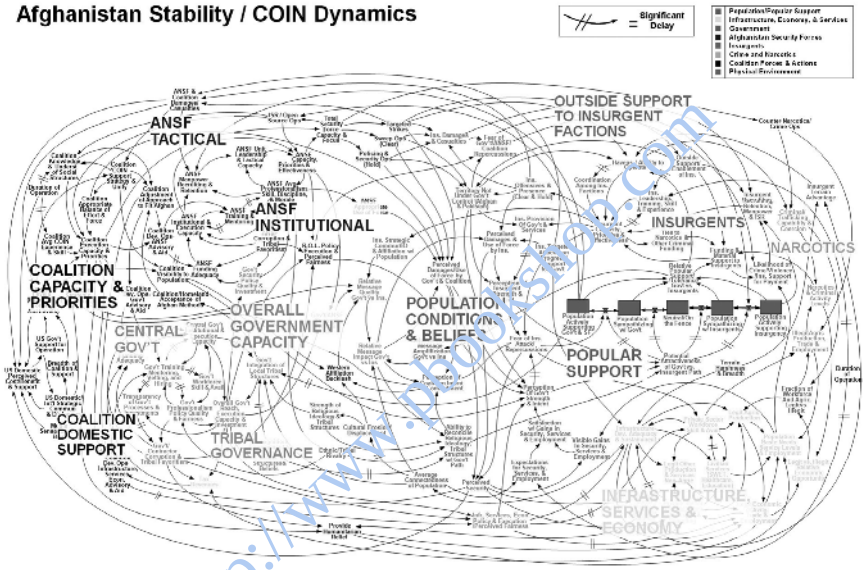
Chapter 1

Global Brain Freeze

Nonstop Overstimulation Brings Disorientation

If you're going through hell, keep going.

Sir Winston Churchill



General Stanley McChrystal famously said in Afghanistan, "When we understand that slide, we'll have won the war." One might say we have met the enemy, and it's overload, confusion, and disorientation.

SOURCE: U.S. Department of Defense.

You know the feeling: At the end of a long flight, the wheels touch down, and you instinctively reach for your iPhone or BlackBerry—pressing the on button even before the reverse thrust kicks in. Within about 10 seconds (if you're lucky), your device picks up a signal, and then the messages start streaming in, each one giving your already overstimulated brain a dopamine hit. Maybe if you've just arrived in Mumbai after a 14-hour flight, you've got literally hundreds of incoming e-mails, a dozen voicemails, and bad economic news to process and react to: Global markets may have plunged again while you were trying to doze during the second meal service. Perhaps you're grateful that aircraft don't yet universally have in-flight WiFi configured, or you wouldn't have gotten any chance to rest at all. In the sedan on your way to the hotel, you try to hack your way through some of the messages, answering those that only require a quick response and preferably little thought.

UCLA psychiatrist Gary Small's research shows that this continuous partial attention actually leads to a kind of brain fog, where much information is skimmed but nothing useful really sticks. You make a mental note to yourself: Does answering e-mail for 10 hours a day constitute productive work, or, for that matter, a productive life? Fortunately or otherwise, neither you nor I have time to dwell on that question. We need to keep rolling, one foot in front of the other.

More Has Become (Much) Less

I don't claim to be a prophet, and in fact I know I still spend far too much time reacting to incoming developments rather than anticipating

From crisis and scandal to the proliferation of product choice and the relentless 24/7 information smog of always-on news, e-mail, and social media, we are not feeling especially smarter or wiser. On the contrary, our ability to think and act decisively with the future in mind has diminished. Imagine having—at last—the entire knowledge of human civilization at your fingertips, and finding that it basically gives you a migraine.

them. On the other hand, in 2005 I authored a book entitled *World Out of Balance*. Despite the continuing halcyon days of economic boom, I took the then-unfashionable view that all was not well with the world and gave some specific advice about what business leaders needed to do to adapt their companies, and, more importantly, their thinking, to some volatile new realities. In hindsight, I wish I had been dead wrong about the future that would unfold. Seven years on, the pace of change has only accelerated, and rather than being brought back into balance, our world has undergone a further series of upheavals that have shaken us to the core.

Not surprisingly, people (and organizations) everywhere are feeling disoriented, bewildered, and even paralyzed. From crisis and scandal to the proliferation of product choice and the relentless 24/7 information smog of always-on news, e-mail, and social media, we are not feeling especially smarter or wiser. On the contrary, our ability to think and act decisively with the future in mind has diminished. Imagine having—at last—the entire knowledge of human civilization at your fingertips, and finding that it basically gives you a migraine. Michael Lederer, an American writer who lives in Berlin and Dubrovnik, Croatia (son of a dear, late friend of mine), calls this *Mundo Overloadus*—the title of his recent play that premiered in New York.

There is something you can do about it. But first, you have to understand it. You won't be alone, as a considerable amount of effort is being put into this endeavor by a number of innovative firms. One of the principles behind Google, for example, is to use technology to

more effectively sort, categorize, and manage information on a vast scale. While Google is widely considered one of the most successful and admired companies of our time, even its current approaches to innovation may be nearing their natural limit. Sophisticated tools to track users' behaviors and preferences, and to match them with the closest content providers, have had the unintended consequence of limiting results to a too-narrow and self-selecting range, while clever companies have found ways to manipulate their own content so that it shows up higher in search results. Google recognizes this and is constantly attempting to update its algorithms accordingly, but one wonders if this cat and mouse game will go on indefinitely.

The point is not made to single out or pick on Google; it's a brilliant company filled with bright and creative people. Rather, the problem stems from addressing a new challenge with an old paradigm. The old paradigm tells us that as the volume of available information increases, the capacity of the organizational system adapts to accommodate it. Throughout history, from the Ancient Library of Alexandria, Egypt, to Gutenberg's moveable type enabled printing, to the Dewey decimal system and the personal computer, and, now, to Google, this has been the case. Like competing Cold War adversaries, the arms race between the expansion of knowledge and the systems to organize it has historically been in balance. New tools, faster processors, larger data centers, and mobile devices connected to high-speed wireless data networks work behind the scenes to ensure that wherever you are, you are not left without a digital assistant. All these things have helped to make the immense and ongoing expansion of the world's body of knowledge an asset to leverage, rather than an albatross around the neck.

In today's world, however, this has changed, for two reasons. First, with the geometric expansion of available knowledge and the increasing diversity of ways to deliver and access it, we are past the point where new tools can be developed in enough time to keep pace—at least for now. The second is that, regardless of the capacity or technological sophistication of our tools (later in this volume I will discuss how technology is evolving to help tame technology), the volume and velocity of information increases geometrically, but our ability to

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understand and act upon that information explosion chugs behind linearly. No longer can the information surge be managed solely through superior organization. Rather, a wholesale new way of thinking, behaving, and discerning is necessary to manage and cope with the pace of change and disruption. In a sense, this represents a new limit to the utility of technology—even the best systems will be limited by the capacity of individuals and society to usefully absorb the data surge and then, with wisdom, to know what to do with it. I'm not advocating that you cut your cables and smash your smartphone, although there are those intent on doing just that. Taking a page from Henry David Thoreau and his self-imposed isolation at Walden Pond, author and media analyst Dr. Thomas Cooper says that the only healthy response to *fast media* is a *media fast*—a kind of detox for the mind.

I think a better approach for most people is what Kevin Cashman, senior partner of big-league executive search and talent management firm Korn/Ferry, calls the *The Pause Principle* (which is also the title of his excellent new book). Effective leaders (or in fact effective people in any occupation) simply do not zoom at warp speed continuously. Finding the right time to pause, think, reflect, recharge, and be creative is absolutely essential to success in any field. In what Kevin calls our relentless VUCA world—an acronym for *volatility, uncertainty, complexity,* and *ambiguity* originally coined by the U.S. Army War College—we all need to find time to pause regularly in order to refresh our minds, bodies, and thinking and to take stock of things overlooked in the hubbub of daily life and work.

It's largely forgotten now, but the late German thinker Josef Pieper (he died in 1997) published a highly contrarian and countercultural work in 1952 called *Leisure: The Basis of Culture*, with no less than T. S. Eliot writing the introduction to the English-language edition.

Pieper's view was that everything that we value about human civilization requires surplus capital and surplus (i.e., leisure) time, properly used. Even in the early 1950s, he could write, "In our . . . Western world total labor has vanquished leisure. Unless we regain the art of silence and thought, the ability for [creative] non-activity, unless we substitute true leisure for our hectic amusements, we will destroy our culture—and ourselves." Strong words, to be sure, but he was probably onto something. John Gage, former chief scientist of Sun Microsystems, likes to quip that an astonishingly high percentage of important new discoveries, inventions, and creative works are made by people who don't have to go to meetings.

Another interesting data point is the popularity of the Waldorf School of the Peninsula in Los Altos, California, among the super-achieving parents of Silicon Valley. Guess what: Computers, cell phones, and iPads are strictly forbidden to these children of the tech elite, in favor of pens, pencils, and, yes, knitting needles. Maybe you recall a certain creative college dropout who taught himself calligraphy rather than computer programming, and took the time out to get in touch with his inner self before going on to set the world on fire. (His name, of course, was Steve Jobs.)

The Pause Principle, and corollaries such as the returning popularity of the Walden Pond, getting-away-from-it-all concept, speak to the intuitive receptivity of these ideas with most people. Nearly everyone is in agreement that the demands of modern life and the modern workplace are such that more reflective activities are squeezed out—and that this is not a good thing. Part of the reason behind the continuing resonance of our A.T. Kearney Global Business Policy Council CEO Retreat program is that the executives who attend find value, for one or two long weekends per year, in the chance to step off the merry-go-round and think about and learn about broad, far-reaching concepts and trends from different vantage points that they are simply denied the opportunity to focus on otherwise. Yet the fact that Thoreau wrote about this need to unplug and recharge over 160 years ago, and Pieper 60 years ago, tells us that the challenge of finding clear thought in a modern context, while perhaps accelerating from Thoreau to Pieper to now, is hardly new. So the question remains why,

despite recognition of the need, has this problem remained with us and why have we been unable to do anything about it?

The types of big-picture, high-concept questions likely to be asked by a more broadly inclined thinker are far less reassuring than those offered by a precise, solutions-driven technical mind. When time is short and deadlines are tight, who wouldn't prefer a sharp-penciled answer to a broad-brushstroke question? Yet the overconfidence furnished by analytical certitude in a fluid and rapidly changing world can be disastrous. John S. Hammond, Ralph L. Keeney and Howard Raiffa, in their important 1998 *Harvard Business Review* piece "The Hidden Traps in Decision Making," would call this the Estimating and Forecasting Trap: overconfidence in a clear conception of the future that could be wrong, rather than planning around a more flexible view. This is not meant in any way to disparage the contributions that talented engineers and highly skilled technicians make to organizations, businesses, and governments, around the world. It is simply a plea for greater balance in the skills that we value both as business leaders and as a society. Today's world is too complex to manage without the technical abilities of engineers and scientists—but it is too unpredictable, and still too little understood not to incorporate the integrative perspectives of different thinking styles. Success requires the technical and the intuitive, as well as the pragmatic acknowledgement that we must act without waiting for that ever-elusive (and, in fact, never attained) certainty about every aspect of what we're doing or seeking.

Think Pinball, Not Roulette

As for the past few rollercoaster years, you wouldn't be human if you didn't also feel some sense of dread, given the relentless stream of changes, shocks, and crises affecting everything from your retirement nest egg to your children's career options. By dread, I mean the kind of apprehension that is nasty and visceral (right to the gut), and makes you feel like a bystander with little or no control over the forces shaping your life. Oscar Wilde said more than a century ago, "To expect the unexpected shows a thoroughly modern intellect," but he

surely meant that as a bit of a joke. Since the sudden decompression of the world economy in 2007—no joke to us—analysts and pundits have been working (and talking) overtime to make sense of it all. Some blame too much leverage and easy credit, others too little regulation, and still others the proliferation of exotic financial instruments that few had heard of and even fewer understood. Some finger the role of terrorism and the trillion-dollar wars that it sparked, others the gravity-defying structural problems of the Eurozone. Many cite the excesses of the hype-driven, U.S.-centric "exaggeration economy" of recent years, where too many did the unforgivable: They actually came to believe their own press releases.

Respected economist Tyler Cowen, however, points to other, deeper patterns of change: In his view, by the turn of the twenty-first century, the United States had already gobbled up all the low-hanging fruit of growth—vast amounts of free land, a hundred million highly motivated immigrants, and the truly life-changing technological breakthroughs of the twentieth century (from the telephone and TV to the automobile and jetliner), leaving America's increasingly mature growth engine sputtering. He has an interesting point, to be sure. Not a few opinion-makers have described the global economy as having become a vast casino by the mid-2000s, with the house (i.e., Wall Street and its counterparts elsewhere) getting ever more effective at picking investors' pockets—and leaving the mess for others to clean up.

Still another view might be called reverting to type. This understanding of history sees the world simply returning to norms that were briefly (by historical standards) interrupted by the Industrial Revolution and the ascendancy of the West. Proponents of this perspective will point out that China was the world's largest economy and Asia the center of global economic activity for thousands of years. Driven by advances in technology, military organization, jurisprudence, and other "killer apps" (as called by Scottish-born Harvard academic Niall Ferguson), Europe and its overseas footholds reversed this status quo strongly in their favor. But how much longer can this Western leadership role last given certain demographic fundamentals and the universal availability of technological advances? How long could it have remained the case that two-thirds of all economic activity took place in areas

where only one-tenth of all the world's population lived? Those taking this position see the decline of the West, at least in relative terms, as absolutely inevitable.

There is the additional notion that the globalization that led to the preeminence of the Western powers was inherently unstable, driven by the creation of ephemeral wealth over enduring value. As Mark Carney, governor of the Bank of Canada (Canada's central bank) said during the aftermath of the recent world financial crisis: "The next wave of globalization needs to be more firmly grounded and its participants more responsible. In recent years, a belief in the power of markets has not always been accompanied by a commitment to build resilient markets. Moreover, at times, policy-makers and the private sector did not live up to their responsibilities."

Which one of these interpretations is right? Actually, they all are—each has an element of truth that should be carefully weighed and considered in light of other views. The trouble, however, with oversubscribing to a single perspective or analysis is that each of these, by their very nature, is based on only a single (or at best a limited few) truths or insights. Focusing too exclusively on any one line of reasoning leaves you exposed to the false negative of unconsidered possibilities. So each interpretation can be (partially) correct and informative, but equally misleading if swallowed whole.

To go back to those who feel the world has become a vast roulette table, I say this: A better metaphor for our world is a pinball machine, and to understand that I might suggest a trip up the Old Santa Fe Trail, to the renowned Santa Fe Institute (SFI), home to Nobel laureates and a pioneer in the emerging field of complex systems.

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a definition is "systems that display unpredictable . . . behavior resulting from the interactions between their components. They are characterized by interconnectedness, feedback processes, non-linear change and tipping points, and emergent properties at the macro-level that cannot be predicted by understanding the component parts." While this doesn't exactly roll off the tongue, it's a profoundly important concept with powerful real-life applications, as we'll see.

Just as some thinkers believe history is shaped by great individuals, or by climate change, or by technology, or by new ideas, the reality is closer to a complex pinball-like interaction of all of these and more. Events, ideas (good and bad), great leaders (and tyrants), weather, new innovations, individual choices, natural disasters, wars, migrations, sheer accidents, and many other driving forces ricochet off each other—and now faster than ever before.

What's an example? Well, in centuries past, events in a small, remote country would not really reverberate anywhere else—it was a bit like the sound of a tree falling in an empty forest, to use that old expression. Fast-forward to our time, and events in a small, remote country called Iceland shook the world recently—twice over. Iceland's financial collapse not only made world markets shudder and caused big losses in many other places, but the volcanic island country's 2010 eruption caused the biggest air traffic shutdown since World War II: 107,000 European flights were canceled, and some 5 million passengers were stranded. Tranquil Indian Ocean resorts in places like Mauritius, the Seychelles, and the Maldives were stunned because they are overwhelmingly dependent on the European airlift. Woody Wade, hotel industry futurist and former senior staff member of the famous Swiss hotel school in Lausanne, asks, "Could a volcanic eruption in Iceland cause a hotel to go bust in the Seychelles?" Had the ash cloud lasted a few more days, the answer to his question would likely have been "yes"!

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The truly bad news is that as systems become more complex (and as speed helps crank up complexity), they become more vulnerable, and our economic and political systems are now exceedingly so. As SFI notes, "At this point, we have a veritable zoo of systemic failures—failures in functioning, failures in design, and, certainly, failures in understanding. The list could be extended, too easily, to include the perceptual exaggerations induced by communications media, increasing economic dependence on the Internet, and the struggles for control mediated by policy-making institutions."

No wonder everyone's feeling more than a bit discombobulated.

Disorientation and Decision Analysis

Faced with too much information and not enough understanding, people and organizations begin to grasp at fleeting pieces of certainty and take actions that make sense in such a context. The colloquialism "hindsight is always 20/20" is used to justify those decisions that fail, with the excuse being that only the perfect foresight gained from actually experiencing the future could have delivered sufficient information and insight. But the trouble is that, by perceiving the future and the world as inherently unknowable, we too often end up with, to paraphrase the quip about the Vietnam War, one logical decision after another that when put together spell disaster.

So what are the most common reactions to information overload and confused perception? I submit that there are four:

- When faced with a complex, confusing, and constantly changing world, people and organizations freeze and take no action. One of the more gripping images illustrating this behavior is the reaction of George W. Bush when informed of the September 11, 2001, terrorist attacks. Reportedly for a solid seven minutes he was transfixed by an event the ramifications of which were simply beyond immediate comprehension. (Bush, of course, did ultimately take fairly dramatic action—but some would argue that this action was subject to the failings of point number three, below.) The shortcomings here are obvious—freezing and delaying yields missed

opportunities for purposeful action, and erodes competitive advantage.

- When presented with massive complexity, people and organizations begin a process of analyzing and categorizing what they see in an attempt to get a handle on the situation and make thorough, data-driven decisions. There's hardly a consultant in existence who would discount the value of thorough analysis, and I'm not about to buck that trend. In fact, a good part of the success of my firm over its 85-plus year history has been based on its rigorous and exhaustive fact-based analyses. However, too frequently one can fall victim to what the executive coaches at Hogan Assessment Systems call "living in the weeds, excessive ideation, or dwelling on the why"—that is, focusing excessively on details at the expense of the bigger picture, with inaction or action made ineffective by delaying the inevitable result.
- The third reaction is a commonly applied antidote to the second—we begin to overanalyze, but in order to avoid inaction, we actually short-circuit the process and reach a single conclusion that, due to our faith in the analysis conducted, is viewed as immutable.
- Finally, and most commonly, information overload leads to frenetic, unfocused activity, devoid of clarity or purpose—like deciding to work on e-mail for hours in order to avoid more thorny problems at hand.

Information overload is a contributing factor that has made decision paralysis both more visible and more dangerous: more visible because it has become nearly ubiquitous and more dangerous because it exists in a more complex, and therefore more vulnerable, environment. The root cause, however, is not merely the volume of information or the heightened complexity of the modern business environment. Rather, it includes the rigid thinking styles and the lack of peripheral vision that we apply to these situations.