



# Leadership in Uncertain Times: Become an Ambiguity Absorber

By Norm Smallwood

**F**or most leaders, it's clear what to do when market conditions tell us we should grow or downsize the business.

The greater challenge is how to lead in uncertain times when things are volatile, ambiguous, and when it's unclear what's going on. Economic markets respond to volatility and uncertainty in very negative ways. Equities have dropped at rates comparable only to the Great Depression. The USA's stimulus package helps in the short term but creates huge amounts of debt for the future. Oil prices have plunged and rather than cooperation, there may be increased Saudi-Russia competition. Some pundits say we are headed towards major inflation while others argue that deflation is on the horizon. National health and our economic survival are being debated by politicians who ask, "Is the cure worse than the disease?"

Undoubtedly, this is the most uncertain environment I've seen in my lifetime. Leaders everywhere have concerns across multiple stakeholders that exacerbate uncertainty and demand immediate attention. These uncertainties across competing stakeholders—family work, investors, and employees—make this uncertain world even more unclear.

## Leaders as Ambiguity Absorbers:

Many years ago, I was a new manager at Procter and Gamble at a startup manufacturing plant in rural Georgia. This manufacturing plant, like many others at Procter were experimenting with self-directed work teams. The metaphor used for managers who led multiple self-directed teams in these plants was that they needed to be ambiguity absorbers. In order for a self-directed work team

to focus on production, they shouldn't be distracted by outside influences they couldn't control. For example, if there was a supply chain interruption, or a hurricane outside of town, or anything else that could disrupt the team, the job of the ambiguity absorber manager was to deal with it so the team didn't get bogged down. When the leader dealt with the ambiguity, the team could focus on what they were supposed to do.

Leaders today must become better ambiguity absorbers in order to ensure meaning, purpose, and energy among their people. Business school professor Karl Weick at the University of Michigan wrote a sentence that has stuck in my mind since graduate school. It's from his book, *Social Psychology of Organizing*, Part II that creates options for leaders facing high levels of ambiguity:

## *“Chaotic action is better than orderly inaction.”*

This quote implies two possible courses of action:

- 1. Orderly inaction:** Wait for someone else to tell me what to do.
- 2. Chaotic action:** Try a lot of things hoping that something will work and assume that working hard will lead to good outcomes.

Neither of these alternatives seems ideal. So, I came up with two more options leaders can take when facing high levels of ambiguity:

### **3. Team and Middle Managers as**

**Ambiguity Absorbers:** When there's uncertainty about what to do and senior executives have not yet charted a course, mid-level leaders can make assumptions that lead to a plan of action based on their understanding of what's best for the business. This allows a team or function to continue to work productively during a crisis. This is the essence of what it means to be an ambiguity absorber. Making assumptions about what my organization will do allows a mid-level leader to keep people working around a shared agenda.

### **4. Senior Leaders as Ambiguity**

**Absorbers:** Even though this is the best option, it is often delayed or missing. Senior leaders disappear into planning meetings until they figure out the best course of action with each other. When this occurs without clear communication about what others should do during the planning period leads to high ambiguity. The implicit message is- we'll let you know what we want when we figure it out. This uncertainty for everyone not involved the planning meeting is unsettling and stressful. However, if senior leaders are ambiguity absorbers for the entire business, they create energy and purpose during uncertainty. If they don't do this, then mid-level leaders must become ambiguity absorbers in order to move things forward. If that doesn't happen, then the organization will be in chaotic action or orderly

inaction mode. The winners during the current crisis are organizations that have leaders who absorb the ambiguity.

### **To become an effective ambiguity absorber, a leader must:**

- Share data... be transparent on challenges and requirements for change
- Make decisions in short term ... act and react quickly
- Manage the process of decision making ... who to involve
- Be clear about criteria for decisions, particularly outside-in
- Frame actions and experiments as pilots

### **Advice to Senior Leaders:**

Ensure costs are aligned to the new realities →

Build a customer-centric culture →

Refine competitive positioning →

Ensure team alignment →

Maintain development cadences—virtually →

Our advice to business leaders is to devise a plan that absorbs the ambiguity about alternate courses of action. Elements of this plan should include topics such as:

#### **1. Ensure costs aligned to the new realities:**

- How do we realign costs to our current realities?
- In addition to cost cutting what else could we do for future success?
- How do we cut fat not muscle? (delineate among types of work)
- Is there unintended bureaucracy we could simplify?

#### **2. Build a customer-centric culture:**

- How do we ensure that even during this crisis our customers get the experience we want them to have?
- How do we ensure that our customers and our employees resonate whenever they interact, especially during stress and uncertainty?

#### **3. Refine competitive positioning:**

- Has our strategy changed or just our tactics?

- What should be our priorities in 2020 and 2021?
- Is there work we should be doing that we're not?

#### **4. Ensure team alignment:**

- Are our leaders at every level aligned around the right set of challenges facing us today?
- Are remote or reorganized teams working well together and focused on the right issues?

#### **5. Maintain development cadences—virtually:**

- Are there important topics you can support your leaders with?
  - Managing stress?
  - Engaging teams?
  - Creating accountability?
  - Driving innovation in processes and products?
- How can we redesign existing programs to work well in virtual delivery?

We challenge all leaders, to become ambiguity absorbers who set clear direction, communicate it, and ensure accountability to achieve it. The benefits of having leaders who are ambiguity absorbers include allowing team members to focus attention on the areas where they shine and maintain focus on their areas' top priorities. The virus will dissipate and we will go back to a still volatile but less ambiguous world at some point in the not too distant future. When that happens, these practices to absorb ambiguity will continue to distinguish you from others. But in the uncertain times we're facing now, teams need ambiguity absorbing leaders who create the conditions for shared action.

### **About the author:**

Norm Smallwood is a partner and co-founder of The RBL Group. His research and consulting focuses on helping organizations increase business value by building organization, leadership, and people capabilities that measurably impact market value. He has written extensively about leadership and organization effectiveness in eight books and over a hundred articles.

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