Surviving and Thriving in the Next Decade

Wagyu Society
Afridome
Parys
11 Augustus 2018

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Outline

- Thinking about the future
- VUCA and TUNA
- Perception
- Polarities and Paradox
- Scenarios
- What should be in your futures toolbox
The world at three levels

The daily political, social, economic and technical noise

The trends and especially trend-breaks, not so clearly visible

Slow moving societal and cultural changes
Looking forward .... And back!
The future: Perception is reality

**Perceiving.**
Developing a mental model - learning begins with perceiving

**Acting.**
Implementation, keeping track, monitoring and results

**Thinking about the future**

**Concluding.**
Shared understanding, “what if” and simulating

**Embedding.**
Calibrating our mental models and developing a new language
The memory of the future

Why is it so difficult to see the future?

• We can only see when a crisis opens our eyes.
• We can only see what we have already experienced.
• We cannot see what is emotionally difficult to see.
• We can only see what is relevant to our view of the future.

Source: A de Geus, 1997, The Living Company
Fear and anxiety about the future result in the avoidance of realities and the creation of an euphoric view of the past.

Future Phobia

The future pessimist endorses Murphy's first basic law: “If anything can go wrong, it will!”

Fear and anxiety about the future result in the avoidance of realities and the creation of an euphoric view of the past.
Our limitations to see (ii)

Paradigm paralysis

Paradigm paralysis does not allow you to "see" that things do not happen the way they used to happen.

If you have paradigm paralysis you cannot shift views or change your opinions until you accept the new paradigm.
Reversed paranoia results in a condition where somebody does not only believe that a leader will lead him to the "promised land", but also that his leader can visualise that dream.

Reversed paranoia creates reactive behaviour - you follow somebody - rather than proactive behaviour i.e. you become your own leader.
Our limitations to see (vi)

Info-mania

The info maniac idolises facts. His "facts" gives him a false sense of power, control and a superiority complex regarding other people, but it inhibits his creativity and does not allow for his most valuable decision-making tool - his gut feeling.

The "new laws for information" are:
1. The information you have is not what you want;
2. The information that you want is not what you need;
3. The information that you need is not available!
The future: What is important?
Moving into the Future

Farewell to the past
- Resistance to change
- Low innovation
- Fear and uncertainty
- Double agendas
- Conflicts high
- No clear vision
- Legitimacy crisis

Turbulence and chaos
- Uncertainty level very high
- Confusion and chaos
- No clear game rules
- Anxiety, depression
- Polarisation
- Need for leadership

The new beginning
- Visionary leadership
- Emerging game rules
- Ambivalence
- Legitimacy increase
- Innovation appear
- Efficiency increase

Conflict
Power plays
Consolidation
A VUCA world / TUNA* world

*Volatile, Uncertain, Novelty and Ambiguity
“VUCA environments thus become invitations for inaction – people are befuddled by the turmoil and don’t act. And to succeed, you must act!”

General George Casey
Army Chief of Staff and Commanding General of the Multinational Force in Iraq
1. **Volatility** – *the rate, amount, and magnitude of change*

Drastic, rapid shifts can bring about instability for organizations and leaders, but even the minor or innocuous shifts that occur daily, such as new and “immediate” priorities that disrupt plans, or the increasing need to “multi-task,” are changes that increase volatility.

2. **Uncertainty** – *the amount of unpredictability inherent in issues and events*

Leaders can’t predict because they lack clarity about the challenges and their current and future outcomes. Uncertainty can result in an over-reliance on past experiences and yesterday’s solutions or to analysis paralysis as we sift through more and more data.

3. **Complexity** – *the amount of dependency and interactive effect of multiple factors and drivers*

Complex interactivity requires leaders to think in more creative, innovative and non-linear way; to be able to deal with shades of gray (as opposed to black and white) solutions.

4. **Ambiguity** – *the degree to which information, situations, and events can be interpreted in multiple ways*

Ambiguity increases doubt, slows decision-making, and results in missed opportunities (and threats). It requires that leaders think through and diagnose things from *multiple* perspectives.
How does VUCA applies?

Links between V.U.C.A.
VUCA requires reframing
Paradox and Polarities
Polarity Management

How do we solve those management and leadership dilemmas that do not present easy solutions?

Dilemmas such as:

- The individual and the team
- Freedom and equality
- Autocratic and participatory
- Stability and change
- To terminate or to continue services with non-payment
Polarity Management

We see the world in "black and white"
Something is either right or wrong!
It is either you or me!

BUT

We live in a world with shades of gray
Something can both be right and wrong!
Can we discover a "win-win" mindset?

Barry Johnson, 1992, Polarity Management
The management of paradox

Current reality

+ Upside of current reality
  - Things are going well
  - Satisfaction

Future expectation

+ Upside of the future
  - Future will be better
  - We can change things

- Downside of the current reality
  - Unhappy
  - Unsatisfied

- Downside of the future
  - Do not even think about it!
  - This is where things will go wrong
The crusading mindset

Individual
- Isolation
- No equality
- Selfishness
- No synergy

Team
+ Belonging
+ Equality
+ Team support
+ Common goals

PANIC BUTTON®
The Crusaders

- They are the change agents.
- They identify the downside of the present situation.
- They identify the upside of the alternative.
- They provide the energy to move from one pole to the other.
Tradition-bearing mindset

Barry Johnson, 1992, Polarity Management

- Individual
  - Uniqueness
  - Freedom
  - Creativity
  - Dreams
  - Goals

- Team
  - Sameness
  - Conformity
  - Neglecting self
  - Loss of individual dreams
Tradition-bearers

- They maintain the system.
- They identify the upside of the present situation.
- They identify the downside of the alternative.
- They provide the energy to preserve the upside of the present pole and to avoid the downside of the opposite.
The individual vs the team

Individual
- Uniqueness
- Freedom
- Creativity
- Dreams
- Goals

Team
- Belonging
- Equality
- Team support
- Common goals

- Isolation
- No equality
- Selfishness
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+ • Freedom
+ • Uniqueness
+ • Goals
+ • Belonging
+ • Equality
+ • Team support
+ • Common goals

- • Isolation
- • No equality
- • Selfishness
- • No synergy
- • Sameness
- • Conformity
- • Neglecting self
- • Loss of individual dreams
Build a bridge........

Develop the current position

Transform to a new position
The Future as an inflection point:
A clear, single view of the future

- You must understand the dynamics of change
- You must be able to control the environment
- You must have predictability
- You must have stability

Current Reality
Where we are now

Current Future
Mechanistic view of the world
The Future as an inflection point: A limited set of possible future outcomes

- Change is more complex than we think - only the parameters of change is knowable.
- We assume the system is in **dynamic equilibrium**.
- We have very little control over the external environment.
- The process is cyclical
The Future as an inflection point: A range of possible future outcomes

- Social systems are extremely complex systems.
- We experience periods of stability followed by periods of chaos.
- Systems seem to be in dynamic disequilibrium
- Multiple outcomes the norm rather than the exception
Part One: How did we get here?
- Nasrec & CR17
- Cabinet
- Factions still active
- Role of political opposition

Part Two: How does it all fit?
- Transition
- Dominant Party System
- Political Dynamics

Part Three: Critical uncertainties
- Virtuous Cycle
- Vicious Cycle
- Economy
- Land Reform
- Social cohesion
- Political process

Part Four: The way forward
- The road to 2019
- Beyond 2019?
- Political realignment
- Four scenario themes

South Africa towards 2019 and beyond
The Virtuous and Vicious Cycles

**Virtuous Cycle**
Centripetal forces dominate
(“Seeking the centre”)

**Vicious Cycle**
Centrifugal forces dominate
(“Moving away from the centre”)

The Vicious and Virtuous Cycles

Independent Judiciary

Stable financial system

Free media

Stable Political System

Good Banking system

Freedom to associate

Relative Good infrastructure

Excellent Constitution

Good financial governance

Stable financial system

Good Banking system

Education crisis

Ruling Party in disarray

Crime

Restrictive labour regime

Poor economy

Weak economy

High unemployment

Policy uncertainty

Government inefficiency

Corruption

Poverty
Eighty-nine per cent (89%) of manufacturers view the political climate as a constraint on business, reflecting public policy uncertainty and poor public finances.
The Scenario Matrix

- Optimal growth
- Social cohesion
- Consolidated democracy
- Stagnation
- Social polarisation
- Fragmented state
Four scenario themes for South Africa beyond 2019

- Optimale groei
- Sosiale kohesie
- Gekonsolideerde demokrasie
- Gefragmenteerde

**The bad road Scenario**
Cry the Beloved Country – Alan Paton
Four scenario themes for South Africa beyond 2019

- **The Ubuntu Scenario**
  Ubuntu – Lovemore Mbigi

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- **Stagnasie**

- **Optimale groei**
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The Pretoria will provide Scenario
Pretoria will provide and other myths - Clem Sunter

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The Long Road Scenario
The Long Road to Freedom – Nelson Mandela
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Land reform to follow strict policy regime

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Cry the Beloved Country – Alan Paton

Land reform take the populist route – everybody loses

Land reform the result of a negotiated outcome

The Long Road Scenario
The Long Road to Freedom – Nelson Mandela

Land reform takes a muddle through road – a VUCA environment

The Ubuntu Scenario
Ubuntu – Lovemore Mbigi
Sensemaking
What should be in your futures toolbox?

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How to manage a VUCA environment?

1. Innovate and shape the future.
2. Execution speed and agility.
4. Define your Anchors - North Star or Southern Cross.
5. Search for Simplicity - to counter complexity.
6. Encourage collaboration - nobody can do it alone.
8. Invest in Resilience – ability to bounce back.
Thank You
Baie Dankie

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