



5 Minute Strategic Mindset

“Real knowledge is to know the extent of one’s ignorance”
— Confucius



Something that perplexes me

Have you seen the [conspiracy theories](#) abounding on Facebook and Youtube that “COVID isn’t real”, or as one conspiracy-theory-inclined (former) friend put it, having a bet each way, “Well, if it is, then it was created in a lab by the US government”.

My wife launched a campaign of rationality on some of these people in the past week or two, and she gave up, after a number of them essentially confessed to [social darwinism](#), or “As long as I’m OK, it’s acceptable that lives are lost”. In exasperation, she exclaimed, “None of these people actually *know* the slightest thing about what they *believe*”.

It turns out there’s even a name for this phenomenon - it’s called the [Dunning-Kruger Effect](#). It’s a cognitive bias whereby people who are incompetent at something are unable to recognise their own incompetence. And not only do they fail to recognise their incompetence, they’re also likely to feel confident that they actually are competent.

Professor Dunning notes, “the knowledge and intelligence that are required to be good at a task are often the same qualities needed to recognise that one is not good at that task—and if one lacks such knowledge and intelligence, one remains ignorant that one is not good at that task.”

Question: “What is a valuable skill in your work that you frankly admit that you’re not that good at?”

Small is innovative

You don’t always need buckets of R&D funding and global research team to be innovative. Think about [New Zealand’s](#) pre-eminence in technology based agri-products.

Most developed countries’ agriculture sectors contribute about 1% of GDP, while New Zealand is 12%. Why? From being one of the UK’s food baskets for over a century, it came as a shock when the UK joined the EU and all of a sudden NZ lost its largest customer.

Then, while it was being forced to compete globally, with distance against it, the government of the 1980s decided that NZ would become the test case for a zero tariff open market policy (yes, they were the first in the world).

These were hard years, but they drove a mindset that prizes resilience and solution-finding and that ended up marrying technology with agribusiness. Today, NZ is the world’s largest exporter of sheep and dairy (from a population of just 5m) and they are educating the world in their areas of expertise.

Question: “Without having to undertake substantial hardship, what innovations are small teams in your business capable of?”

An idea that I’ve been pondering

I’ve tested out several C-level executives on a simple task recently.

I ask them to state four things, in language a 12 year old would understand:(i) Why you are in business; (ii) What makes your company special or unique; (iii) How you succeed; and (iv) Where your business is heading.

If they can’t answer these questions easily and persuasively, then how likely is it that their employees are being guided properly?

Putting it bluntly, without these four conditions properly articulated and understood widely, it’s unlikely that proper management discipline exists, and that the business’s performance becomes predictable.

In my view, ensuring this articulation is Step 1 for a CEO. Step 2 is to establish a discipline of two-way information flow so that all levels of the company know. Step 3 is to ensure that decisions get made, and are executed predictably and with accountability, in line with these.

Question: If you had to articulate the above to a group of Grade 6 children, what would you say about your organisation?

And, please send me your feedback by email to ah@workwell.com.au. Which bullet above is your favourite? What do you want more or less of? Other suggestions? Let me know!

Have a wonderful weekend, all.

Andrew

Andrew Hollo wins the international award for the Society for the Advancement of Consulting’s **Consultant of the Year 2020**



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