources, rather like bank accounts. The more good things that go in—fun, gratitude, being appreciated—the more emotional strength people have for dealing with problems and disappointments, and also the more energy for creative thinking. In business, showing appreciation for effort is the most practical way to furnish positive emotional deposits. A yearly awards ceremony is not enough. Appreciative recognition needs to be a small but prompt response that is tailored to the recipient's tastes, is unexpected, and is appropriate in scale. Additionally, "please" and "thank you" go a long way in increasing positive interactions.

It is important to recognize effort as well as outcomes, especially when the efforts are voluntary and repeatable behaviors. Emotions of whatever kind cause alterations in brain chemistry, changes that dissipate only gradually. When efforts are recognized, positive emotions linger a little. The results are enhanced creativity, flexibility, resilience, efficiency—traits that benefit the whole organization.

CONQUER UNCERTAINTY

There are two fundamentally different types of systems: *complicated* and *complex*. When problems arise, it is critical to understand the kind of system involved. An airplane is a complicated system—the whole is the sum of the parts, and factors that cause system failure are knowable. Air traffic control, on the other hand, is a complex system. Uncertainty here can result from random variations like weather, and from outlier events like 9/11. In fact, any time people are an integral part of a system, that system is complex. Tools designed to correct complicated problems cannot fix problems in complex systems.

Disciplines like economics often err because they start from the mistaken assumption that people are completely and solely rational. These disciplines assume that people will always optimize—go for the very best solutions—when in fact, people usually "satisfice"—go for a solution that is good enough. Arriving at "good enough" usually means taking cognitive shortcuts that produce biased thinking and decisions made in error. As a result, economic bubbles form and burst, like the dot.com or housing bubbles.

People need a different way of thinking, one that eliminates or reduces uncertainty, perhaps even embracing it. They can "bring the future to the present" in several ways:

- *Imagination*. Using their imaginations allows people to envision the future. The best way to tap into imagination is with a *story*. Stories move people, changing how they feel and therefore how they act. People are both rational and emotional. Logic handles the facts, but emotion sets the facts in context. Therefore, telling a moving and interesting story with data woven in has a much greater impact than simply presenting data, which is the method in most business meetings and PowerPoint presentations. Many corporations already use stories to imagine the future and motivate employees to help shape it.

People often "satisfice" rather than optimize choice. Namely, we often pick an alternative that is good enough rather than perfect.

- *Others' perceptions*. Sites like Yelp.com and Angie's List allow people to learn from the experiences of others, which is something many organizations could learn from. Input from different people comes from different experiences, world views, or ways of thinking. Tapping into others' perceptions and past histories can reduce the uncertainty of the future.

- *Deliberate chaos*. Gathering diverse perceptions creates deliberate chaos. It is like mixing the pieces of two jigsaw puzzles and dumping them on the floor. However, sorting through the chaos also raises the chances of recognizing what is important, noticing patterns, and catching rather than making mistakes. Inviting such chaos shortens cycle time on new products by allowing built-in customer satisfaction. Teams that do so often beat release schedules because they avoid mistakes. Another way to stay ahead of schedule is to scrap the usual process (build sequentially, assemble, test, release, fail, retest, and so on) in favor of an *agile project system*. In such a system, teams start working simultaneously on multiple components, observing and seeking customer feedback on each. Such collaboration reduces costly errors.

- *Partnering*. Public relations is less effective now that information is so easily available. Since in a complex system, outcomes are influenced by stakeholders, partnering with the public makes sense. Some companies competitively outsource problem solving to college and graduate students rather than doing the research themselves. The winner gets a cash prize, an expense that saves the company money in the long run. Networking makes partnering with friends of friends easier; people have even been persuaded to save for retirement by partnering with their future selves!

- *Embracing uncertainty*. It is futile to anticipate all possible crises and formulate plans to deal with each. An *adaptive* strategy is better. For example, in the realm of transportation, railroads go where the tracks are and follow a set schedule, and travelers must adapt. Taxis, on the other hand, have an adaptive system that allows passengers to go where and when they want. The best adaptive planning is marked by vigorous collaboration, integrity, and visionary leadership. It always contains some kind of debriefing to discuss what was learned yesterday or last week, and leadership is distributive.

To craft an adaptive strategy, six elements are needed:

1. Clarity of purpose
2. Thorough testing of assumptions
3. Built-in redundancy and a time cushion
4. Patience enough to get things right
5. Many preliminary designs or modules to choose from
6. A watchful eye for outliers

ACKNOWLEDGE, LEARN, CORRECT

Fear, especially fear of failing, can be paralyzing, but the right kind of mind-set can overcome fear. People believe either that success comes from innate talents (*fixed*), or from skills that can be learned (*growth*). They may have a fixed mind-set for one area, and a growth mind-set for another.

People with a fixed mind-set have one goal: never, ever fail. A growth mind-set allows people to be more resilient. Such people are able to take failure as feedback, to remind themselves of times they have overcome failure, and to try again. This is not to minimize the impact failure can have. Some people *catastrophize*; that is, their failure looms so large in their minds that they lose all perspective. Others are so fixated on what *should* have happened that they can see no way to salvage what actually *did* happen.

The good news is that these people can challenge their own thinking when failure strikes. In addition to remembering past recoveries, they can order themselves to stop, see what assumptions underlie their reactions, and dispute them. Putting things in context also allows them to reframe their emotions. Anxiety can then become concern, and rage softens into annoyance. If they can name their emotions, reframing is easier. Organizations that have not learned to handle failure often turn to denial, rationalizations, and cover-ups instead of starting over. Leaders must encourage workers to accept the saying that people fail only when they give up.

The mind-set you hold for a particular ability will influence your behavior and motivation to persist long enough to succeed.

Another useful way to handle failure is to practice correcting the weaknesses that caused it. However, only *good* practice makes perfect, practice that consists of catching mistakes and correcting them. Good practice also incorporates some difficulties and works to overcome them. It should occur often, but at intervals, under varying conditions, and with several skills being honed at each session. The harder people practice, the more likely they are to succeed.

Organizations allow practice when they rotate their leadership trainees through all departments. They can further cultivate a growth mind-set by allowing failure, giving employees responsibility for ultimate success but also the authority to learn from failure.

It is safe to fail if there are frequent debriefings. The *PRICE* strategy allows organizations to systematically generate options for correcting failures:

- **P***urpose*: How would this idea help generate value?
- **R***educe*: What current practices should be reduced?
- **I***ncrease*: What practice should be intensified?
- **C***reate*: What new practices should be introduced?
- **E***liminate*: What practices should be stopped altogether?

Corporations cushion the potential impact of failure by considering many options and rejecting the bad ones. (The bad ones, though, may be desirable failures, like those that led to penicillin and Post-It Notes.) Companies that provide seed money to develop multiple ideas simultaneously find that the payoff is significantly greater than the investment. Other organizations partner with others for certain functions, effectively outsourcing their areas of weakness. Finally, shared failure can certainly build unity.

SHAPE THE FUTURE

The greatest challenge for people and organizations may be their own limited ideas of what is possible. They can broaden their horizons by considering what keeps them from making progress, what they want to stop

doing, what their purpose is, and what it will take to spur them to action. Next, they should articulate standards and determine how they can make them facts rather than wishes. They should consider questions such as, Are they missing opportunities? Are they "bringing the future to the present" to eliminate or reduce uncertainty? How will they embrace the unknown or deal with failure? They should make sure the right people are on their teams, and that everyone is trying to develop skills and encourage resilience.

Once people realize that living with uncertainty requires lifelong learning, and once they learn to embrace purpose, engage people, and expand possibilities, they too will achieve extraordinary outcomes.

FEATURES OF THE BOOK

Estimated Reading Time: 4–5 hours, 240 pages

Extraordinary Outcomes offers leaders innovative ways to think and plan in the face of an uncertain future. The authors provide strategies for managing, reducing, or embracing uncertainty to achieve extraordinary outcomes. They illustrate their points by drawing on both anecdotal evidence from the business world and the latest psychological research and carefully walk readers through the evidence on which their ideas are based. The book would be of interest to all readers, but especially useful for leaders who want flexible and resilient teams, agile strategies for working with change, and techniques for recovering from failures. It is well organized and should be read in chapter order.

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