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Chartered Institute of
Management Accountants

*Thinking
the Unthinkable*

A NEW IMPERATIVE FOR
LEADERSHIP IN THE DIGITAL AGE

An interim report by Nik Gowing and Chris Langdon

CHURCHILL2015

FOREWORD

The research which underpins this report is excellent for the following reasons. Firstly, relevance: that is, it speaks to issues that are of existential import to its audience.

Nothing is more relevant to twenty-first century society than the relentless move from one crisis to another in all parts of the world and the ability of people at the highest levels of corporate and public services leadership to be ready to spot and handle such crises while leveraging related opportunities. Management accounting provides a framework to help organisations operate in a state of readiness to identify and manage crises by supporting risk management, improving quality decision making and implementing change through the business model.

Secondly, rigour: this means that the research must ask the right questions about the phenomenon it is investigating (validity) to the right people who can and will give credible answers (reliability) and analyse the data in a way consistent with how they were generated. The research on which this report is based fulfils these criteria. Let me explain further. One-to-one interviews were conducted with current or recently retired leaders who were assured that they would not be quoted without permission and that their views would be anonymised when analysing and disseminating the research findings. This ensured full and frank discussions often led by the interviewees with few promptings from the researchers. In addition the findings of the research are based on the best traditions of the analysis of qualitative data.

Thirdly, impact: it sets the agenda for its intended audience. It does so by posing two questions: "so what?" which speaks to the implications of the research findings for practice and policy-making; and "now what?" which looks at the tools and techniques available to apply the research findings in practice. These two questions constitute a call to action, sets the agenda for future research and conversations in that area and provides the means by which the research would impact its audience. Although this interim report makes clear it does not attempt to provide definitive solutions it raises enough questions that should exercise any practitioner or scholar in that area. In that sense it is already beginning to set the agenda for the contours of the conversation to be had in the area.

I commend the report to you without hesitation for its relevance, rigour and potential to impact how we deal with the systemic and unparalleled challenge facing leadership in the twenty first century. I urge you to join with the authors and others in "thinking the unthinkable".

Dr Noel Tagoe, FCMA, CGMA
Executive Director of Education, CIMA

THE CO-AUTHORS

NIK GOWING

Nik Gowing was a main news presenter for the BBC's international 24-hour news channel BBC World News, 1996-2014. He presented *The Hub with Nik Gowing, BBC World Debates, Dateline London,* plus location coverage of major global stories.

For 18 years he worked at ITN where he was bureau chief in Rome and Warsaw, and Diplomatic Editor for *Channel Four News* (1988-1996). Nik has extensive reporting experience over three decades in diplomacy, defence and international security. He also has a much sought-after analytical expertise on the failures to manage information in the new transparent environments of conflicts, crises, emergencies and times of tension.

His peer-reviewed study at Oxford University is *Skyful of Lies and Black Swans*. It predicts and identifies the new vulnerability, fragility and brittleness of institutional power in the new all-pervasive public information space. It draws on research first carried out in 1994 while he was a fellow at the Joan Shorenstein Barone Center in the J F Kennedy School of Government, Harvard University.

Nik has been a member of the councils of Chatham House (1998-2004), the Royal United Services Institute (2005-present) and the Overseas Development Institute (2007-2014), the board of the Westminster Foundation for Democracy including vice chair (1996-2005), and the advisory council at Wilton Park (1998-2012). He is a board member of the Hay Festival. He is a member of the World Economic Forum's Global Agenda Council on Geo-economics.

In 2014, Nik was appointed a visiting professor at King's College, London in the School of Social Science and Public Policy. He was awarded Honorary Doctorates by Exeter University in 2012 and Bristol University in 2015 for both his ongoing cutting-edge analysis and distinguished career in international journalism.

CHRIS LANGDON

Chris Langdon is the founder-Director of Reconciliation through Film, (www.reconciliationfilm.org) currently being established as a charity to develop new ways of using communications for conflict resolution. Chris was Managing Director of the Oxford Research Group (ORG) from 2010-2014, where he also directed the Israel Strategic Forum, which is supported by ORG, from 2012-14. In addition, he acted as an informal adviser to the Palestine Strategy Group.

Chris has worked extensively on questions of political settlement in the Western Balkans. He directed the Communicating Europe project for the European Stability Initiative from 2007-2010, bringing together policy-makers from the region and EU capitals. As Associate Director of the Wilton Park centre he chaired over 50 conferences and workshops. They were held both at Wilton Park and throughout the Western Balkans.

He also produced and directed two documentaries made specially for events he directed; *Bosnia Story* and *Mitrovica, chronicle of a death foretold?* They are the precursors of the reconciliation through film approach, using documentary films to open up conversations that would not otherwise happen. Chris has also acted as a facilitator for Macedonian and Albanian Parliamentarians (2008-2010).

His career in TV spans two decades. He was Europe editor for the launch of APTV (1994-1996). His BBC jobs (1986-1994) included: senior Foreign Affairs Producer and Eastern Europe producer during the fall of communism. He was a researcher at London Weekend TV, principally on the *Weekend World* programme (1980-1986). He began his career as an ITN Trainee in 1978, when he and Nik Gowing first met.

WHAT HAS BEEN SAID ABOUT THIS 'THINKING THE UNTHINKABLE' REPORT

"I very much recommend the 'Thinking the Unthinkable' report to you."

Lord George Robertson,
NATO Secretary General, 1999-2004

"Thanks for letting me preview the excellent work before it is published. I am sure it will go well. Makes indeed for uncomfortable reading and hopefully stimulates some action or change in behaviour as it ultimately boils down to individual leadership grounded on a strong sense of purpose and morality. Not easy for anybody and something we all have to work on every day."

Paul Polman,
Chief Executive of Unilever

"Well, I regret to inform you that I largely agree with the views put forward in the paper... I do recognise all the symptoms you describe. But there are a number of them which worry me particularly"

General Knud Bartels,
Chairman NATO Military Committee,
2011-15

"I enjoyed the paper, and agree with just about all of it. Nik and Chris have done everyone a great service by getting so many senior people to unburden themselves and then distilling it all into a compelling summary. It is quite a 'dense' read (in a good way)."

Robert Court,
Global Head of External Affairs, Rio Tinto 2009-2015

"The 'Thinking the Unthinkable' report is particularly interesting. It talks about an 'executive myopia' at the top of organisations, both business and government and a failure not just to predict what are known as the black swan events, but also to understand 'black elephants' issues that are always there but are not confronted, so it's not just thinking the 'unthinkable', the report concludes, but not thinking the 'unpalatable'."

Rachel Sylvester, Columnist, The Times

"Yes, climate change fits in to that ('unpalatable') category."

Sir David King, UK Foreign Secretary's Special Representative for Climate Change

"The black swans and black elephants that the 'Thinking the Unthinkable' report looked at are very important."

Professor Michael Clarke,
Director General of the Royal United Services Institute 2007-2015

"Many of you in this room know Nik Gowing, the former BBC journalist. And he's been doing some work on what he calls 'Thinking the Unthinkable', a report for the Churchill 15 Global Leaders Programme. He (and Chris Langdon) did interviews with 60 leaders, who all basically confirmed a sense that, whether you're in public or corporate leadership today, a sense of being overwhelmed by multiple intense pressures, by institutional conformity, by kind of group think and risk aversion. The fear for many people of career-limiting moves if they are the whistle-blowers when a crisis happens."

Lord Mark Malloch Brown,
Co-Chair, International Crisis Group

"Internationale Politik' carries your report. Fascinating stuff. I would love to give my students the opportunity to read your report. I am teaching a Masters course on the theme; 'structural change in international politics'."

Peter Gottwald,
St Gallen University, German diplomat 1977-2013

"The report is fantastic and very interesting. Most importantly, it is 100% correct and even more so every single day."

Aniket Shah,
Programme Leader, Financing for Sustainable Development Initiative

Comments on this report are welcomed and should be sent to: chris@thinkunthinkable.org

EXECUTIVE SUMMARY

Executive leadership at the highest levels of corporate, public service and political life faces new vulnerabilities that few in these positions are willing to talk about publicly. In 2016, they are greater than at any time in recent history, and the implications are deeply troubling.

A proliferation of 'unthinkable' events over the previous two years has revealed a new fragility at the highest levels of corporate and public service leaderships. Their ability to spot, identify and handle unexpected, non-normative events is shown not just to be wanting but also perilously inadequate at critical moments. The overall picture is deeply disturbing.

2014 was the year of 'the great wake up' because of a dramatic set of new strategic ruptures. It was a watershed period where "the old assumptions for making decisions are behind us". In quick succession, crises of an unforeseen nature and scale broke out. President Putin's seizure of Crimea was quickly followed by the rise of so-called Islamic State, the devastating outbreak of Ebola, the sudden sixty per cent collapse in oil prices, and the cyber-attack on Sony. 'Unthinkable' events continued into 2015, led in impact by the sudden tsunami of refugees and migrants into Europe from Africa, Asia and the Middle East, which has created existential threats to the survival of the EU.[1] Confidence in corporate values was severely challenged by the revelations of Volkswagen's deception strategy in the testing of diesel emissions.

At the start of 2016, the uncertainty created by 'unthinkables' reached ever-greater depths. Prices of oil and commodities kept tumbling. The failure of China's leadership to grip and halt the giant nation's economic slowdown catalysed the New Year downturn in global stock-markets. Phrases like a "dangerous cocktail of new threats"[2] captured the pervading mood of global fear and new, uncharted uncertainties.

One well-regarded, football-loving hedge fund manager was in a small minority prepared to confront the scale of unthinkables. He announced to his investors in December 2015 that his fund was returning their money to them. He said that he and his team were determined to walk "away from the pitch with our legs intact."[3] And what about the once unthinkable in the United States: the potential election of Donald Trump to President?

The shocks from these events for corporate and public service leaders prompted legitimate concerns about the calibre and capacities of those in the highest position of responsibility to first foresee them and then handle the impact. Many candidly confirm the scale of this disruption. They did so in sixty confidential in-depth 1-1 interviews undertaken for this study, and in many other conversations at the highest level, plus conference sessions – both public and behind closed doors. Together, they reveal the ongoing leadership struggle to learn and build on lessons from the continuing fall-out for leaders after the 2008 Global Financial Crisis, plus the ever-accelerating pace of digital transformation, and the unexpected reasons for escalating geo-political instability in the Middle East five years after the Arab Spring.

"The rate of change we are going through at the moment is comparable to what happens in wartime … yet we think we are at peace. The global pace of change is overcoming the capacity of national and international institutions"

Chris Donnelly, Director, Institute for Statecraft

"There isn't a single CEO out there that doesn't appreciate this strange, new world that they're trying to lead through"

Aron Cramer, President, Business for Social Responsibility

The emerging picture is both scary and of great concern. Remarkably, there remains a deep reluctance, or what might be called 'executive myopia', to see and contemplate even the possibility that 'unthinkables' might happen, let alone how to handle them. Yet a majority of interviewees agreed that something of seismic scale and significance now challenges many assumptions that leaders traditionally make about their abilities to spot, identify and handle unexpected, non-normative events. Leadership has not necessarily failed when judged by the qualities and skills that qualified it for the top. Instead the world has moved on dramatically.

The rate and scale of change is much faster than most are even prepared to concede or respond to. At the highest board and C-suite levels, executives and their public service equivalents confess to often being overwhelmed. Nine key words and phrases are identified which summarise the reasons for the new executive vulnerabilities. But **b**y and large, mind-sets, behaviour and systems are currently not yet adequately calibrated for the new reality. Time is at such a premium that the pressing need to think, reflect and contemplate in the ways required by the new 'unthinkables' is largely marginalised. This is because of the intensity of unexpected, non-normative global developments for which there seemed to be no advance alerts or signs.

Or were there signs?

This study heard that growing evidence for what were claimed to be 'unthinkables' did often exist. But often blind eyes were turned, either because of a lack of will to believe the signs, or an active preference to deny and then not to engage. While the phrase, "Thinking the Unthinkable", has an attractive rhetorical symmetry, a more appropriate and accurate phrase might in many cases therefore be "Thinking the Unpalatable".

In what is also fast becoming a new disruptive age of digital public empowerment, big data and metadata, leadership finds it hard to recognise these failings, let alone find answers and solutions. These challenges centre on the appropriateness and configuration of management systems, plus the human capacity of those at the highest levels to both cope with, and respond to, 'unthinkables'. This is because most organisations are increasingly afflicted by a 'frozen middle' that 'lacks muscle' and has little scope to risk addressing the scale of the 'wicked problems' and 'strategic gap'. But these are not executive frailties that the vast majority want to readily admit to publicly. This creates the cognitive dissonance that makes identifying 'unthinkables', then taking action to prevent or pre-empt them even more problematic and unlikely.

With good reason, questions are being asked about why executive expertise within institutions and corporates no longer seems able to provide its leaders with reliable and comprehensive horizon scanning that will prevent the surprise or shock from 'unthinkables'. Business leaders outlined the steps they are now taking to make their business more strategic and resilient. The enlightened among them realise it requires new energies and risk taking well outside existing comfort zones. They look with concern at the price paid by some of their peers who have been publically exposed for failure.

The core leadership challenge is how to lead a company and government departments through the speed and nature of fundamental change that threatens the very conformity which has allowed the current leadership cohort to qualify for the top. Yet it is that same conformity which blocks the kind of systemic and behavioural changes detailed for consideration in the final section of this report. For the moment they remain untested thoughts with a certain random quality and no stress testing. They have not yet been assessed for whether they have a chance to achieve the level of success required to re-equip leadership for what is obviously needed so smartly and rapidly. That will require another stage of work.

'THE GREAT WAKE-UP'

2014 was dubbed the year of "the great wake-up" by Carl Bildt, drawing on his years of experience as Swedish Prime Minister and most recently as Foreign Minister. He cited the dramatic return to what he calls the new "strategic ruptures: a watershed period where the old assumptions of making decisions are behind us".

He is not alone in his view. It is, "the return of strategic competition and that has massive new implications for all", as a former ministerial counterpart put it. From the opening weeks of 2014 onwards, the normative capacities and judgements routinely assumed to drive both decision making and promotion to the top in public or corporate life were suddenly perceived as evidentially wanting or even irrelevant. Too often, the unthinkable had not been considered or tabled as a possibility around the private offices or the briefing tables of those at the highest levels of corporate or public institutions.

But the 'unthinkables' then happened one after another. President Putin's 'little green men' seized Crimea from Ukraine in February and fighting in eastern Ukraine escalated. In April, the World Health Organisation rejected warnings from Médecins Sans Frontières about the likely looming human devastation in West Africa from Ebola. It was later judged to; "lack the capacity or organisational culture to deliver a full emergency public health response".[4] In June, the self-styled Islamic State (IS) created worldwide shock when it seemed to emerge from nowhere to seize the Iraqi city of Mosul and then a few weeks later declared a Caliphate. In the same month, oil prices suddenly fell precipitously by 60% without any apparent early warning signs from Saudi Arabia. In November, Sony Pictures suffered a devastating cyber-attack that probably originated in North Korea. It was the most public of many cyber-attacks. All of these developments were 'thinkables' that for many reasons could have been thought about. But the reality was that the "level of vision on Putin, ISIS and Ebola was not on tables of ministers".

Then in 2015 came Europe's migration and refugee crisis. It was the next unthinkable which was not adequately thought about despite stark warnings from agencies like the United Nations High Commissioner for Refugees.[5] Soon after, the bombshell discovery in the US that Volkswagen had designed vehicle control systems to mislead on diesel fume emissions revealed a covert policy of deception for which the Chief Executive first apologised then resigned. That this scale of manipulation would be revealed had been a corporate unthinkable. It also stoked suspicions of a wilful blindness on air pollution in Europe at national and EU policy level.

The repeated failures of China's increasingly authoritarian leadership to stabilise the tumbling stock market in the first weeks of 2016 confirmed the scale of unthinkables. Even a system reliant on top-down, *dirigise* policy making could not force a halt to a draining of national and international confidence which led to the widely quoted warning that "a hard landing is practically unavoidable", and a new Global Financial Crisis was likely.[6] Russia's sudden military engagement against anti government rebels in Syria not only stoked dangerous new tension with Turkey and the risk of a military clash with western warplanes. It confirmed a new level of determined international engagement and military capability by Putin's Russia than NATO nations had thought possible.

"We were surprised by the speed of the Russian deployment [in Syria]," said Britain's Foreign Secretary. "The signals we had from Russia were that while it might want to have some greater involvement it would be a limited involvement".[7] In parallel, the World Health Organisation – its reputation badly dam aged by its inaction over Ebola in West Africa in 2014 – warned in January 2016 that the Zika virus transmitted by mosquitoes was "spreading explosively" in the Americas and threatening millions of unborn children.[8] "Nobody has really been very interested in developing a vaccine against Zika because it's

such a mild illness … we weren't aware it could cause any other problems till very recently," admitted Professor Sarah Gilbert of the Oxford Jenner Institute.[9]

Why did leaderships appear to be not just flailing but in freefall as they tried to respond belatedly to 'unthinkables' like these? Why have corporate and government responses appeared to be so inadequate? In response to our questioning on why it remains so difficult to think the unthinkable, nine key words and phrases kept being repeated during the confidential interviews:

1. **BEING OVERWHELMED BY MULTIPLE, INTENSE PRESSURES**

2. **INSTITUTIONAL CONFORMITY**

3. **WILFUL BLINDNESS**

4. **GROUPTHINK**

5. **RISK AVERSION**

6. **FEAR OF CAREER LIMITING MOVES (CLMs)**

7. **REACTIONARY MIND-SETS**

8. **DENIAL**

9. **COGNITIVE OVERLOAD AND DISSONANCE**

'UNTHINKABLES': WHAT ARE THEY?

First, there are 'Black Swans'. These are the events or developments for which "we don't realise what we don't realise".[10] But they occur with ever increasing regularity and high global visibility.

They are, indeed, what the former US Defence Secretary Donald Rumsfeld memorably referred to as 'unknown unknowns'. Among interviewees there were different views as to whether such 'unthinkables', 'Black Swans' or 'unknown unknowns' can ever be thought about and predicted. That is especially if, by their very nature, they occur due to either strategic calculation or miscalculation by others.

Second, are those 'unthinkables' described as 'Black Elephants'.[11] These are what is usually well-known and present 'in the room', wherever and whatever that is defined as. They are 'known unknowns' in Rumsfeld-speak. But while they are known about, for whatever reason they are ignored, discounted, bypassed or not reported up the line. This is despite being logged, present and known about. The concept of 'Black Elephants' helps explain why a significant number of interviewees – especially those from public service – suggested that the phrase, "Thinking the Unpalatable" is more appropriate. They argued it defines with greater precision the nature of the new challenge of non-normative developments, which seem to have been ignored, or not taken account of, in the way that events require. What needs to be investigated most urgently is what it is about modern leadership and current management culture and practice that makes it so hard to think the unthinkable or the 'unpalatable'.

'THINKING THE UNTHINKABLE': HOW WAS IT TESTED?

In the 50th anniversary year of Sir Winston Churchill's death, many people asked whether the record of today's high-profile leaders matches the distinction achieved by Sir Winston during World War II when his leadership overcame huge adversity to secure the defeat of Nazi Germany.

To mark the anniversary it was agreed with the Churchill 2015 21st Century Statesmanship Global Leaders Programme that there was a need for a critical review of whether these major 'unthinkable' developments during 2014 had revealed significant failings of contemporary leadership. We tested that by:

- *Gathering* personal experiences from the widest possible range of top-level figures in corporates, government, the military and humanitarian sector;
- *Contrasting* insiders' perspectives with views from outside the corridors of power; these are a sample of former insiders, external advisers, academics, think-tankers, and crucially the next generation of potential leaders;
- *Assembling* evidence on the institutional and behavioural constraints that challenge the ability to Think the Unthinkable and limit decision making processes.

The study aimed to:

- *Make an interim assessment* of the consequences of constrained and limited thought processes, Groupthink and constrictive normative traditions;

- *Analyse leadership failures* in the context of an increasingly challenging external environment, and the implications for system change;

- *Ask questions* about the nature of the challenges that leadership faces in an era of 'wicked problems', and 'burning platforms';

- *Raise questions* on how institutional limits might be overcome, so coordination of extraordinary and even outrageous scenarios can be encouraged without the current risk to careers and reputations;

- *Examine how* all of this can be embedded in future decision making.

We set the bar of ambition high. To ensure intellectual weight and impact for the research, only the highest level of current and recently serving public servants and business leaders should be interviewed. The initial suggestion was to convene a panel. We rejected this. First, there was the near practical impossibility of coordinating diaries in order to bring together such busy executives. More importantly, it was vital to hear the frankest possible assessments. This was unlikely to happen if we brought highest level peers together to listen to each other. Therefore we aimed for 1-1 interviews to last up to 90 minutes each. That would be the most efficient and productive use of their time as they would be the sole focus. The invitation was for the meeting to be off-the-record, with no public acknowledgement that it had even been held. All accepted on that basis, but subsequently a handful then asked to go on the record. We are most grateful for the extraordinary candidness that each interviewee has shown.

The take up has been remarkable. Instead of the fifteen senior figures we hoped would say yes, sixty top level interviews took place between February and July 2015 in an intense process of interviewing and transcribing. Additionally, "Thinking the Unthinkable" became the theme of several major international conferences or individual interactive panel sessions. It had been expected initially that the project would be modest and limited in both scope and timescale. Instead it swiftly grew into something far bigger, with organisational and content implications to match what became its fast growing size.

The impact has been strengthened because of the partnership built with the Chartered Institute of Management Accountants (CIMA) and the Chairmen's Forum. CIMA provided research support by way of funding. They and the Chairmen's Forum provided additional introductions to the highest C-suite levels. Both hosted events to test the first ideas and conclusions emerging from the interviews.

The candid nature of discussion and responses from each interviewee was remarkable. As co-authors, we took an active decision not to be prescriptive about the emerging direction of travel for the project's findings. The priority in the first 30-40 minutes was to encourage each of them to unburden themselves and reveal voluntarily the pressures on them personally, and on leadership more generally. It was important not to influence their thoughts. Usually, only in the final third part of each meeting were the project's interim findings shared. This was in order to gauge the level of agreement, qualification or disagreement. While time consuming in many obvious respects, without exception this methodology and the wealth of one-to-one engagements, produced extraordinary frankness and revelations about the new fragilities facing such top-level executives from whichever segment of leadership experience they came.

Finally, it must be recognised that this has been an empirical exercise designed to gather first-hand data and experiences from the current generation of highest level leaders. In the time available, there has been no attempt to relate the findings to the vast volume of literature on leadership, which numbers at least 158,000 results for books by the latest count on Amazon.[12]

WHY ARE 'UNTHINKABLES' NOT THOUGHT ABOUT?

"I couldn't imagine even a year ago that such a thing would happen-even in my worst nightmares" Sergey Shvetsov, Deputy Governor of Russia's Central Bank, on the expectation of a precipitous collapse for the Russian economy[13]

This kind of executive astonishment at unexpected events now permeates much of public and corporate life globally. Increasingly it is reasonably labelled by many leaders as shock because of the unexpected scale and nature of what has happened. In what many describe as a 'scary new world', they ask if they should have seen the events coming, and if they did not – then why not?

Some senior executives interviewed were remarkable in their frank and closely argued assessments of the scale and seriousness of the issues. They wondered how to handle this new VUCA world that is Volatile, Uncertain, Complex and Ambiguous. They confirmed the deepening affliction of a 'short termism', with 'myopia mounting' about how to handle 'unthinkables' in public and corporate policy making.[14] One prominent retired public servant went so far as to warn that, in his words, "the heap is rotting" in public life, but "the people at the top of the heap want no change and want to keep their position". In his view, this could threaten a 'breakdown of society' – even 'anarchy' – as the contract between leaders and the lead increasingly fractures. It was a far sighted alert that some rejected as too extreme, but which candid revelations in our interviews across both the corporate and public service sectors suggest must not be ignored.

Behind closed doors, one leading business figure even described an executive fear of being an "impostor" because of the increasing inability to deliver in the ways shareholders or stakeholders expect, despite being highly paid to do it. Another CEO described the straitjacket created by the imperative at the highest level for conformity: "CEOs [are] lavishly paid prisoners of this system that they occupy". Most organisations are increasingly afflicted by a 'frozen middle'[15] that 'lacks muscle' and has little scope to risk addressing the scale of the 'wicked problems'[16] (problems that cannot be solved by an expert or leader). The problem of the 'frozen middle' has been exacerbated due to cost cutting since 2008. "Even if Boards can identify issues and do horizon gazing, they don't have the depth of experienced people at staff level to say: 'go look at that and make a plan'", said one Chair.

We heard similar concerns from someone currently at the heart of policy making: "On major foreign policy issues such as Russia and Islamic State, we are working with a set of leaders in Whitehall, in the European Union, who have no adult experience of harm affecting the homeland". The official added: "Our leadership is strategically fatigued. I'm talking about politicians and most of the Whitehall village. And also much of British society. The Twitterati for sure. But the world is changing. The world may bring harm to you in ways you cannot imagine and ways you cannot manage. There is a resilience deficit, a lack of understanding of the scale of emerging threat". This makes identifying 'unthinkables', then taking action to prevent or pre-empt them ever more problematic and unlikely. Those who believe they have an unthinkable issue that should be brought to top-level attention find they will often face a wall of resistance. One very senior diplomat whose assessment was well ahead of the curve on what would become a major crisis with Russia said: "I was getting a stream of instruction from [redacted] to pipe down, shut up, de-escalate and take a back seat. So I spoke directly to Ministers instead and got a very fair hearing", while others in Whitehall were "Dumbing everything down and [ordering] 'don't rock the boat, don't escalate, don't cause problems'".

Many will view such frank and stark perspectives as excessively dramatic. Certainly one leading corporate figure cautioned: "The unthinkable is much more likely in areas of politics and military and so on rather than business". But under challenge, those that gave a bleak view did not want to reconsider and retract, even if they admitted that identifying solutions was even more problematic. One business leader agreed: "The world has changed and so ... our leadership has to change. It's not optional".

> *"Even if Boards can identify issues and do horizon gazing, they don't have the depth of experienced people at staff level to say: 'go look at that and make a plan'"*

We asked: are we right to be "Staggered how narrow-minded and one dimensional the corporate sector is, even at chief executive levels, to understanding things which are going to affect their businesses?" "Yes" was frequently the off-the-record answer from C-suites. This confirms alarmingly that there are stark, largely still unlearned lessons from the failures in the banking industry in 2008. The ensuing Global Financial Crisis resulted from 'unthinkables' which were known, and could and should have been thought about. Nevertheless, "It was rather like a nuclear war", said Alastair Darling, then the Chancellor of the Exchequer: "You know you think it will never happen. Then someone tells you that a missile's been launched. It was very scary. That moment will stick with me for the rest of my days".[17] And even the Queen expressed the common public concern to leading economists when she met them that year. She asked: "Why did nobody notice it?"[18]

Seven years on, the burning question of why the crisis was not anticipated is still raised in C-suites. Now, there are questions on: "Why has the current leadership cohort not acted" on events that are so "Frightening and humbling in equal measure"? Why is more heed not given to the unequivocal message from 2008 that, in the words of one banker: "A system that appeared relatively robust had, on the flick of a switch, been shown to be fragile"? He added: "Everyone went over the cliff edge at the same time" because: "The contagion wasn't classically economical or financial, it was sociological". In other words, a banking crisis revealed something much deeper: denial and wilful blindness, even if the looming reality was known.

Events since 2014 have revealed an updated iteration of precisely the same problem. Management systems blocked far sighted analysis and thinking. Embedded institutional conformity required to qualify for promotion and professional progression was deeply counter-productive at a time of rapid change. Time and again it came up as an issue in interviews. It is built in from the get-go, from the very moment of getting a job in the system, many said. "When they get into business, or they get into civil service, there is a huge amount of psychological pressure [on employees] to conform", said one CEO. It is the same in public service. Managers, officials and military officers "advance by doing the conventional very well", said one senior public servant who was keen to change the system which he acknowledged is currently suppressing any instincts and skills needed to identify the 'unthinkables'.

It must be recognised unambiguously that leadership has to now accept the challenge and deliver in a different way. "Some CEOs are scared stiff, [but] we must be disruptive taking risks and challenging the status quo. We must be bold in looking at new technologies, and be creative", was the unreserved, on-the-record message from Unilever's CEO, Paul Polman. He has personally taken a unique position to reveal publicly the extent and nature of executive frailties. Faced with this scale of behavioural change needed, what about the cynics and sceptics whose negative influence will cast a dark shadow? "Cynics are the lowest form of responsibility. Sceptics you like, but cynics I do have not time for", he added without hesitation.

If leadership does not change, then the next generation is watching, learning, impatient, and does not like much of what it sees. We needed to sample their concerns and ideas too. We witnessed the unequivocal concerns and sentiments of millennials by attending a variety of gatherings, both large and more modest. Their mood was encapsulated in one remarkable interview. "The emperor [leadership] has no clothes", was the blunt view of Aniket Shah. He is one talented 27 year-old representative of the next generation. A graduate of Yale, he has already had a career in banking and asset management and was working with Professor Jeffrey Sachs on the UN Sustainable Development Goals. In a Skype conversation from New York City, Aniket went for the jugular: "I have come to this conclusion that all of these organisations or institutions that we once held in high esteem and sort of revered tremendously are actually dying a very slow but painful death. Because they are having to deal with fact that we have a highly educated, highly transparent younger generation, that has grown up and come to age in times of financial distress. [It was] caused by the way by the generation above us in a world that is going through huge environmental crises, caused – of course – by the generation above us. Now we find ourselves… slightly stunted, slightly stultified… We look up and we know exactly what these people do, as we live in a transparent world. And we say, 'You know what? The emperor has no clothes. We can do this a lot better.'"

"The world has changed and so… our leadership has to change. It's not optional"

THE 'NEW NORMAL'

In early 2014 most policy-makers claimed they were wrong footed and taken by surprise by President Putin's stealth military moves into Ukraine and then Crimea. But should that have been the case?

In retrospect, the evidence of probable Russian intent had been identified by some. But at the critical time, no national intelligence agency within NATO's 28 member nations, which detected signs of ominous Russian intent, shared with NATO allies evidence in an actionable way which pointed to a probability that Russia would act so dramatically.[19] For so many reasons, Putin's seizure of Crimea defined the new imperative to discover whether it was an 'unthinkable' that should have been top of political and corporate watch lists through late 2013 and into early 2014, however remote the likelihood of it taking place. A month after it happened, Professor Michael Ignatieff, of the J.F.Kennedy School of Government at Harvard, put his cold, analytical finger on a stark new reality for world leaders which few would willingly identify, let alone concede. He warned leaders, and those who serve them, of the end to all they assumed professionally about a certain global order and normative political practice.[20]

Inside NATO and many Western governments there was a silent shock. This was because of both Russia's apparently unforeseen military build-up, plus the alliance's inability to realise what was unfolding. Officials and military officers "were immediately outside their comfort zone", said one top level NATO insider. "They weren't used to thinking, 'Bloody hell, we've got a military crisis on hands. What are our tools?' Because they're not used to thinking in those ways".

Within four months, the number of 'unthinkable' events had multiplied, so in his next public interventions, Professor Ignatieff's analysis went even further. Leaderships were struggling, and "We are still arguing about how to react accordingly". He described: "The new reality of multiple events making us search for our bearings" with a "re-ordering underway".[21] Ignatieff was not the only one identifying this new watershed. "We are experiencing a 'new normal'", warned the leading democracy policy analyst, Thomas Carothers, Vice President of the Carnegie Endowment for International Peace.[22]

It was relatively easy for ex-ministers, and smart policy academics with distinguished records of analysing stresses in global policy, to issue such alerts. But it proved much harder for corporate and government practitioners with the immediate responsibility to grasp this with the real time smartness and depth needed, let alone confront the implications for all their usual normative instincts of policy making.

At senior executive levels in government and business, 'unthinkable' events like these often left a widespread sense of astonishment, bewilderment, impotence and anxiety that sometimes morphed into fear. "People don't know whether to be excited or paranoid. They are typically both", said a leading consultant. "They mask their fear", said a former Minister, adding: "They mask their discomfort". While in private, senior officials confirm deep failings, in public there could be no suggestion of the possibility of failure. "I do not think that after the way the world has evolved in the last few years anyone – not just the Foreign Office – anybody – is going to be able to predict those things", said Sir Simon Fraser, the outgoing head of the Foreign Office. But asked at a valedictory lecture if he accepted the widespread impression that: "Civil servants are too slow and cautious", he conceded that: "Sometimes that is the case". He also ventured: "The realities have changed, and continue to change significantly. All the evidence is that power has been hollowed out, and the process is continuing".[23]

"People don't know whether to be excited or paranoid. They are typically both"

Are the unanticipated events really 'unthinkables' which no one identified or saw coming? Or in reality, are they inconvenient truths for which top officials and C-Suite executives seek alibis? One of the country's top economists told us: "There's a distinction between 'nobody saw it' and the statement that those who would have needed to act didn't hear it, didn't want to hear it. And they're two different things. That 'nobody saw it' is a very strong statement. I suspect that for some of these things it would not be true that nobody saw it. They might not have seen or been able to predict the details. But they might have been able to see that something big was coming".

Did the 'unthinkable' events since 2014 constitute a shift? Some voices of caution said that history has always been marked by the unexpected – the 'unthinkables'. "I think, in a business lifetime, there've always been 'events, dear boy, events'",[24] said a well-known Chairman. "Wasn't it ever thus?" asked another business leader. Two leading academics had some sympathy with this perspective. "One of the things that I think is important to not to succumb to is a sense that there's something distinctive about the unthinkability of our current situation; that there are not previous examples of leaders having to deal with the unthinkable", advised Professor Michael Ignatieff. "Our capacity to deal with change has changed. But maybe the very nature of the 'unthinkable' is that we will never be up to the task in terms of the means that we have ... Change may be accelerating, but so are the tools available to deal with it ... maybe the distance is the same?" said Wim Van der Stede, CIMA Professor of Accounting and Financial Management at the LSE, and an expert on organisational control and corporate governance.

In the public sector, one senior insider also urged caution about exaggerating the uniqueness of changes since 2014 for government because: "The whole nature of politics and being in government is dealing with uncertainty. The world's very uncertain. You don't know what's going to happen to the economy … I think uncertainty is the nature of the game". "It is not a new phenomenon", said another very senior Whitehall insider, perhaps a touch defensively.

But a majority of interviewees argued that times are changing at high speed, and so must leadership skills. One veteran Chairman told us: "You've got to reckon that the half-life of everything we do now is much, much shorter than it used to be. And the likelihood is that it's going to get even shorter in the future. Whether that's the technology we use in our business, whether it's the half-life of the business models we use to generate revenue and profit. The whole world is just speeding up, so that the leadership skills of tomorrow, I think, are fundamentally different to the leadership skills of today. Which are very different from the leadership skills of 30 years ago".

One leader, currently immersed in a complex change programme for a major international organisation spoke for many who find the sheer scale and nature of the new VUCA world rather scary. "You ask, is it a new challenge? Is it serious? Yes, I think … I've been now at the executive level for 10 years. I've worked in this environment for some decades. It's by far the most challenging time [for the organisation] in modern history". The profound implications for leadership mean that this must be embraced – not wished away. One very senior public official then posed the question that all leaders should ask: "Is there something radically different, with a new paradigm required for decision making … and a weakening of government power?" After all, "people do irrational things".

The core question relates to how far top level executives are willing to be honest about the nature and scale of what they face? "The lies we tell to ourselves everyday are stunningly large, and to some degree we have to in order to get through the day. But … no senior official, no CEO fails to have information. It's always there. It's a question of whether you look for it hard enough, and when you find it you pay attention to it. It's too easy to explain away inconvenient truths", said one business leader.

"One of the things that I think is important to not to succumb to is a sense that there's something distinctive about the unthinkability of our current situation; that there are not previous examples of leaders having to deal with the unthinkable"

Professor Michael Ignatieff
Harvard University

Paul Polman spoke far more frankly than many of his executive peers would dare to in public: "In an organisation you can hide yourself behind a lot of barriers that we've created. The more they get paid the less risk they take because it's very comfortable and you get paid a lot. And it's better to hang in there … than take a lot of risk".[25]

Yet for a large number of other leaders, the shock remains and has not diminished. The re-ordering, search for bearings and attempts to recalibrate the tectonic plates are all still underway. But few if any have answers on how to respond with the inspired scale and farsightedness necessary. There is a newly pressing realisation that, in the words of the head of the humanitarian organisation: "The way we lead an organisation has to shift. We have failed to speed processes, and therefore we have 'burning platforms'", as one leading executive expressed it. But how to even start to create the institutional antidotes? The constraint on tackling this is because: "The dynamic nature of change is very difficult". 'Unthinkable' events multiply, but no new and reliable navigation chart appears to have been thought about, proposed or drafted, let alone finalised. Indeed, by and large, the reality is the opposite, with even greater uncertainty, apprehension and reluctance to engage.

Time and again our conversations confirmed a new unease. No one expressed any comfort or self-assurance. "You are certainly onto something important" was routinely the spontaneous response volunteered by many. "We find it more difficult today than was the case in the recent past to understand what is going to be challenging us in coming weeks, months, or years", one of Europe's most distinguished diplomats revealed. "We find it increasingly difficult. We lack the instruments for predicting developments that we should have seen coming. Why is that? That is the question I ask myself". He added: "There is clearly a sense of growing uncertainty, a sense of growing inability, a sense of lack of governance, a sense of lack of capability to grapple with these issues which show up without warning, all of a sudden".

Some voices urged that the inevitability of 'Black Swan' events witnessed throughout history – even recently – meant the need always to 'keep everything in perspective' and not be derailed by unexpected events. But most agreed that there is an urgent need to develop what was described by one oil executive as a new 'muscle' that will help leaders from the top down build their resilience to risk in future.

That will involve addressing the myopia that has caused so many previous global crises. 'Myopia' is the appropriate description because: "People are working to a time horizon that is shorter than would be ideal for society and possibly would be shorter and ideal for themselves when they make decisions", said Andy Haldane, Chief Economist at the Bank of England, who has articulated this concept of myopia in decision making.[26] "There is disaster in myopia… over time we either failed to remember, or perhaps we never knew, that things could go 'pop'… It was no accident that the crisis of 2008 came at a time when there wasn't a single risk manager on the planet who could remember the last really big crisis, the really big one", Dr Haldane added.

Yet, having heard a profusion of candid concerns from the current generation of leaders, nailing down new options to address the scale of change in professional behaviour and calculations proved far more elusive. While saying, "I think you're on to something big", there were qualifiers such as: "I don't think there is any cultural or structural answer. And it's the problem with which we all wrestle".

Is this a lack of imagination or self-criticism? For the putative leader there remains a certain masochistic streak of invulnerable, invincible self-belief! But will it be enough to overcome the new threats and challenges to policy or strategy making from 'unthinkables'? Even some with a reputation for being the most tenacious, with an appropriate iron constitution to match, appear rattled by the new realities.

> "There is disaster in myopia … over time we either failed to remember, or perhaps we never knew, that things could go 'pop' … "
>
> Andy Haldane
> Chief Economist,
> Bank of England

THE NEW DIGITAL PUBLIC INFORMATION SPACE

There are at least four new realities. But far too many leaders remain slow to appreciate and then understand, the seismic shifts suddenly underway because of the new public empowerment from the fast expanding digital space.

1. Connectivity is increasingly ubiquitous

"[In a] world where more and more people are connecting … [where there is] greater fragmentation, but you're also seeing greater connectivity … leaders are not very good at actually interpreting the messages that are out there from people who are not connecting through formal institutional mechanisms", one former senior international official admitted. But this is the new reality. "Technology and the new politics are changing the relationship between leaders and those they lead", said Sir John Sawers, former head of the UK's Secret Intelligence Service, MI6, in his first speech since leaving Vauxhall Cross. He believes it is cutting across all sectors, including "The private sector, in the same way that it is happening in the public sector", he added: "We have to recognise this and adapt to it and not try to fight it because you are not going to win if you stand against that particular tide. Legitimacy of leaders is increasingly essential. You cannot exercise sustained authority without being seen to be legitimate".[27] The new, pressing counter-cultural need for change and hyper adaptability has to be embraced: "If you do not, others will, and you will become a strategic victim", warned one enlightened source at the top tier of public service.

2. Power is shifting in the digital age

The second reality is that events since 2014 have brutally confirmed how the ubiquity of the new digital space[28] is transforming the nature of power. However, many leaders don't realise it or will not accept, "The increased connectivity and … the [resulting] diffusion of power". But, such is the pace of change that even sharper threats loom "When they sync [and] compound each other's impact. Because of that, you will have more and more events that will be surprises", warned a former UN diplomat, now head of a leading conflict prevention NGO.

Public expectations of governments during unexpected developing crises like Ukraine or Islamic State run ahead of the ability of governments to anticipate and respond, and then deliver. It creates greater likelihood that in the eyes of the digitally empowered public, leaders have an increasing deficit of legitimacy.[29] One former insider, who had been at the pinnacle of policy-making, vigorously challenged the view that the government still has information superiority: "The gap between private and public information has diminished radically. Virtually everything's out there now. When you talk about Putin – what is the information only the Foreign Office was supposed to have? I would say virtually nothing! Therefore, everybody had the same information set – so the same possibility of coming up with different answers". If this is correct, it raises questions about the utility of the vast amount of data that governments and their intelligence agencies gather! This was further heightened by the super smart situational awareness of the tens of thousands of migrants heading for Europe since 2015. A mobile phone and SIM card connected to swiftly designed apps and 24/7 e-information sharing platforms put them way ahead of the ability of governments to map and predict migrant movements.

"The gap between private and public information has diminished radically. Virtually everything's out there now. When you talk about Putin – what is the information only the Foreign Office was supposed to have? I would say virtually nothing!"

3. The coming digital disruption

That reality morphs into the third. It is the inversion of all assumptions of power and influence in the new digital Public Information Space at a time of almost unimaginable challenge. Governments will have to address super-complex issues such as mass migration, climate change, population increase, rising urbanisation, ageing and the attendant huge resource questions. This is at a time when its legitimacy is being publically challenged. For business too, "The whole scale of technology disruption means that we have a bigger gap between the people currently running businesses in the C-suite and those that will inherit the responsibility to run those businesses", said Harriet Green, the former CEO of Thomas Cook, now the Head of the Division focussing on the Internet of Things at IBM. She added: "There has not been a period where such a mix of technologies, the cloud, mobile, data, big data and artificial intelligence, are coming together in such a way". The scale and pace of change for leaders to understand, adapt to, and to thrive with is huge, "Whether it's quantum computing or neuromorphics or cubic-computing, the rate and pace at which information can be processed, with artificial intelligence laid on the top, and the enormous throughput of data … a billion transactions a second being collected by the likes of IBM, from retail transactions. 22 billion devices expected by us, all held by 2025. And I think that you add into that 3D printing, the drone business", she added. So, how can the current and future generation of leaders cope – given the sheer scale of the issues they face?

4. Is social change the real driver?

The fourth new reality is the new fundaments of societal change. "The question is: is technology driving societal changes, or the other way around?" asked Patricia Seemann, founder of the 3am Group which advises CEOs willing to air their new anxieties that, as the name suggests, keep them awake at night.[30] "It's not just technology … it's societal, and political trends. I actually wonder sometimes whether we're looking so [too] much at technology … Even though it's very, very complicated, it's not as hard as thinking about the societal changes that we're undergoing".
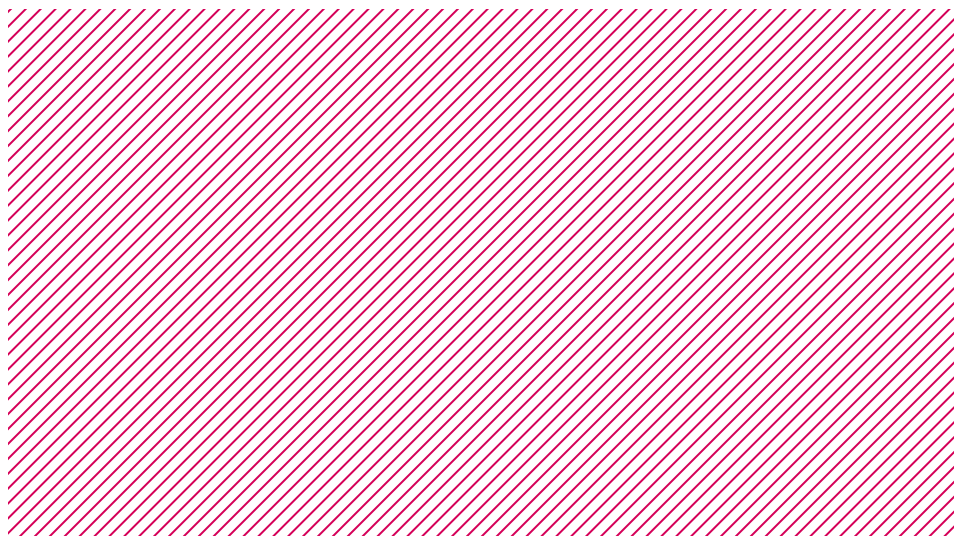
'KNOW IT ALL' SUPER CONFIDENCE: HOW IT NARROWS OPTIONS

A new obstacle to consideration of ways to overcome groupthink and risk aversion is what many describe as the excessive confidence levels of many executives and leaders, especially government ministers.

"Ministers are all scared, because they feel they are vulnerable. And they're not in control of policy in the way that they used to be because of the [new, fast changing] way the world is. So ministers are a bit neurotic. Ministers are now perfectly capable of blaming all their officials. So ministers are bullies out of their own weakness very often", said a Whitehall observer. There is a "real tendency to opinionated ministers who do not trust civil servants. [Therefore,] top civil servants have learned how crucial it is to be on the right side", said the head of an international NGO who meets officials and their political masters from many states. There is a "generic problem of erosion of status of public servants by politicians. It is more difficult to say 'you are wrong, minister'".

There is the 'courtier' system, and it is hard to see how this can be modified or reversed to respond to the new leadership realities identified by this study. "You must be very good at presenting to politicians", said one top-level official. "That translates itself down to some of the Permanent Secretaries and the senior officials. And, once it's at that level – fish rots from the head – it goes down the system. You have got to be a really well-respected official to be a bit eccentric, so that you're tolerated", said a leading analyst of public policy.

A high proportion of ministers and C-suite leaders believe they know best – or must know best – because that comes *ex-officio* with their appointment. As a result, they tend not to want to receive anything that challenges or questions their view. "Over time, leaders become convinced they're right, because sometimes they have been right when their advisers were wrong. So they become convinced they're right in everything. So you get things like the poll tax and the Iraq war, because there's nobody round them really saying to them, 'Hang on a minute. Are you sure this is a good idea?' So, the place becomes a bit populated by 'yes' men. Not because that's what you want, not like a dictator, not because you're frightened of being shot. That's just what happens", said a former Prime Ministerial adviser.

This limitation is sharpened by the minister's political obligation to be seen to be decisive, super confident and in control, even if reality is different. "The people at the top know that the expectations on them are continuously being raised. That is an additional pressure to come up with symbolic sending [of] signals rather than addressing the substance. I think there is a lot of that", said the former Downing Street aide.

"The people at the top know that the expectations on them are continuously being raised. That is an additional pressure to come up with symbolic sending [of] signals rather than addressing the substance"

This combination of top level reluctance and self-belief deepens the longer those at the top stay in office. Ministers are often determined to show they are the experts rather than the career officials who serve them. As a result they frequently make clear that they want neither data nor options, because they believe they know it all anyway. But this weakness carries a significant systemic price.

On the other hand, at the very top there are the vulnerabilities for leadership created by a certain loneliness at the highest executive levels. It is assumed they are plugged in. They are, but too often not to the level of two-way engagement with those alongside or below them that fast, unfolding events require. This frequently means an absence of challenge of a type and scale that is now required. "Leaders of industry [are] extremely bad at thinking, and they don't get challenged very much either". This generates an imperative that in turn creates the distinctly unhelpful premium for conformity. Is there pressure to be careful? Most certainly, according to a multitude of insiders. "The price of conformity is absolutely today's extreme".

There is also the nagging question of to whom and to what must public servants be loyal to? Should it be to the ministers they serve on a day-to-day basis, or to the public and nation who pay them and whose interests they should represent? "If you're trying to be a good civil servant and help the government of the day, you should lay out the issues as best you can. But if that's potentially damaging to a personality in the government of the day; if you think your minister is wrong, in some sense you're good for the government of the day, if that is made clear. But of course it's not good for that personality in [relations with] the government of the day. And that's a real tension". In Britain, there is a standing procedure in the Civil Service Code that allows civil servants uncomfortable with what they are being asked to do by a minister to ask for a written instruction for the record. However, "if you ask for written instructions from a minister… it can be the end of a relationship or the end of a career", as a former very senior Treasury official confirmed.

THINKING THE UNPALATABLE INSTEAD OF THE UNTHINKABLE?

The starting point for this study was to test whether those in top positions of power and responsibility were becoming frozen in the headlight beams of looming crises, and for whatever reason failing to think about highly unlikely events that can be labelled 'unthinkables'.

What gradually became apparent during the large number of interviews is that often enough was known about what was developing. A direction of travel was foreseeable. But those at the top levels did not consider that confronting it was a palatable prospect. On balance, a view was somehow taken that attention was not needed. This was because it was hoped the developing events and scenarios would either somehow vaporise or none of the options for action were sufficiently attractive or practical.

As interviews increasingly confirmed this reality, we began to ask: is an even more appropriate title for this study "Thinking the Unpalatable: A New Imperative for Leadership in the Digital Age"? The conclusion of this first study is, on balance, yes in the specific high profile cases we looked at.

Drilling down into the detail of 'unthinkables' like Putin's move in to Crimea, Islamic State's extraordinary rise to influence in the Middle East, Ebola's emergence in West Africa, or the 60% collapse in oil prices, confirms that in all these cases there were advance signals of what then happened. But there was neither executive imperative nor political appetite to take pre-emptive action of some kind. For whatever reason the prospect was 'unpalatable'. Too often – as highlighted in the brilliant BBC TV sitcom 'Yes Minister' which satirises the wily machinations between civil servants and ministers in Whitehall – the tactics of delay and prevarication have worked. Usually, both officials and ministers got away with it. Twenty years on, the instinct still remains embedded as a default option, with the result that unthinkable developments raise unpalatable options which many hope can be shelved. In this way, the experience of denial during the 2008 Global Financial Crisis continues to be repeated.

"What most prudent Ministers will do is not take a decision until the last safe moment to take it. Because otherwise they might have had to take a decision that had a very 'unpalatable' cost. And the real problem is that they sometimes misjudge the last safe moment, so that last safe moment has passed", said a very senior former diplomat.

As in 2008, the myopia identified by Andy Haldane[31] is again a key driver of 'unpalatability'. "Events were in part a result of short-sightedness", said one of the most senior level analysts of the crisis. "To some extent this was a convenient turning of a blind eye. For example, if you went around the City ahead of the crisis, people weren't really in denial about what was going on. If you asked them the question; do you not think things are getting a bit 'racy'? They'd say: 'yeah they are' … They weren't remotely in denial about this … as long as the music is still going, I need to keep dancing … Therein was a problem; not that people didn't know what was going on wouldn't end in a bang. They just thought they'd get out before the bang came". But most did not, even though they feared what was coming.

> *"if you went around the City ahead of the crisis, people weren't really in denial about what was going on. If you asked them the question; do you not think things are getting a bit 'racy'? They'd say: 'yeah they are' … They weren't remotely in denial about this … as long as the music is still going, I need to keep dancing … "*

Typically, there is an 'unpalatability' because of either a benign and innocent negligence, or risk aversion in the lower levels. Sometimes looming developments are not spotted due to inexperience, or they are deemed by risk averse officials to be too complex or too painful to put on the executive radar screen. "The wilful blindness challenge is that we try to explain away things that … are inconvenient truths; that the logic of which would force us to act in ways that we choose not to act for reasons of self-interest, economic, political, personal", said Aron Cramer, President and CEO, of Business for Social Responsibility, whose membership includes 275 companies globally: "It's an old human behaviour that's applied in a new environment where the number of pieces of information, the number of developments, the number of changes in the world is greater than ever before".

Prevarication centred on 'unpalatability' can be viewed as a time-honoured ploy embedded in decision making. But it is more exposed to scrutiny in this new era of public digital empowerment which allows the legitimacy of corporates or governments to be assessed almost instantaneously through e-scrutiny. This explains why when 'unthinkables' or 'unpalatables' are threatening there can frequently be a direct clash between the pragmatics of decision making and the public expectations that leaderships will achieve something close to perfection in an ever shorter time scale. 'Unthinkables' or 'unpalatables' have sharpened that expectation still further. But few leaders, if any, seem to have heard or acted upon warnings about the inevitability of their new vulnerability because of this public empowerment in the digital world.[32]

That pressure from publics is ever greater. Professor Michael Ignatieff expressed it pithily: "We want leaders who will respond to our deep need for consolation, reassurance and comfort in a very comfortless world and that puts enormous burdens on our public leadership today because the reality is that there's just a lot that daddy can't fix and mum can't make better, and that's just the world we live in. It requires a certain kind of stoicism in the public which is very hard to maintain. They need and want reassurance". They are not getting it as one ex official freely admitted: "I think the public has more anxiety as to whether we're good at doing this".

This helps explains the gap with the expectations of the next generation of millennials which has been witnessed by this study and appears to be widening. Why? "It's this notion that our political and economic leaders don't actually listen to the people", Aniket Shah, the 27-year-old fast tracker, told us. "Not just that they don't have public opinion polls and surveys. It's not that. But it's this idea of deep listening … And almost an anthropological engagement with the world. To understand how people are living their lives. What really affects them".[33]

The implication is that increasingly — and faster than many expect — there will always be that sense in public minds of a growing deficit of legitimacy for those appointed or elected to provide leadership. This is especially when 'unthinkables' or 'unpalatables' are looming.
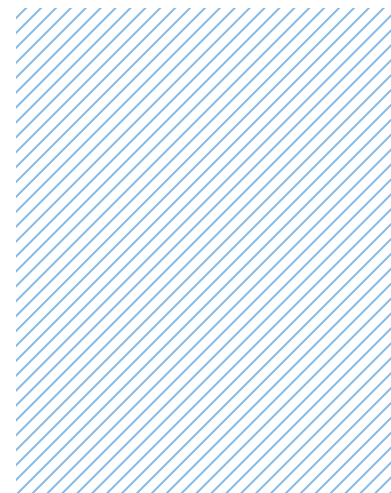
FACING UP TO THE 'NEW NORMAL'

A majority of interviewees agreed that something of seismic scale and significance now challenges many assumptions that leaders traditionally make about their abilities to spot, identify and handle unexpected, non-normative events.

Leadership has not necessarily failed when judged by the qualities and skills that qualified it for the top. Instead the world has moved on dramatically. The rate and scale of change has been much faster than most are even prepared to concede or respond to.

The troubling question, however, is how to break the arm lock created by the cost of challenging conformity and risk aversion at a time when the need for speed and agility is paramount. "The demands of frankness and honesty here are austere", said Michael Ignatieff. "Careerists and 'yes men', who are not warning their ministers, are not doing their job. But the penalties for 'Chicken Little, the sky is falling' – and then it not happening – are huge. So our systems reward 'keep calm, don't make a crisis'. Our systems don't reward Cassandras. Our systems don't reward whistle blowers. Our systems punish them. Our systems don't reward people who say 'this could be much worse than you imagine'".

One former official revealed the scale of the dilemma: "There is a fine line to be trodden. And I was very conscious of this when I was [job-title redacted]. Between saying the difficult things, but have an impact because they make people think differently, and just saying it so often and so wildly in areas that they're not going to be able to do anything about, that you just lose credibility because you're banging on again, like Cassandra, about things that there is no capacity, resource, will or political willingness to do".

But while our interviews revealed a greater need and urgency to Think the Unthinkable, they also revealed increasing caution and greater concern about taking responsibility. Many of those in the fast track to the top are often 'demotivated' and 'they do not feel empowered' as was once the case. One senior public sector insider described this phenomenon with the new, but rather ugly description, 'deresponsibilisation'. The trouble is that 'deresponsibilisation' heightens fears that the personal cost of standing one's ground on facts and arguments is real, and therefore a limiter for first imagining then tabling 'unthinkables'. Many described how what was once inspirational leadership acting on insight and vision has been replaced by a new bureaucratic imperative for 'managerialism'. In turn this has created an institutional basis of world politics that is increasingly dysfunctional. This was even described as an international version of private affluence and public squalor.

But now, managerialism is failing the needs of policy-making. Professor Chris Donnelly is a former top-level NATO and Ministry of Defence strategic analyst. He now heads the Institute for Statecraft. His analysis is that managerialism takes precedence over what should be the political priorities for understanding and action, especially within public and government service. It constrains clarity of analysis, which in turn handicaps any imperative for action. This is compounded by acute strains being created by multiple pressures, including austerity and spending cuts. The newly imposed imperative for managerialism means ministries are no longer equipped to handle the scale of multiple disruptive threats to their operational effectiveness with the capacity, insight and commitment needed. Ever tighter budget restrictions constrain the ability to Think the Unthinkable too.

"Careerists and 'yes men', who are not warning their ministers, are not doing their job. But the penalties for 'Chicken Little, the sky is falling' – and then it not happening – are huge. So our systems reward 'keep calm, don't make a crisis'"

Professor Michael Ignatieff, Harvard University

This view is by no means unique. One top business leader who has previously been a key player in civil service reform put it this way. "This helps to explain why increasingly, civil servants see it as career limiting to be seen to go off-piste". Remarkably, one very senior public servant put it even more bluntly. He said that those officials with insights on possible 'unthinkables' run the risk that their bosses will, as he put it rather graphically, "Chop legs off" if they are seen to be 'speaking truth unto power' in ways deemed to be unacceptable by thin-skinned ministers and their over-protective political advisers. This helps understand how risk taking is discouraged, or what some might consider the maverick but well-informed analysis that is required to identify 'unthinkables'. "This blame culture … has gone to the top", said a Whitehall observer. It is the same in the business world. "Too many things are scripted and programmed, and people are not willing to speak up anymore", said Paul Polman.

Many fear negative consequences for their careers and professional progress if they develop radical policy options for consideration at the highest levels, which those with a conformist instinct would disparagingly label maverick. It is known as the risk of a CLM – a "Career limiting move". Many interviewees gave us different version of the same story about both the corporate world and public service. "If you're a career civil servant at a medium or senior level, going outside that box is dangerous. You will be side-lined and you won't end up in positions of major influence. So, adopting a strategy which is compliant with what people perceive to be the policy of the day, or the expected policy of the day, is where people tend to go", said one government science adviser. "I've seen some people lie with the mavericks. Others … sit it out and wait for them to go away, and for this phase to pass because then it will go back to how it was before, they hope", said a top official who monitors decision making on risk. "Often where I see leadership not working very well is … where their own personal position is slightly conflicted by what might happen to them as a consequence of their decision", said a senior government official. This diminishes constructive challenge.

Ngaire Woods, Dean of the Blavatnik School of Government at Oxford University, said: "If you're asked to write a policy brief, and you know that the minister's not really going to read it, and that the minister's actually asked his or her advisors to write a brief that's more likely [to get a hearing], how much effort are you going to make on your own policy brief? You tell me!" While there is a clear tendency for personal caution and avoiding being labelled a maverick for providing enlightened signalling of possible unthinkables, it would be irresponsible to exaggerate this. It is not simply the case, "That somebody has a very clear idea that something else is true and everybody's wrong. It's more that people who are wondering, are careful about wondering about it publicly", said one former European minister. This confirms why this study points towards the morphing of 'unthinkable' and 'unpalatable'.

GETTING A GRIP ON 'UNTHINKABLES' – WHAT NEXT?

The inherent vulnerability to unpredictable events and 'unthinkables' can never be removed. Instead there has to be a more mature inbuilt acceptance in both systems and executive behaviours of a new inevitability.

Geo-political realities are suddenly dramatically different. "The world is much more uncertain and volatile than it has ever been before. And that is because of some factors coming together now that have never come together before. And they amplify each other. You have a totally different world order and we struggle with that enormously", said Paul Polman, reflecting the view of many who requested not to be quoted by name. "Politicians have not let us down. But they have gotten themselves in a very difficult position to govern, at the time that the world needs it more", he added.

So what is the primary priority now? "It requires moving institutions, and moving institutions is not very easy … Recognising that the world is changing, and engineering a very complicated systemic change to the basis on which we power our prosperity. That's a very heavy lift", said Aron Cramer, of Business for Social Responsibility. A core reason for that difficulty is that without fully realising the scale of change "institutions are losing their relative power and influence vis-á-vis other institutions, and also individuals and communities … How do you lead a company through fundamental change that threatens the very models that they have relied upon and benefited from and worked in for decades?" he asked, expressing the view of most. One chief executive summed up current corporate failings on this urgent challenge given the new pressure of 'unthinkables'. "The first one is leadership has failed to think… Number two, they're not recruiting enough people with a different vision who are out of the box".

Those that get this understand the complexity of what lies ahead. "The problem is, what I found so difficult, you realise that you have to drastically change your organisation. That's what it is. It's not just about adapting". That voice reflected candidly the concerns of many, without a clear route for how to begin securing the scale of change required. "What we're talking about – I don't know how you would engineer it – [is] a culture change towards just greater courage. Personal integrity and courage. Any business person will tell you, and does, that unless you are prepared to run the risk of failure, you're not likely to succeed".

So can a framework be provided by what might be called 'SatNav executive assumptions' working to existing normative models? That must not be the assumption; "We need some different kind of compass", concluded philosopher Rhett Gayle during a brainstorming to discuss the report's provisional findings. He captured the private, confidential view of many interviewees. Those insiders willing to talk privately view the challenge as seismic, even if many are not willing to admit or confront it because they have yet to see the alternative. "We're stuck in a mind-set in which you still think that – even if we did think straight – we would have the capability to deal with it", admitted one former senior government official with a hint of despondency. Others said the same thing, albeit expressed differently. Paul Polman said: "So first you have to find your inner compass what you're strong about. If that is so important, you'll be able to take more risks. And we have become risk adverse".

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>
> Paul Polman,
> CEO, Unilever

Can the current generation of leadership re-prime itself, whether they are in their early sixties, mid-fifties or forties? The next generation has massive doubts. "I think the point is that they have no incentive to change", said Aniket Shah, "Because that generation has reached a level of success. Most of them are not that old. They're in their 60s, like the Clintons of the world. They have at least 10 or 15 more years to reap the world in all ways. And it's worked for them just fine, actually".

But who will the next cohort of corporate and public sector leaders be? A large number of interviewees reported signs that many of the next generation of potential executives like Aniket Shah will not default to corporates or the public service as a career choice. Instead, they would prefer to chance their luck. "What you do notice here in a public policy school is how many people want to go into start-ups", said Michael Ignatieff from his position as Professor of Practice at Harvard University. "The start-up is the career of choice for a whole generation partly because it allows you to sidestep all of the questions we've just been talking about".

Some leaders understand the need to redefine leadership in this era of super-complexity. "We are seeing the rise of the new 'humble CEO'; someone who talks about 'we' rather than 'I'", one leading Chairman told this study.

Patricia Seemann of the 3am-group agreed. "There are now some leaders who admit they do not have all the answers and are asking 'do I get the right set of skills capabilities, to come up with a couple of solutions that we can try out and see what works?' But we do not have a workforce who knows how to 'follow' such leaders – with some exceptions. It is not that they are stupid; they have been beaten into that mould since the dawn of industrialisation".
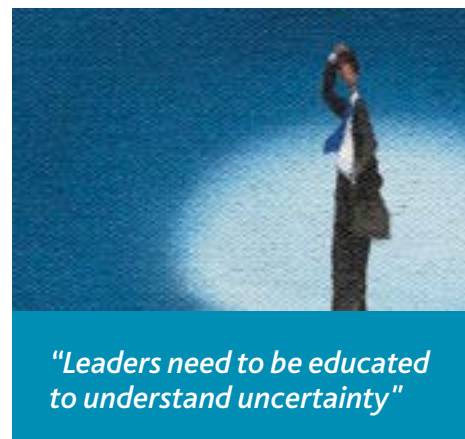
"Leaders need to be educated to understand uncertainty"

CONFRONTING CONFORMITY:

Can new adaptability, mindsets, flexibility and confidence be created?

Is taking on conformity and creating a new adaptability possible? Too many at the highest levels say it has to be because of the scale of challenges now facing the highest levels of leadership. But there is little evidence that most are prepared to risk the giant counter cultural leaps of faith and bravado that are necessary. "I do see it as a limiter. Undoubtedly it's true. And I think people in the system accept that, but nobody can think of a safe way of getting out of it", said the head of a leading think-tank.

That is because the risks are self-evidently stark. The case of Barclays came up in many interviews. Anthony Jenkins was promoted by the board of Barclays to CEO in 2012 with a remit to return Barclays to the image of traditional 'boring banking' rather than one also focussed on 'casino banking'. That meant unambiguously that the aggressive culture of the previous era under Bob Diamond would have to change. Jenkins told those insiders more interested in the high-octane risk of financial dealing that they would have to look elsewhere. "We are undoing 30 years of culture, and that will take time", he told the BBC a year into the job. "Legacy issues will be with us for a number of years … probably five to ten"[34] But Jenkins discovered he did not have that kind of time to deliver what he had been appointed to do. After less than three years, a newly arrived Chairman led the unanimous board decision to sack him[35] on the grounds that the bank needed 'greater dynamism'. His route to reform was widely challenged, even though the half yearly numbers announced a few days later showed performance that was "Barclays best half year for a while".[36]

But others believe they have proven that broad minded alternatives can and do work despite massive risks. Paul Polman is one of those who have taken such risks. He was head hunted to be Chief Executive of Unilever in 2009 with a mandate from the Chairman and board to break the mould of executive leadership. He underscored his sense of self confidence and unchallengeable crusade by being the only high level corporate figure to want to speak to us on the record. He talked of the "Serious problem out there" which means that C-suites are "Scared stiff" and that "Most people do not want to be CEOs any more". Any fears of what he might say about the new frailties of executive leadership whose "Purpose has gone" were trumped by his view that they have to be expressed and discussed openly. A few days before meeting us he had presented a forceful, no holds barred message to the UN Global Compact summit on the dangers for the highest level of leadership in maintaining the status quo, especially on sustainability. He urged "Transformational change" and "System change" because "We are running out of time". He added "We must be bold" and "We must be disruptive – taking risks and challenging the status quo".[37] There have been signs that this strategy might not endure, with growing tension between the financial expectations of shareholders and these important, enlightened principles.[38]

This highlights the massive contradictions to overcome, along with behavioural and cultural barriers to thinking the unthinkable. Yet there is no option: the culture of reluctance has to be confronted, even if it is a tough ask. "The purpose of leadership in a wicked problem world has to change", said Patricia Seemann of the 3am Group. She added: "Because that's a premise that there is somebody who knows everything. Well, there isn't … Look at ISIS [Islamic State], what's the problem behind ISIS? Is that a social problem, is that a religious problem, is that a geopolitical problem, what is it?" In itself, that challenges the core of leadership principles. "If we are lucky, we might be able to say that there is a certain certainty of this thing happening. To say with 100% certainty [is] virtually impossible. We must increase the 'agility' of our policy machinery so that it's ready to react to changes of this sort, and not just spend some time staring in disbelief at the television screen and saying, 'This can't be true because it's not in accordance with our assumptions'. Because there was an element of that in 2014", admitted one former foreign minister.

"The purpose of leadership in a wicked problem world has to change"

Patricia Seemann,
Founder, 3am group

What are the chances that a new executive agility can be introduced and take hold when, "A lot of the crisis in leadership is around … lack of information: the signal from the noise bombarded with all sorts of data coming from all sorts of bases"? The world of management accountancy has been working on ways to improve radically the quality of communication within organisations and thus help root out conformity. The profession has traditionally, "Attracted people who were more introvert, who wanted to sit behind a spreadsheet and crunch numbers and be left alone. But now, robots (algorithms) are doing that for us", said Naomi Smith, former Head of Public Policy at CIMA (Chartered Institute of Management Accountants). They have devised new guidelines called the 'Global Management Accounting Principles©' which codify what management accountants should aim for in an era when financial recording can increasingly be done by algorithms.[39] Also, the understanding of what constitutes value has to change now that the non-tangible worth of a company often far exceeds the book value of its physical assets.

Effective communication is the first principle underlying the Principles as it influences and optimises decision making. CIMA's ambition is to give management accountants new conceptual tools so they can provide valuable and insightful information to CEOs in order to "Give the real essence that's relevant". The aim is to assist decision-makers to act "More strategically and commercially", rather than relying on 'gut feel', and to help them "Steer away from the iceberg – or the tip of it". This demands new skills for current management accountants. "No-one needs somebody who can crunch the numbers, but cannot translate them to help the decision-maker choose option A or B", is CIMA's judgement on the way their profession is changing.

"A lot of what we talk about now is challenging your colleagues … It is the job of the management accountant to challenge and critique assumptions and force people across the business to take ownership of their figures", Naomi Smith said. CIMA believes the possibilities for this are currently limited. Many members say currently they have neither the time nor the mandate to venture beyond the traditional backroom number-crunching remit: "We have always known that we've had lots of management accountants that after a crisis would turn round and say, 'well, we all knew what was going to happen, but no-one listened to us'", said Naomi Smith.

CIMA has identified a common leadership vulnerability on 'unthinkables'. Senior finance people now tell them: "I am increasingly being the voice of caution at the decision-making table against short-term decisions that could have long-term harm … Marketing could say: 'we could sell customer data for £X million and shore up this quarter's earnings'. The finance director would warn: 'it will destroy customer goodwill in the future'". The challenge is stewardship which balances short term commercial interests against long term value for stakeholders.

Parts of the public sector are trying this approach too. The British Treasury uses the Principles to retool the approach of accountants in central government and create a greater will to challenge and justify assumptions. "How do you drive value and how do you add value? That's all about the decision making process and the use of information in a tangible sense, but also the presentation of information and advice and judgments to people. That's where the CIMA and AICPA Global Management Accounting Principles starts to speak to us", one very senior official said. The British Standards Institute (BSI) sees the Principles as "Definitely relevant" and is "Very excited" about how they could be developed as an international standard, or ISO, said Scott Steedman, BSI Director of Standards. "Britain leads globally on business processes", he said. But despite the current growing optimism, the question is whether such process-led innovations will reduce the instinct for conformity of executives and staff in any measurable sense. There is no clear answer yet.

> *"A lot of what we talk about now is challenging your colleagues… It is the job of the management accountant to challenge and critique assumptions and force people across the business to take ownership of their figures"*
>
> Naomi Smith,
> former Head of Public Policy,
> CIMA

The problem of how to move away from disciplined, conventional, hierarchical conformity to effective new systems and structures is well illustrated in a new leadership reform initiative in the British Army. The tension is acute here because traditionally command in the military has to be top down. Disciplined conformity does not morph easily with any imperative for a new enlightened leadership style.

In the same vein as Aniket Shah's frustration about business as a 27-year-old, a new generation of smart military personnel in the middle or lower ranks now realise such a command relationship stifles initiative, innovation, flexibility and adaptability in the era of hybrid warfare. Many have fresh new eyes on the shortcomings in what remains a largely hierarchical style of leadership with little or no scope for much that is different. "The lower ranks are well ahead of the chiefs. The need is to bring along the 20-25 year olds", said one behaviour and leadership analyst.

Now, the reform debate in the British Army has been catapulted into the open. No longer is the internal soul-searching about the Army's performance in Iraq and Afghanistan confined to military circles. Firstly, Christopher Elliott, a retired major general and an ex-Whitehall insider, published a "Diplomatically couched bombshell…"[40] After scores of interviews with senior military insiders, he described an "Entrenched MoD [Ministry of Defence] system whose default settings were set to strangle enterprise, discourage initiative and work to lowest common denominator of all the parties involved", where "The system was allowed to run the individuals, rather than the other way round".[41]

He then asked: "How good people and capable public servants could find themselves making perverse decisions – despite their talents".[42] Elliott's analysis swiftly divided commanders and civil servants at all levels. The same happens across corporates and public service. Some who could be said to be from the conventional, 'flat earth' cohort in the defence world and across Whitehall scathingly dismissed the analysis because it was written by a "Two-star who never really made it". Others praised him for "Saying what finally had to be said about what's wrong with our leadership".

In late 2014 the new head of the British Army, General Sir Nick Carter, set out on a bold initiative to reform leadership. He committed to taking the highest professional risks to change leadership culture in the army. He made clear that the existing leadership model is not fit for purpose. Old thinking and thinkers would have to go. This was not about ageism. It was about open minds to embrace new realities. General Carter knew it was putting his own career and reputation on the line. He also knew that he would have to make significant impact and progress within, maybe, just six months. From early 2015 he started an active trawl across the generations at all levels of army commanders. He wanted to identify those with new thinking on the leadership price of traditional mind-sets and what must swiftly replace them. He knew some with smart, visionary ideas might not yet have revealed them for fear of being marginalised as non-conformists. He had to find them too, and reassure them.

In the limited time available, will General Carter succeed in changing the British army command leadership culture in the way he believes is so necessary? It is a tall order, and he knows it. He confronted the inevitable costs of taking on a system and trying to push through change at significant speed. While some were welcoming, one very senior former insider told this study that the general had already alienated many of those serving him by pushing too hard and too fast. As a result "A lot of people [who were ready to be persuaded] are wavering". A Whitehall observer summed up the dilemma: "Everyone calls for more flexible, more adaptive thinking. Well you can call for it, but it won't necessarily happen. And strategic leadership is often deciding not to do things". But General Carter's view is that there is no other option: he has to push forward to improve the agility, smartness and relevance of the next leadership generation.

A NEW 'AUTHENTIC LEADERSHIP': WHAT IS IT?

One Chair described his recipe for success for bringing his organisation with him. While in the past, "Leaders could be remote and set direction and still deliver financial results, the worst thing you can be today is an isolated leader. You have to be accessible given today's speed of change. If you don't believe and live your values, staff will look through you. People exercise their own judgement. Authentic leadership is key to coping with challenges, now those in positions of authority are so much more exposed". A leading global consultant echoed this call for: "A new age of authentic leadership to cope with the [new] challenges of the new normality. It will not slow down".

Authentic leadership sounds rather idealistic. What does it mean? "The speed of change and reaction is a measure of authenticity. Leadership is a lonely place", the Chair explained. He gave further context: "The demands on the modern leader mean he/she must manage their time and accessibility … Because any leader will be exhausted, they must have stamina, resilience and optimism … and be served by energy extenders, and not by energy sappers". They should realise "The need for coping mechanisms; it is good to have someone to talk to, either in groups or 1-to-1". However he warned: "The majority of organisations don't have a clue. Plenty of organisations have a purpose, vision, strategy but the link between values and behaviour is completely disjointed. They don't live their values".

Paul Polman launched Unilever's Sustainable Living Plan in which 'authentic leadership' is meant to be a central feature. He told this study: "Leadership first and foremost is being a human being, so that's what is authentic". He described it as "A very audacious plan that scares the dickens out of us. We did one thing that said basically 'we don't know all the answers'. And people say, 'Wow! That's the first time that someone says he doesn't have all the answers at that level'". There was also, he added, a similar amazed reaction when "We said we can't do it alone".

Creating the vision of 'authentic leadership' suggests a significant proportion of top level executive action in corporates and public life is not authentic, i.e. not reliable, trustworthy, of undisputed origin, to quote definitions in the Concise Oxford English Dictionary. Arguably that goes far too far. It suggests that leadership is generally scarred by being the opposite. For reasons detailed at length during scores of interviews, leadership everywhere is conditioned by the conformity which qualified executives for the responsibility and degree of conformity expected at the top. They can't be deemed un-authentic for doing what their executive or management boards expect.

However, the concept of 'authentic leadership' does raise intriguing possibilities, including the opportunity for boards to order that 're-set' of the executive SatNav. This is because not changing and not modifying smartly by way of new ideas and time lines cannot realistically be considered a positive option. There is an inevitability that more 'unthinkables' must be expected and therefore planned for. If this further hollows out power, then the current systems and executive configurations are not just inappropriate, they are potentially unhelpful and also destructive. As one leading corporate consultant concluded: "I worry that the system, if we don't modify it, make it more long term, make it more inclusive, make it more owner operated, it will get disrupted. At least from my naïve reading of history, when they tend to get disruptive, it's pretty bloody. It's usually a fundamentally different system and I'm not interested in that". In other words, the price of complacency and resistance to change is likely to be massively high, and destructive of both value and reputation. While still a formidable challenge, the alternative comes at arguably much lower cost.

> *"The demands on the modern leader mean he/she must manage their time and accessibility … Because any leader will be exhausted, they must have stamina, resilience and optimism … and be served by energy extenders, and not by energy sappers". They should realise "the need for coping mechanisms; it is good to have someone to talk to, either in groups or 1-to-1"*

ARE LEADERS RESPONDING TO THE CHALLENGE?

Having steered their companies though the financial crisis is there more space for Boards and C-suites to consider what is hurtling down the tracks of the immediate future towards them?

One Chair suggested that the imperative of the focus on financial survival in a very tough recession after 2008 meant that boards have not had the time or inclination to think broadly enough about these longer term issues of 'unthinkables'. In his view, they now feel a less threatened. This means they have a greater chance to focus. There is also a personal impetus. Chairs and CEOs spoke candidly about watching the reputations of peers shredded or trashed, and their new need to take steps to avoid a similar fate. This goes a long way to explain why the alternative of being allowed to believe these new realities will go away must not be viewed as a comfortable option. The succession of both the CEO and the Chair, and of the NEDs, must be a "Discussable thing", one Chair said. "Too often people pussyfoot about it. There are many cases of CEOs staying too long in a company. Standing down has to be put to them in a way that doesn't seem to be a personal attack; how it's better for the future of the business, how future strategic planning requires a new CEO".

This view was echoed by all the Chairs we spoke to. A critical element of the issue is that the purpose of Boards has changed. They are more hands-on. Chairs now spend more time directly engaging with the company, preparing for crises. As much because of the tightening of the regulatory market they no longer look at just single potential risks but the combination of risks that could affect the business. And increasingly the Chair's role has become more critical and pivotal. The Chair said: "A key quality of leadership is to keep one's antennae open to outside spheres, within the country, looking what's going on in other companies, other models, and other sectors, other countries. All the time being able to evaluate what resonates with the business that they're involved in, so that they're fully rooted in the business".

Additionally: "The role of the CEO is becoming far more complex, far more demanding, both physically and emotionally. It's an extremely mentally demanding job and, for most CEOs, unless their company is very much UK-based or web-based, there's an enormous amount of travel. No one is aware how demanding it now is until they are a CEO", one former CEO said. "Energy and optimism and resilience", were cited as key CEO skills, by one Chair. "Resilience has become a fashionable term, not just for individuals, but also creating resilient organisations in a complex world. It is about a company understanding its fast-changing external context with ever-more complex supply chains and its wider risk landscape, and the leadership's capability and the capacity of the organisation to adapt".

> *"The role of the CEO is becoming far more complex, far more demanding, both physically and emotionally. It's an extremely mentally demanding job and, for most CEOs, unless their company is very much UK based or web based, there's an enormous amount of travel. No one is aware how demanding it now is until they are a CEO"*

SCOPING THE NEW NORMATIVE: IS IT EVEN POSSIBLE?

The 'unthinkable' events since 2014 must be regarded as harbingers of the kind of 'dramatic shifts' and 'volatility' that must be expected and prepared for in the months and years to come.

To assume otherwise risks accusations of negligence and complacency. In business, leaders of companies at the cutting edge of technology are already particularly vulnerable. This is because there is a "Bigger attack surface, more opportunity to do you harm" as a leading cyber-security specialist put it. But in so many ways, "You ain't seen nothing yet" because of the exponential speed of developments in Big Data, Artificial Intelligence, 3-D printing, cyber vulnerabilities and demographic trends. This is the new normative. Dramatic changes which might have been assumed to take place over 20 years, could now easily happen in 20 months, 20 weeks or perhaps even 20 days.

"We're in that type of timeframe with technology moving 3 to 5 times faster than management", said a top level management consultant. That will further multiply the future pressures from 'unthinkables' and 'unpalatables' in what currently remain unknown and unchartable directions.

This will be a major stretch. In the view of one senior Chair: "One of the big concerns for all companies in thinking the unthinkable is that the people around the table, however the mix is put together, are typically of a certain age. I mean there's a span. But they're typically somewhere from 50 onwards. And most of those people have no real fundamental understanding of the cyber risk. They have it from reading things and listening to people speak but they have no fundamental understanding". Some impacts can be predicted now. But much of the revolutionary change is likely to be ever more unpredictable for the same reasons that the 'unthinkables' since the start of 2014 have unhinged normative executive assumptions. Overall, "We need, I think – government and companies alike – to spend a lot more on these predictive capabilities than has been the case so far", was the firm view of one former senior public servant who has more recently worked for a major global corporate.

It is similar in the parallel world of government. Since the start of 2014, the impact of the simultaneous ongoing shifting tectonic plates across Eastern Europe and the Middle East (both by their broadest definitions), plus the new and massive migration threat globally, must be viewed with both pessimism and the clearest possible analytical eyes. Optimism can have no place. It must be assumed that the continuing process of upheaval could over time be on the same systemic and disruptive scale as what led eventually to the 1648 Peace of Westphalia, or the French and American Revolutions.

Defining the likely scale and nature of the challenge ahead – however apocalyptic potentially – and the searching questions that could arise, should not be palmed-off as a pastime for the 'awkward squad'. It is a logical and relatively straightforward requirement. But specifying practical options to resolve them is far more problematic. "Yes, clearly the phenomenon exists", said a prominent German official. "I am at a loss explaining how we could deal with it more efficiently. It's not easy to develop the recipe".

The ultimate leadership responsibility can only remain at the top. But at that level of responsibility there continues to be much evidence of ongoing myopia. "Are these rational decisions based on really deep understanding of the risk and making the decisions? I don't think so. I think it's actually people going, 'this hasn't to do with me, this hasn't to do with me, shove it over there'". Such leadership attitudes have to be regarded as doom laden. The priority for addressing 'unthinkables' or 'unpalatables' must now be unambiguously viewed as a formidable, intimidating new direct responsibility for leadership, from whichever generation it emerges.

Not changing and not modifying smartly is therefore not an option. Both awareness and pressure on this are growing in the mid-levels of public service and corporates too. "There are some down in the organisation who are well-read and who are thinking that there must be another way for us to contort the business in terms of its shape to alleviate the threat of fast change, or allow a greater adaptability", said one leading adviser to management. But it is relatively rare. As one frustrated leader complained: "We have enough of asking questions. We need answers".

This openness on the new vulnerability was rare, even though there was wide awareness of the need for change and new thinking. A key solution is that a new executive 'muscle' must be developed, said another. This will probably come from learning from the handful, "Who can think the 'unthinkable', but dare not put it down in writing, or even give that advice to a minister. The really, really brilliant ones find ways of filtering it in". But how will those voices assert themselves and be heard? For many it will continue to be considered as taking a risk of being marginalised as a maverick. It should be regarded as embarking on a welcome, highly valued initiative that must take centre stage and embrace the implications of the new normative.
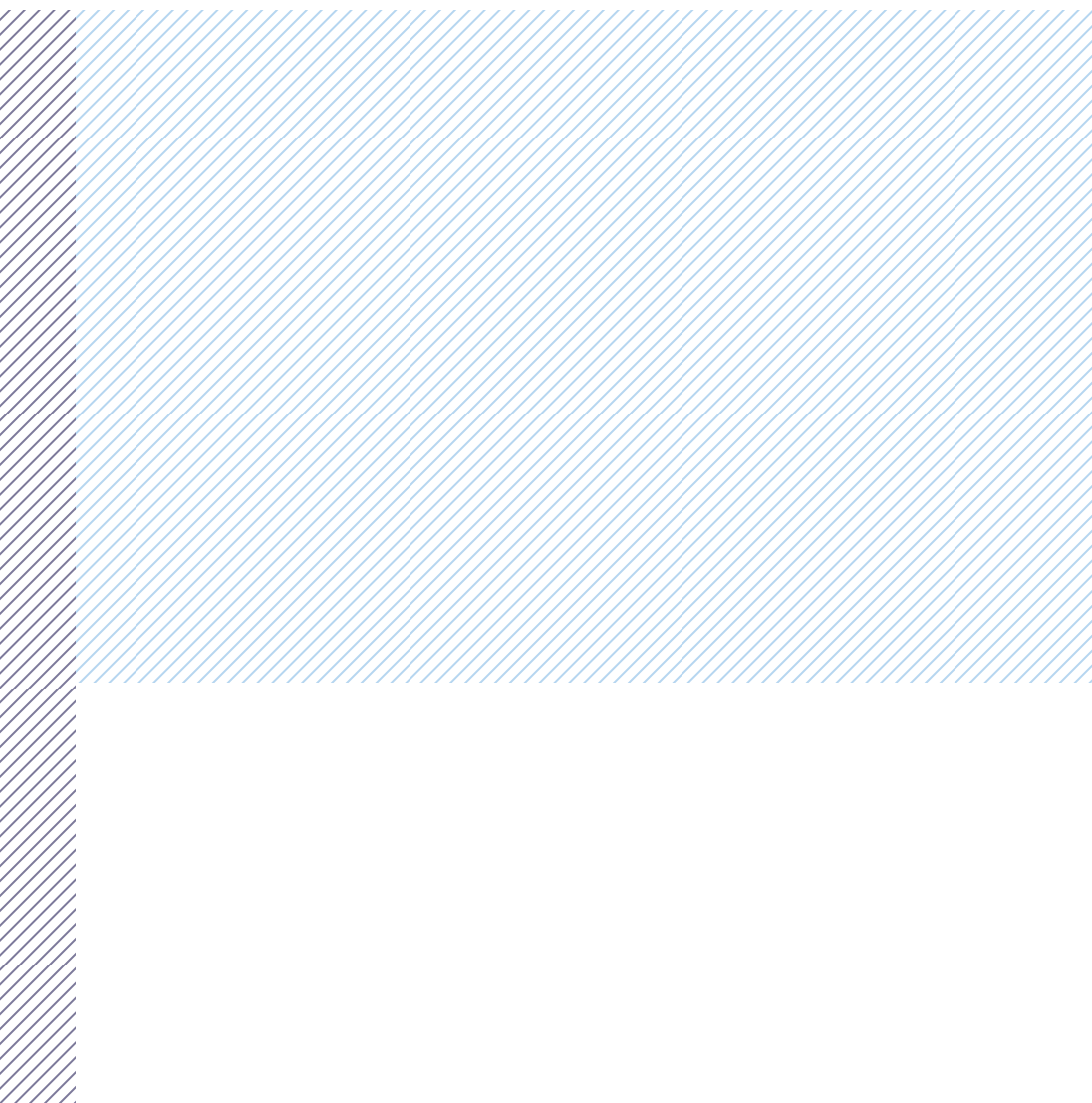
"*You cannot know any more as a leader. Therefore, your role as a leader has changed to becoming the one figuring out what the best way is to frame problems, what the most important questions are to be asked.*"

Patricia Seemann,
founder, the 3am Group

IMMEDIATE OPTIONS FOR ACTION: BUT ARE THEY ACHIEVABLE?

In corporates and public service it has to be accepted that a 'reset' is needed. But, as one business leader said: "A lot of our systems are not fit for this and the worry is: it's like everyone is pointing to someone else to take care of this. It's not clear who is going to do it".

In any case, is there an appetite for such recalibration when limited action not reflection on 'unthinkables' tends to be the way to not jeopardise promotion and career prospects? "You get on in [named oil company] by delivering, by exploring, finding oil, doing stuff, not by thinking the unthinkable, I would say".

So, what are immediate goals to try to shoot for?

The primary takeaway is not just a recommendation, it is a necessity. What must be regarded as the pre-2008 and pre-2014 'old think' now has to be viewed as no longer fit for purpose and in large part redundant. Past beliefs and assumptions must be jettisoned. They need to be replaced by a pragmatic realisation that such old ways of thinking carry not just a high price but an even higher cost. "What you need to think about are the necessary structures and tools that the business must employ to try and minimise conformity and cognitive bias", said a leading consultant.

There is a core need to embed with confidence a new, accepted role for constructive challenge within institutions. This would overcome the reality that "Institutions find it difficult to accommodate individuals, or small teams of people, who think against the flow". Instead, there would be "Internal constructive challenge by insiders who are privy to the same secrets, same information etc, who can judge the same evidence, the same intelligence, and say, 'we think you've got this wrong'". "All organisations have to do a better job being prepared for just about anything we can conceive of", said Alexander Vershbow, Deputy Secretary General of NATO, as the alliance pondered and planned for the "Next possible dark threats to European stability from Russia".[43]

There are plenty of theoretical and imaginative constructs which offer possibilities. But practicalities and institutional obstruction tend to diminish effectiveness. One very senior government insider was frank about the internal inability to think 'unthinkables' in the way the new realities seem to require. "On the thinking the unthinkable, I don't think you can get a government to do it for all sorts of reasons". This means that models and assumptions of leadership must be challenged head-on then re-recalibrated accordingly. This is not a nice-to-have. It is a necessity to be recognised then embraced immediately.
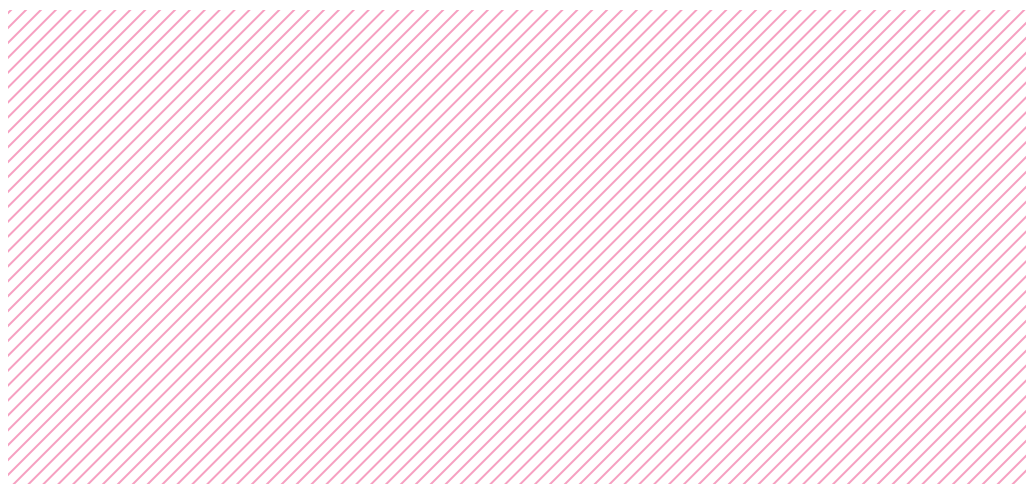
"How we expose leaders much more to the complexity of the reality that they're going to have to manage and lead is something that we're just not very good at. There is no sort of training, is there, for being a world leader? How many people are just dumped in the middle of it and are expected to muddle through this?" said one former minister and top international official. There is defensiveness too. "We all make decisions in a defensive fashion. We don't like being found out. We don't like being a lone wolf, et cetera, et cetera. And those behavioural biases are quite a difficult thing to accept in a public policy sphere", said one top level behavioural economist. So, these limitations and realities must be both accepted and confronted, he argued, not dismissed as unwarranted sniping at skills, competences or qualifications. "I think the behavioural stuff does tell you that we're not good at complexity. We're not good at thinking about things which require an enormous amount of cognitive effort".

Why is the institutional and leadership response either so passive, defensive or negative? Sir John Sawers, head of Britain's Secret Intelligence Service until November 2014, described how he had attempted to carry out his mandate for a 'root and branch' reorganisation of the agency before "Trust corroded". This was partly in response to growing public concerns over UK policy and errors on Iraq especially. In a speech to launch a major survey of public trust, he said: "The first thing is to recognise that some of the criticisms might have some validity. You cannot just say that they are all wrong, they do not understand and [therefore] adopt a defensive mind-set. I had to change that defensive mind-set".[44] He underlined that despite years of embedded attitudes and practices tinkering was not on the agenda. MI6's staff and officers had to be persuaded of what needed to be done. "It is no good just putting your house in order. Your staff need to know they are part of the modern organisation". So the direction of travel had to be unambiguous. "You do set the tone as a leader and you back the modernisers in the organisation, so that those who are trying to move the organisation forward know they have got top cover and those who are digging their heels in, those who want to keep it as it was when they were young, they know that they are being progressively marginalised. This did all amount to a change of culture".

How will leadership absorb the implications for a new culture and perceptions at the kind of urgent pace the new challenge of 'unthinkables' requires? The challenge to recalibrate mind-sets is formidable. "What are the new leadership skills that have not been trained? That is the problem. The world has changed faster than education has changed or leadership has been developed", said Paul Polman. However, others at the highest level were less instinctively open to the scale of recalibration needed.

"You do set the tone as a leader and you back the modernisers in the organisation, so that those who are trying to move the organisation forward know they have got top cover and those who are digging their heels in, those who want to keep it as it was when they were young, they know that they are being progressively marginalised.
This did all amount to a change of culture"

Sir John Sawers,
Chief of Secret Intelligence Service, MI6, 2009-14

WHAT NEXT?
A REALITY CHECK

At least eight significant and sobering realities are shouting to be heard and recognised.

1. Whole rafts of similar wise thoughts have been aired in the past

But most such thoughts have fizzled out as conformity, traditional thinking and a fatal sense of inevitability took over again, almost by default. Old instincts must somehow be elbowed out of the way. It is all very well to 'cherish tradition,' but at the same time you must "Fight hard to modernise". "People are always afraid of the resource question. But I don't think this is only a problem of money. Of course, everything costs a little bit of money", said one Chairman. Instead, it is more about mind-sets, behaviour, culture and risk aversion. All of them are human traits. None of them is a cost to be argued over in a budget line. If they were, and had a monetary value, then maybe they might be taken more seriously in the new 'managerialist culture'.

2. The next generation get much of this

They witness and experience the failings. In doing so, many don't like what they see and experience. The current top executive levels must therefore accept the new danger of suppressing the very skills and broadmindedness in the next generation of leader which they need to help them identify and handle 'unthinkables' in ways that currently don't exist. "I don't come with any idea of how this can be resolved but I see it as a major tension, where people, the next generation, are not going to be patient and sit around for 10 or 15 years waiting", said a senior policy academic.

3. Adaptability to ensure the thinking of the next generation will be taken on board now

Overall, there is more uncertainty about the ability of the current leadership cohort to adapt to the greater probability of 'unthinkables'. "I think the adaptability of 40-year olds is fine. They actually believe that they can deal with it. And I think there's sufficient talent there that is adaptable. I think it's the next generation that I would worry about", said a leading figure in the financial services industry. He added: "Why go into this business where you are so heavily-regulated and where the financial rewards now – if you get to the top – are very substantially less than you get in the industry whether that's in oil or pharmaceuticals or media – media in particular nowadays – private equity, whatever? So, I think it will be a different type of industry … It will attract people who will much more have a civil service type of attitude. You get very bright people to get into the civil service, super bright people and delightful people. But are they going to be risk takers by nature? No … And perhaps, that's the way that banks will have to develop".

4. Time is both an asset and an enemy

The imperative to recognise the scale of challenge does not mean there is time available to deal with it. The smartest will use the shortage of time to their advantage. Most find it hard to do so. To say that the kind of horizon that allowed a five-year strategy has now shrunk to five months, five weeks, possibly five days and even five hours is not an exaggeration. And the challenge is going to become greater in a much shorter time than most even have a first appreciation of. For any leader, the squeeze is between what needs to be done smartly, the increasingly limited time available and the perception that leaders are not doing enough. There is: "A risk of trying to change culture … In three years you cannot do change. And then the system will want you out. It takes six months to take a decision, and two years to execute it", said one very senior civil servant. But during that time, the sceptics and the more cautious – usually the majority – will increasingly hedge their enthusiasm and support, fearing that successors will not be enthusiastic and

there will be a career price for any over keenness to move with the new and possibly temporary winds of change. "Those who plot their way up the ladder. That is a culture we have to break away from", he added.

5. Time must be created for thinking and reflecting

The intensity of expectation for executive action around the clock 24/7 routinely overwhelms any possibilities to counter the kinds of new stresses created by 'unthinkables'. "One of the big challenges for a CEO – since they are the ones that give the cues for these kinds of behaviours – is to say, 'No! No! No! Thinking is real work', because thinking is not considered real work". Yet, if it is, then there are obvious benefits. "I like to spend a long time thinking because it takes me a long time to understand … I have no embarrassment about sitting in my office and just thinking. I think it's part of my job, actually", said one CEO of a leading pension fund. He believes he has provided insight for his corporate that has helped avert the impact of 'unthinkables'.

6. Re-examine the role and qualifications of Chief Risk Officers

Are their natural cultural fit and terms of reference too narrow to be able to embrace and conceive the higher probability of 'unthinkables' and what can be called new truths? Conventionally, Chief Risk Officers (CROs) are selected in order to act within operational tram lines for risk assessment which are laid down by C-suite executives and boards. Many CROs are "not actually delivering some of those truths … and it is quite difficult … for those individuals to do what we're all saying that they should be doing", said a senior figure in risk and resilience management. So while a certain level of orthodox conformity and compliance is expected, the need is for more frankness about risk, however dark and non-normative the alerts might have to be.

"Unfortunately we've created an environment where there is no risk taking", said Paul Polman, reflecting the unattributable views of many others. "Risk registers are all generated in terms where everybody wants to see green lights on risk registers", said a senior figure responsible for health and safety regulation. "It's all about: 'demonstrate to me that we've got everything under control'. But the reality is, life ain't like that. There are things out there that we cannot control". Therefore, Risk Officers and their equivalents need to feel they have full authority to define all risks, not just those the C-suite executives have made clear they will be willing to consider.

Several voices made clear that this has to change. The understanding of risk and 'unthinkability' is "Not broad enough" for the scale of what now threatens. CROs or their equivalents must be instructed and encouraged, and given the mandate, to think 'out of the box'. To do so must not carry the risk of being a CLM – a career limiting move. This will ensure realistic consideration of the probability of the 'unthinkables' or 'unpalatables' whose occurrance are increasingly expected to be closer to the 'norm'.

> "We've created an environment where there is no risk taking"
>
> Paul Polman,
> CEO, Unilever

7. Leadership recruitment is getting harder in the publicly quoted corporate sector

The new pressures and tensions for corporates mean that finding appropriate future Chairs, non-executive board members and C-suite executives for public companies is becoming harder. "The numbers of people who are willing to serve on boards, particularly highly-regulated industries, is reducing", confirmed one leader involved in financial oversight. "Leaders are seen to be failing much more … so … There are fewer leaders to choose from", according to a senior figure in executive search. In the new climate of 'unthinkables' and of 24/7 media, one Chair said. He added: "When you see somebody in a very serious position and then publicly damaged, it isn't just a passing interest. So, I think people do understand. They're more thoughtful about the kind of boards that they will join. Boards that were at one time seen to be prestigious are probably in some cases now seen to be the highest risk. So filling up a bank board is now quite a challenge. Whereas a decade ago, people thought that was a wonderful thing to be". This also applies to C-suites, as one CEO told us: "With a combination of the scrutiny, of the challenge of the job, frankly, because I think in a fast changing world it has got harder, my biggest fear is that good people will choose not to lead. And that's why we have a leadership crisis".

8. History is more important than assumed

There is too much operational ignorance about history. There is compelling evidence and logic that the underpinnings of history help open the perceptual windows that will make more thinkable the 'unthinkables'. One former diplomat who is regarded as one of the foremost thinkers of 'unthinkables' explained his method. "I ask what's going to happen in the next 25 years'? Then I ask myself the question, what happened in the last 25 years? At least thinking about the past is about the best way you can get of jerking yourself out of the idea that the present is going to be like the past. Because when you run the film backwards, you discover that it's not like that". C-suite executives and fast trackers, "Spend far too little time reading history", complained one chief executive in the financial sector. Time and again, executives and public servants bemoaned the woeful inattention to the vital role of history, especially among those in mid-career or the next generation. Yet, history helps significantly to contextualise the new wave of 'unthinkables', especially Russia. "I think that [history] is one of the things we all feel we haven't done enough of and we need to do more of", said a former top civil servant. A sizeable number of interviewees referred to an often woeful inability to contextualise through history. Deep knowledge of history and narratives from the past is simply not there. If it were, then it would go a long way to easing the shock of analysing the present in a way that is often only partially or scarcely informed. Its absence means failure to identify trends is at least likely and probably inevitable.

From what he witnesses of the education of the next generation of leaders, as a Professor of Practice at Harvard, Michael Ignatieff warns of the price paid in policy enlightenment because: "Public policy programmes … have no history in them. We have leadership training that has no history in it. We have public leaders assuming high office who wouldn't understand anything to what I'm saying. History just is the only instrument, really reliable instrument we have, that enables us not to be continually surprised by the future and that's part of what's frightening here (now) is a sense that we're constantly being surprised by the future". As a result, "A lot of what we call 'unthinkable' is actually perfectly thinkable and has often happened before. And we have enormous difficulty anchoring policy in a deep sense of historical time".

"Leaders are seen to be failing much more… so… There are fewer leaders to choose from"

WIDER PERSPECTIVES – HOW, AND FROM WHERE?

What is the potential for outside expertise to help and overcome the lack of plurality of views in group think? Some top level voices from both public service and corporates pointed to the need for have expert counselling from outsiders on potential 'unthinkables' made available directly to them. But the evidence is that it rarely works in practice.

"Let's be clear. I saw people that came in [from] the outside and were completely marginalised by the system", said one former top civil servant. This is because advice – when it exists – is often lost or blocked in outer offices. "If you don't have the proximity to power and the daily contact, it's not clear how influential you can be. My impression is [named outside experts] found this extremely frustrating. They were writing very wise papers, but no-one was taking any notice. Because the system was grinding on. It had all its sources of information, and the telegrams, and the intelligence reports, and this stuff [from the outside experts] seemed a little bit beside the point, really", said a former personal adviser to a British Prime Minister.

And the reason for this gulf is stark in the view of this insider: "Academics write papers but academics don't understand reality. They understand a different sort of reality. But, unless they've actually worked in the system, they don't really understand how that works, how you influence and so on". In turn, others describe a tick box approach which allows the assertion that: "We've talked to outsiders and outside experts", while the insiders don't really want to listen and factor in whatever they said. "The bright people invite in outsiders but a lot of them don't. A lot of them say, 'we don't have time to talk to outsiders'. Well, that's just a question of priorities", observed Charles Grant, Director of the Centre for European Reform. Too often, engaging with civil society especially can be more for lip service than to meet the needs of policy substance.

There is a depressingly similar pattern in business even though many of the top executives interviewed described an imperative to embrace the widest possible rainbow of outside expertise and analysis as a routine matter of course – in theory at least.

It is an easy and obvious request. "This soft governance mechanism where you bring in people specifically because they have a different perspective on the world and the company's place in the broader world, there's much more openness there to identify some of the 'Black Swans'… that boards might otherwise not be hearing about. I like that model", said Aron Cramer. But experience gives barely modest grounds for optimism. Interviews largely expressed a welcome for the principle. But they were sceptical that it would get far, if anywhere.

But among the more enlightened there is a strong view that radical solutions for wider sources of over the horizon wisdom about possible looming 'unthinkables' do have to be found. "It is not the 19th century, but it feels like a 19th century world", warned Francois Heisbourg, Chairman of the International Institute of Strategic Studies, in a rather dramatic public declaration.[45] If the re-framing of realities really is that dramatic, what is the likelihood that status quo corporates and governments can or will adapt to the 21st century equivalent of a "19th century world"? This identifying of a seismic scale of change has not been matched at the executive level. Such is the scale of the new 'unthinkable' challenge, even after there have been failures as conformity and control seized the high ground. Beyond words, do they really have an appetite for the kind of radical recalibration that is needed? Can executives – many of them the smartest and brightest – who qualified for the top by conforming with well-honed processes for corporate progression – really change both their behaviour and culture in the seismic ways required?

> *"I saw people that came in [from] the outside and were completely marginalised by the system"*

> *"It is not the 19th century, but it feels like a 19th century world"*
> Francois Heisbourg, Chair, IISS

That has to be asked because a major tension and contradiction must be resolved here. As Charles Grant put it: "What structures [do] you need to put in place, what mechanisms, to ensure that you're not going to damage your career if, as Private Secretary or a policy adviser, you tell the Minister) they're doing the wrong thing?" Do the skills that got the fast-trackers to the top provide the right qualifications to take on conformity with the new challenges of 'unthinkables'? In business, "you look at where CEOs and COOs are coming from; they [tend] to be coming out of financial balance sheet management positions. This is around operational excellence and balance sheet control" said one consultant who halted his company's work for several months to undertake a rigorous audit survey of the true focus and concerns of corporates. But some at the top concede that established skills and qualifications are no longer relevant or appropriate for the new landscape of 'unthinkables' ahead which is driven in un-scopable directions by the likes of Putin, Islamic State and their equivalents who we are unlikely to conceive of yet, let alone know about.

There is clear evidence from this study that such qualifications are not just inappropriate. They will probably be counter-productive for major institutions in this new environment of 'unthinkables' and 'unpalatables'. This is why some of those we spoke to believe the reforms proposed by CIMA, the management accountants' professional body, could hold important potential.[46] CIMA is now developing a model of principle based leadership. It also takes into account building capability and competency, deep knowledge and expertise in key areas material to the organisation and context it is facing. It highlights cultures and behaviours which foster engagement, and unlock human potential and capability and puts its management accounting principles in a wider context.
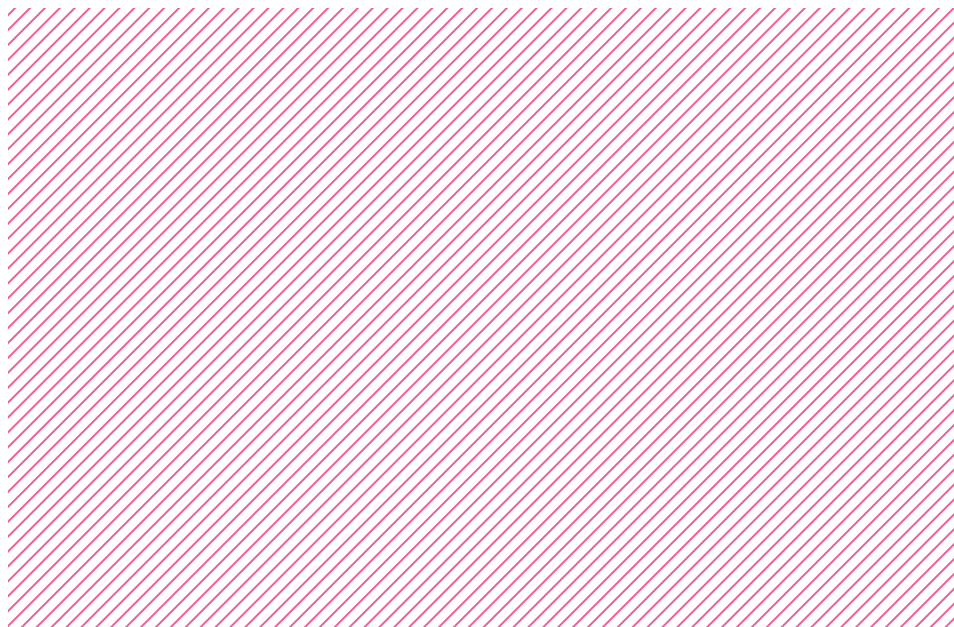
MAVERICK? ROGUE? CAN THAT BECOME THE NEW CONFORMITY?

What about the idea that new, risk-free professional envelopes are needed where "Dissent is licensed", and being a maverick or rogue thinker is both encouraged and even rewarded in some way? Is that an important way ahead, and achievable?

Confidence expressed by the ultimate executive leader is vital, even if the taking of risks produced no success.

What kind of new leader is that? There is evidence that some are now are emerging. "They encourage their team to take some risks. They don't punish you if you don't succeed every time. I think that is the hallmark of real leaders". They are also leaders who encourage open, non-hierarchical debate with unambiguous signals for change that confirm an overarching intention to secure change of behaviour, culture and attitudes. One example is a principle adopted at one major investment bank. In staff meetings there is no longer a visible hierarchy with a chairperson sat at a top table. Attendees stand with a clear expectation that, "Everyone can speak about what they think might happen". Because there is no top down line to be towed, no one can suffer a career penalty.

Many agreed that if executives are not confident in their jobs and are worried about their career and progression then their understandable default work practice is to conform. In so doing, they have little chance of thinking the unthinkable or speaking out about it. "To be able to think the unthinkable, then you're needing to give people space to think and challenge in a different way, and that means accepting that probably nine times out of ten what they'll say everybody will think they're slightly bananas. They need to have … a personal confidence to pursue the thought". "Excellent advice depends on not just excellent supply, but also on excellent demand. That you can take the best analysts in the world, and if you don't demand outstanding advice from them, you won't get it. You'll just get dross", said Ngaire Woods, Dean of the Blavatnik School of Government in Oxford.

It can be even worse than that. As one Chair told us: "You have to create the receptors. Unless you create the right culture for that stuff to be heard, you're wasting your time, putting a duty on people to do it. Look at the Health Service, you know. People knew what was going on in all those hospitals in terms of patients dying that didn't need to. Whistle-blowers get pilloried, you know. Leave the country, for goodness sake, to get away from the bullying that they've suffered".

Faced with the explosion of new technologies and threats like cyber, a main recommendation is to diversify C-suite and top level executive recruitment by skills, experience, gender, age and outlook. Rigorous conformity must be seen as at best a neutral qualification but in reality it is more a negative. One Chair well-versed in cyber-issues spoke of the cyber knowledge gap in most boards: "This is a group of people that are very comfortable in managing what they know, but what don't they know? And what don't they know that is real today is the risk, the cyber risk. Most boards don't know that". A cyber-security specialist agreed: "We are guilty of introducing people that are like us into the C-suite as opposed to somebody who is nothing like me but who may well have a different lens, a very different lens … We are recruiting people into our C-suites because they're like us. If you look in the UK organisations, they are going to be heavily populated by financial strategists and accountants, etcetera. I think that it's deliberate".

"Excellent advice depends on not just excellent supply, but also on excellent demand"

Ngaire Woods, Dean
Blavatnik School of
Government,
Oxford University

How, then, to resolve the many contradictions between the traditional expectations for a significant degree of conformity and what must be assumed to be the irreversible trend of 'unthinkables'?

"Part of this is moral. Training your civil servants, your advisors, your business team, to be intellectually and morally courageous. That's part of it", said one former high-level public servant. "But it's also structural. It's building into the system both events and fora where people can speak their mind openly. And systems for ensuring that dissenting views reach their way to the top". The behavioural and systemic obstacles are formidable. "If you're a senior adviser and you go for complete blue sky stuff, you're maybe not going to be taken very seriously. It's a difficult balance to strike … It mustn't be a career killer. But if you're sitting there in one of these positions, you can't afford your boss to regard you as a loose cannon. Because otherwise he simply won't take your advice. That's a very difficult balance to strike. Each person will have to do it individually, his or herself", said another former official. "I don't believe we have a mechanism for the people who are advising the top table to get together to think the unthinkable, to provide those options to those people at the top table", said a government adviser in the field of scientific innovation.

There are good reasons to believe there would be significant buy-in for this. There is clear evidence of pent up frustrations in the mid-career levels of corporates and public service. "I hear that exasperation all the time … Our constrained system; I see it as a major tension. Where people, the next generation, are not going to be patient and sit around for 10 or 15 years waiting to get to a level". One Whitehall observer fully agreed about the lack of patience: "I hear all the time the frustrations of junior and mid level officials, who say, 'I can go on my bloody Blackberry and I can find X, Y and Z. But I'm not allowed to use it, because I have to use 'the system' with all its security'. [They] have got their own sources of information which they know and tap into but then can't employ in their work because they have to work on the sort of mainframe with all the security elements … And that's a real dilemma".

"If you're a senior adviser and you go for complete blue sky stuff, you're maybe not going to be taken very seriously. It's a difficult balance to strike…"

"I can go on my bloody Blackberry and I can find X, Y and Z. But I'm not allowed to use it, because I have to use 'the system' with all its security"

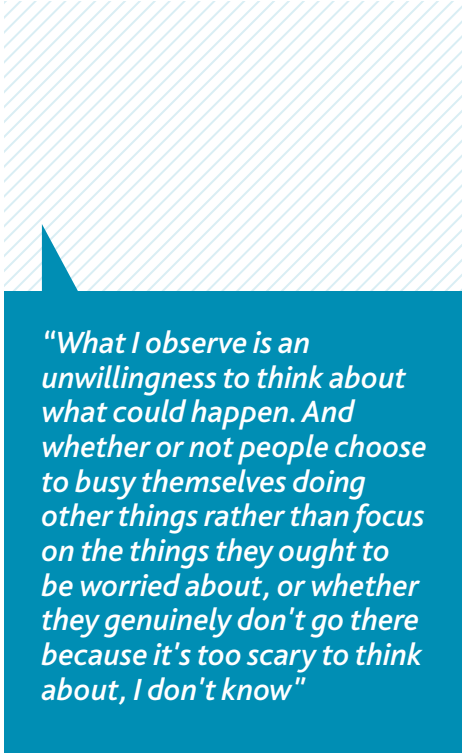# OVERWHELMED?
BADLY ORGANISED?
THE IMPERATIVE TO REASSESS

Then comes the major pressure cited by almost every interviewee: the practical reality of being overwhelmed by time and all that crowds in on the schedule. How to reverse the universal executive complaints that those at the top, "are constantly thinking, very tactically, very short-term, and you are forced to do that in a way by the way the system operates now.

So the question is, can you break out of that tactical thinking, to think about things in a rather more long-term way? And I think that's very difficult for them".

The obvious solution is better management of time and responsibilities. That requires a brutal re-assessment, then re-configuration of work patterns and pressures. But unless there is a miraculous sweeping change – which in most cases seems unlikely for the moment – many say the time pressures mean they don't even have the time to think about how to reorganise themselves and the way they handle pressures in the ways needed. Not all agree with this. When told how a senior civil servant told us that he had no time to dictate a memo to record the outcome of a meeting, one leading Chair simply said, "That's silly!" Another Chair agreed: "I don't know whether I agree with the bit about people being overwhelmed. What I observe is an unwillingness to think about what could happen. And whether or not people choose to busy themselves doing other things rather than focus on the things they ought to be worried about, or whether they genuinely don't go there because it's too scary to think about, I don't know".

On all these issues, the executive choice is clear, especially for the vast majority who remain instinctively and pragmatically on the 'conformist' side of the divide. Those at the highest levels of policy and organisational responsibility have to ask whether they will merely respond belatedly and incrementally when 'unthinkables' happen. Or will they sensitise themselves to making far more effort to embrace this inevitability? They "must have extraordinary ability to look to diverse perspectives: experience will not [necessarily] help you".

So how can executives, public servants and others who are so set in their ways handle this, and think 'unthinkables 'in ways which that their existing mindset tells them cannot be done? One former senior minister provided a metaphor of how to do it. "I wish I learned how to have a microscope in one eye and a telescope in the other at the same time. You'd get a massive headache! It's hard to do. But you have to do both".

"What I observe is an unwillingness to think about what could happen. And whether or not people choose to busy themselves doing other things rather than focus on the things they ought to be worried about, or whether they genuinely don't go there because it's too scary to think about, I don't know"

TAKING ON RISK AVERSION: RED TEAMING?

What about risk aversion? Realistically, is there a way – not just to address – but reverse the trend so that the new risks thrown up by unthinkable or 'unpalatables' are embraced at the highest levels of corporate and public service with comfort, not anxiety?

"If your policy options are all risk averse, then you tend to end up with indecision. If your policy options encompass and embrace the concept of managing risks, then you'll take a managed risk in the context of the policy frameworks", said a leading academic specialist in risk-management.

Many talk about the need for creating new risk-based capacities for strategic thinking which accepts the value of constructive challenge. This should include 'out of the box thinking', red teaming[47], sandbox scoping as used by the pharma giant Eli Lilly for its Quality Decision Process assessments, or the kind of skunkworks developed by the aerospace giant Lockheed Martin in 1943 to develop new plane designs unfettered by cumbersome procedures. (In peacetime, a skunkworks is typically labelled more prosaically a Planning Department in many other organisations or institutions!) "It's a group of people who are privy, who are in the house and see the information. So they can argue, point for point: 'I read the intelligence differently. I read the open source material differently', and are invited to give a view".

It is hard to see how such fashionable relabelling will really provide the capacity and unthinkable thinking without sweeping changes to current cultures and behaviour. The default comfort responses of group think, risk aversion and conformity will take a great deal to shift. As so many high-level interviewees confirmed to us, the scale and nature of those challenges are enormous. "We all reinforce each other, thinking the same thing at the same time. We tend to dismiss dissenting voices as cranks or extremists or whatever they are, which I think is dangerous. It's very difficult within the system to fix this", said one former top official.

Overall the prospects are not good. A senior banker was the most blunt, "Leaders don't like it. They do not!" A recent example in the German Government illustrates the point with the ending of a forty year-old principle adopted by the Defence Ministry to provide a space for alternative thinking within a body called Planning Staff that reported directly to the Defence Minister. It is now just a regular department within the bureaucracy. As a result, a frustrated senior German diplomat told us: "The incentive for [civil servants] to reject the view of the ministry, will of course, be much reduced because they are now part of a larger structure where expressing nonconformist views will tend to be less rewarded than was the case when they reported directly to the Minister".

In the UK, the adoption of Red Teaming principles was recommended for the British government in 2004 by the Butler Report into Iraq's Weapons of Mass Destruction.[48] Red Teaming is the embedding of a group of counter thinkers in daily processes or exercises in order to test the thinking and planning of the Blue team, which could be said to represent the current orthodox system at the time. Red Teaming was viewed as a sure way to counter group think and validate high risk political decisions independently.[49] Similarly, the Blackett Review also recommended Red Teaming but failed to give it any successful forward momentum.[50] Despite a few initiatives and non-committal lip service from officials or military officers, "They weren't encouraged to red team", said a high-ranking member of the armed services. Indeed, there was evidence it did not achieve what was hoped or expected, partly because of internal bloody mindedness.

Yet in the world of IT, Red Teaming has been revitalised in some quarters. Famously "White hat" ethical hackers penetrate the defences of companies. The aim is to test "The ease of which people can get in, how they can bypass the various walls that constructed much more than simple firewalls. It is pressure testing our own systems which are very strong to see how you can penetrate beyond all the current obvious ways of so doing. So some of this is by blue team or red team", as the Chair of a major company specialising in cyber-security told us. Software development and testing bugs can be done competitively, and competitive problem solving hackathons are becoming ever more common.

Overall, there is little traction in most systems, because 'experts' are outsiders, and that status limits their impact and effectiveness. Insiders describe a tick box approach which allows the assertion that: "We've talked to outsiders and outside experts", while the insiders don't really want to listen and factor in whatever, they said.
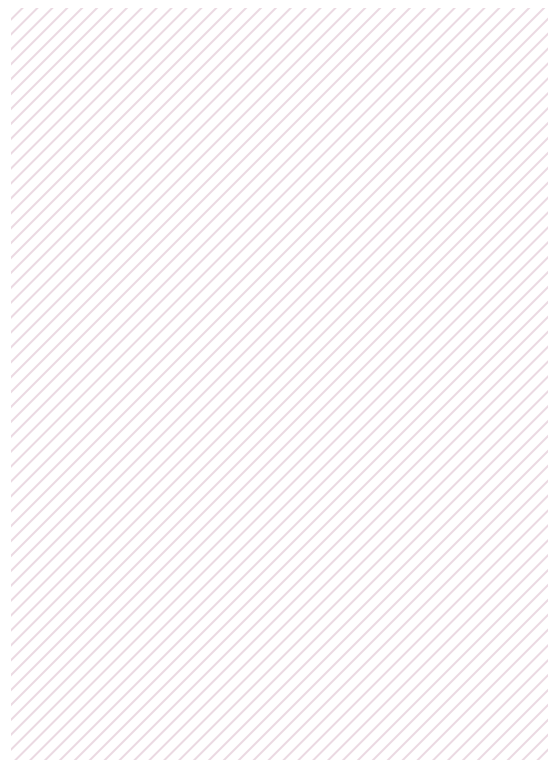
WIDENING TOP-LEVEL SKILL SETS

How to foster new skill sets of those senior executives occupying C-Suites? It will be hard to pull off because of the natural inclination to what could be called corporate incestuousness. "The C-suites, they go on holiday together. They have dinner together. They live together. Then, they all think the same. Of course, what do you expect? You're creating clones".

Yet in corporates, three options for new appointments are already being taken up by some.

First is a chief digital officer (not a chief information officer), just to manage and prioritise the massive amounts of data. The aim is to hasten technological change and help answer the question: how to keep up with fast amount of information in ways that result in an organisation being in tune with new realities, and being run more effectively and efficiently.

Second is the appointment of political scientists to advisory boards and management teams of US companies including some in the US Fortune 500. Already, there are examples of well qualified outside experts and academics with the title of research analysts being hired long-term. They create a parallel track of what is designed to be independent insight and wisdom that is outside and therefore unaffected by group strategy units. "But these group strategy units are generals without troops. And they need troops. They need forward artillery observers. They need spies on the ground". But they do offer the advantage of continuity over a much longer time frame as staff are rotated through jobs.

A third option is to broaden the composition of Non-Executive Director (NED) appointments to boards. One Chairman said this could involve bringing in younger people more attuned to the cyber risks than most middle aged NEDs. It would take some careful handling by a chair, he said. "How do you bring a 25-year old into the board room who actually understands all about this and nothing about overseeing a business?" He was one of several Chairs who accept the need for more 'awkward' people on boards in order to challenge conformist thinking that might miss 'unthinkables'. "To have the unthinkable, or to have somebody who is willing to be just very non-conformist is a good thing … Most of us who are chairman or chief executives actually very consciously hire at least one person onto the board, who, by their very nature, is not conformist, is the awkward squad. You can't have a board quite honestly, with two or three of those. It becomes dysfunctional. But you do actually want to have, on a board, somebody who is willing to be", one leading Chairman told us.

Another Chairman agreed: "I do not want conformity in the board room…I want harmony. I want people to enjoy working together but I do not want conformity nor do I want a set of people who are looking for what I'm going to be thinking in order to plan what they're going to be saying in advance. I mean that's very dangerous. But I don't want it. I don't need it". A third Chair told this study she always encourages her one female NED to continue to give different perspectives at Board meetings. "Is it because she's a woman? Is it because she's American? Is it because she's from the IT world? I don't know. But she has a different set of views". The issue is not just gender balance. It is about ensuring that all voices are heard. A famously forthright female Chair put it like this: "Women think differently. They bring a different perspective, they bring a different view of problems and how they can be solved. And any woman who has spent any time in an organisation that is very much a male-dominated culture will have faced that challenge of either 'how do I get myself heard or am I simply going to conform to the culture here and not be true to myself and provide the observations that I can?'"

"To have the unthinkable, or to have somebody who is willing to be just very non-conformist is a good thing…"

SHORT TERM AND LONG TERM: IS STRATEGIC THINKING THINKABLE OR UNTHINKABLE?

In all of this there is one major hang up. Many leaders don't feel comfortable believing in strategic thinking anyway.

Overall, they are not comfortable about appreciating uncertainty and conceiving of the possibility of potentially devastating 'unthinkables'. "The leaders need to be educated to understand uncertainty. They need to understand the different forms … the ones where you can put probabilities on it and the ones that you can't essentially. I think they need to understand that. They need to be happy living in that world", said one former insider from the highest level of government. This is changing. One senior Chair told us how strategising has been made part of every Board meeting; "So we now have time within each board to look strategically at parts of business and beyond the horizon of what I would call just projection. It is into beyond the normal prediction, what do we think about this business model".

In business, despite a few attempts to remove it by the likes of Dominic Barton,[51] Global Managing Director of McKinseys, or Paul Polman at Unilever, the overarching commercial driver remains short term goals measured in quarterly returns. "This is a favourite topic of ours, when we have our [World Economic Forum] Foundation board meetings, where you have top CEOs and top leaders of international organisations. A famous common theme is exactly this", said a regular attendee. "The short-termism, which of course in business is because you now have to do quarterly reports. And you have a salary raise or be fired based on the quarterly report. Which means you won't do anything which will be good in two years but not now, because you're looking at your next quarterly. And this is repeated all over. So we're building a world that is immediate and we're probably making collectively stupid decisions all the time".

Short-termism is the inevitable reality both in the public and private sector. "Strategic thinking is something which doesn't happen very often, even when people say that they take time out to do strategic thinking. In my experience, not a lot of that goes on. And without strategic thinking, and without some imagination, then it's easy to understand why people don't think the unthinkable, because they haven't thought of all of the possibilities that could face them in the future", as one former security specialist now in the corporate world told us.

There have been similar systemic shortcomings in 2014 within the European Union policy making machinery. Here is one candid analysis of the European Union's External Action Service (EEAS) up to the end of 2014. "The officials are process driven. They don't think long term", said Charles Grant, of the Centre for European Reform and a leading analyst of policy making processes across Europe. He added: "In the EEAS, there is no policy planning unit empowered to think creatively. [Baroness] Cathy Ashton [the former Head of the EEAS] didn't believe in it … One of her weaknesses was she didn't like strategic thinking. It made her uncomfortable because she couldn't really understand it. And she never created a meaningful policy planning function. There was in theory, one,[52] but it was staffed with second-raters and didn't achieve anything". Baroness Ashton did have very experienced diplomats as her deputy and as Counsellor.

> *"We now have time within each board to look strategically at parts of business and beyond the horizon of what I would call just projection. It is into beyond the normal prediction, what do we think about this business model"*

HOW WILL 'UNTHINKABLES' BE SPOTTED THEN THOUGHT ABOUT?

Overall, we conclude that some evidence of looming 'unthinkables' usually exists in some form, whether in reporting for intelligence agencies within government, of the overwhelming volume of public data in whichever form it is available on multiple platforms.
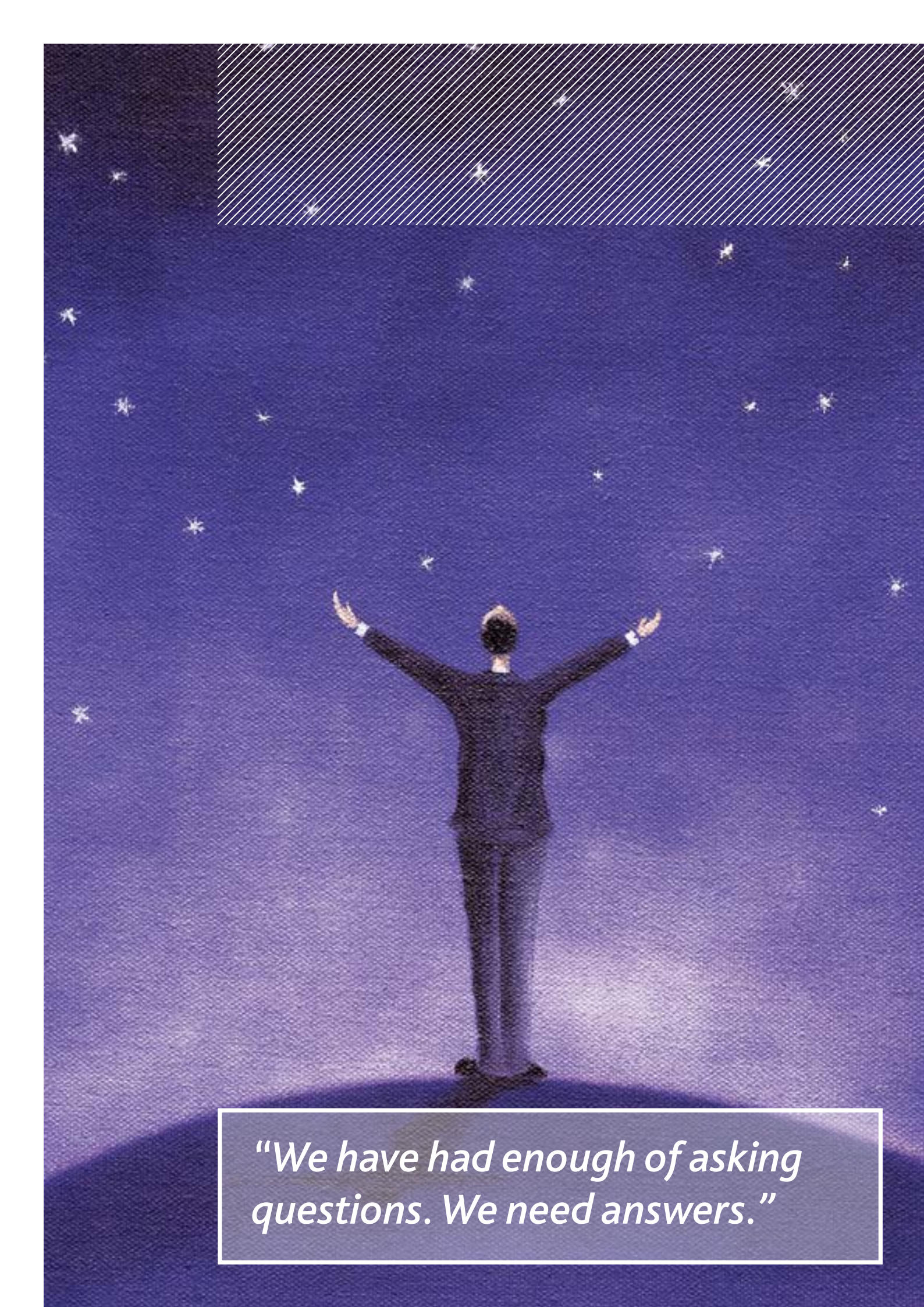
But on the dark new threats and scenarios from Russia, so called Islamic State and migration that many consider likely, for far too long there was no deep fear at top levels of government, so no searching debate on the 'unthinkables' and 'unpalatables'.

An insight by Professor Ngaire Woods of Oxford University is especially intriguing. "If you want to get a sense of what kinds of social change are likely to happen in a country, or what the extremes might be, look to the film makers of that country. Look to the people who are documenting the experience of communities and people. My prime example would be of an Egyptian film – Heya Fawda? [Is This Chaos?][53] which was made several years before the Arab Spring, and completely predicted [it] theme-by-theme. Egypt's most prominent filmmaker [Youssef Chahine] makes this film which starts with a street seller … who is being set upon by corrupt police, who ends up being dragged into the police station".

This is similar to what happened to street seller Mohamed Bouazizi in Sidi Bouzid, Tunisia. His harassment by a market inspector and self-immolation – possibly accidentally – triggered Tunisia's revolution in December 2010. Dr Woods added: "I'm not saying, 'read any old film like the weather forecast'. But I'm just saying: look for who the social commentators in a society actually are. The artist, the filmmakers – whatever – are usually telling you about something that you're not seeing through the eyes of government analysts and advisors and academics and social scientists and such like".

These rather unexpected pointers are a sobering reality check of what is possible when it comes to spotting, then identifying both 'unthinkables' and 'unpalatables'. Can it be done? "You cannot know any more as a leader. Therefore, your role as a leader has changed to becoming the one figuring out what the best way is to frame problems, what the most important questions are to be asked", said Patricia Seemann. This involves engaging staff in decision-making by removing barriers to internal communications. It also means having direct access to the widest possible number of sensors and analysts, however unorthodox they might be. There is an imperative to change fundamentally organisational systems: "The way we are structured, organised, the way we share information, the way we process information, the way we reward people, the way we take risk and analyse risk. The way we organise what is up, what is strategic, what is not, what is tactical. Who has the right to do what, what type of control", said one exceptional leader currently in the throes of a top-to-bottom refit of an organisation distinguished by its extraordinary complexity.

It is all so easy for top-level leaders to say in an interview. But delivering even a small part of these principles is going to be far more problematic, despite all the new evidence amassed here that a sharp hand-brake turn in leadership skills and ways of working must not just be a vague hope or undefined aspiration. It must be delivered because of the inevitability of a new proliferation of 'unthinkables' in the new Public Information Space which expects perfection in timely response and policy making. The big questions centre on who at the highest levels of leadership in corporates and public service will take the bold risks that all this requires – not gradually or incrementally, but decisively in line with the new scale and speed that 'unthinkables' must be expected to emerge.

"We have had enough of asking questions. We need answers."

CONCLUDING THOUGHTS

Greater, urgent understanding of the extraordinary scale of transformation needed for contemporary organisations and the implications for their leadership is now essential.

One of the first to articulate this was Ronald Heifetz. He identified the term 'adaptive leadership' twenty years ago in his book with the prescient title; "Leadership Without Easy Answers".[54] He drew on insights from his three callings as a cello musician, psychiatrist and Harvard professor. His examination of the leadership of Martin Luther King and President Johnson in the 1960's has clear resonance today. What was complex in the era of civil rights movement and the Vietnam war is now even more so. In the fifty years since, the one big new reality is the breathtaking acceleration of the pace of change.

This goes a long way to explaining the new vulnerabilities of leadership. These days, "You cannot know any more as a leader", said Patricia Seemann. There are now huge implications for leadership, especially because they end up coping not leading. Therefore, your role as a leader has changed to becoming the one figuring out what the best way is to frame problems, what the most important questions are to be asked".

Already, some businesses are at or heading for the cutting edge. Gone is the classic company operating through a linear supply chain. "Value is created now not so much through supply chains but through complex chains of value creation that spans cultures and a rich web of relationships", said Tony Manwaring, long engaged in thinking about futures, latterly as head of Tomorrow's Company, and now Executive Director of External Affairs at the Chartered Institute of Management Accountants (CIMA). "The organisation is a living, pulsing, part of the wider community and societies. Co-creation of value: it cannot be created in isolation. It is about people and relationships harnessing resources".

In Tony Manwaring's view, "What this [Thinking the unthinkable report] describes is a new reality where people are trying to process very complex, massively fast systemic changes". It is where conceptually, systems theory meets behavioural economics. "Complex systems are mediated by behavioural factors and that gets you into group think, wilful blindness, herd mentality and so on. Peoples' reactions itself feed into the system of which they are part. The system itself is mediated by people, not just things and objects and their inter-dependencies". He says that to think the unthinkable "We need new organisational and mental frameworks or paradigms within which to be able to practise the unthinkable and create a 'new normal'".

Patricia Seemann agrees. "How the hell do you design a strategy in today's world? You used to be able to do one for three or five years. You can't anymore. You can set the general direction and then you try things out, and you constantly re-frame and re-frame etc." She says that the 'coping' strategy involves "A huge amount of iterative experimentation". As a result, she said: "The critical thing is to have an organisation that can learn incredibly quickly, faster than its competitors. Now, the 1990's theme of 'learning organisation' is coming back with a vengeance".

In this new environment of 'unthinkables' and 'unpalatables', the goal must be for a company to be particularly good at making decisions. The imperative is to change fundamentally organisational systems. Capability can be achieved by linking together people, process, leadership, technology and culture in order to focus them on one thing, such as decision making. Engaging staff in decision-making requires the removal of obstacles to internal communications, and shattering cultural barriers that lead to conformity. It also means having direct access to the widest possible number of sensors and analysts, however unorthodox they might be. "The way we are structured, organised, the way we share information, the way we process information, the way we reward

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>
> Patricia Seemann,
> Founder, 3am group

people, the way we take risk and analyse risk. The way we organise what is up, what is strategic, what is not, what is tactical. Who has the right to do what, what type of control", said one exceptional leader currently in the throes of a top-to-bottom refit of an humanitarian organisation distinguished by its extraordinary complexity and a long history. This dilemma is far from unique. A key question for all organisations is: "How do you organise power, including validation, veto, all that, in this new world. What does that mean? In government, in both the public and the private sectors"?

Shared purpose is a central driver to being resilient as an organisation. "Leaders have always had to adapt, often to overwhelming change and challenge", said Tony Manwaring. "The key issue is building resilience, the capability of people and organisations to survive and thrive in these circumstances". In Patricia Seemann's view this requires three ambitions. "People in a resilient organisation in our model is one which has people in the organisation who are good at creating collaborative networks. They know who to collaborate with. Secondly, they know how to foster engagement and they have the means to get things done collaboratively – both inside and outside the organisation. They are able to create solid relations through these collaborative networks so as to make collaborations valuable". Thirdly, leaders have to provide "A shared sense of purpose in organisation on 'who we are, what we are, and what we do'. So when there is a shock, there is a shared understanding and the organisation is able to bounce back".

"On one hand, you have to delegate decisions really deep down. That's very clear. And at the same time, when it comes to trade off, the authority is up, now", the leader of the humanitarian organisation told us in April 2015. Despite the shocks his organisation has faced, he told us: "I think it's a time to be also positive. What I'm trying to see is the engine of adaptation. And here: no assumptions. Open. Trying to see where are in my organisation the places where, it could be very small places, where adaptation is happening more quickly … The message to my people is to say; 'We can do it. Absolutely. We've been able to adapt ourselves. Maybe the time in front of us is a most challenging time. But I want you to be able to do that'". After months of internal deliberation plus trial and error on changes to systems and behaviour, the same leader told us in January 2016: "Even over the last eight months, I would argue that I have seen some change in practice of leadership. I'm not saying improvements. I would say the experience of most of the leaders, politicians again, we talk about humanitarian leaders, corporate, in the last eight months have changed."

Listening to the enormity of the problems this leader – like many other – now faces was a humbling experience. It is a simple matter for us to write about it in a study like this. But delivering even a small part of these principles to handle new and fast changing realities must be assumed to be deeply problematic. This is despite all the new evidence amassed here that a sharp hand-brake turn in leadership skills and ways of working must not just be a vague hope or undefined aspiration. It must be delivered. The big questions centre on who at the highest levels of leadership in corporates and public service will take the bold risks that all this requires – not gradually or incrementally, but decisively in line with the new scale and speed that 'unthinkables' emerge.

And once they do, and show the value of a new approach, will others be bold enough to take the same risks in order to raise confidence levels that they will be able to Think the Unthinkable?

"Leaders have always had to adapt, often to overwhelming change and challenge"

Tony Manwaring,
Executive Director of
External Affairs, CIMA

"Even over the last eight months, I would argue that I have seen some change in practice of leadership. I'm not saying improvements. I would say the experience of most of the leaders, politicians again, we talk about humanitarian leaders, corporate, in the last eight months have changed"

FOOTNOTES

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3. Martin Taylor confirming Nevsky Capital's closure, on 6 January 2016: http://www.thetimes.co.uk/tto/business/industries/banking/article4657194.ece note posted at: http://www.scribd.com/doc/294654490/Nevsky-Newsletter-151231

4. Report of the Ebola Interim Assessment Panel, http://www.who.int/csr/resources/publications/ebola/report-by-panel.pdf

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16. Wicked problems were first formally defined by Horst Rittel and others in Dilemmas in a General Theory of Planning, 1973. http://www.uctc.net/mwebber/Rittel+Webber+Dilemmas+General_Theory_of_Planning.pdf

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25. On the record interview at Unilever Headquarters in London on 6 July 2015.

26. Andy Haldane's speeches on the issue of myopia in 2010 and 2011 are cited in footnote 8.

27. Speech by Sir John Sawers at the Edelman Trust Barometer launch in London, 20 January 2015. http://www.edelman.co.uk/wp-content/uploads/Edelman-Trust-Barometer-Speech-Transcript.pdf

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30. http://www.the3amgroup.org/

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32. See, for example, Nik Gowing Skyful of Lies and Black Swans: the New Tyranny of Shifting Information Power in Crises (Oxford: Reuters Institute for the Study of Journalism. 2009). http://reutersinstitute.politics.ox.ac.uk/publication/skyful-lies-black-swans Also: Eric Schmidt & Jared Cohen The New Digital Age: Reshaping the Future of People, Nations and Business. (London: John Murray. 2013) page 8.

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44. Speech by Sir John Sawers at the Edelman Trust Barometer launch in London, 20 January 2015.

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47. The Red Teaming Guide, British Army Development, Concepts and Doctrine Centre (DCDC), 2013 describes a red team as: "a team that is formed with the objective of subjecting an organisation's plans, programmes, ideas and assumptions to rigorous analysis and challenge". 14 July 2004: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/142533/20130301_red_teaming_ed2.pdf

48. Review of Intelligence on Weapons of Mass Destruction. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61171/wmdreview.pdf.

49. Op cit. Para 57 p16. "There is also the risk of 'group think' – the development of a 'prevailing wisdom'. Well-developed imagination at all stages of the intelligence process is required to overcome preconceptions. There is a case for encouraging it by providing for structured challenge, with established methods and procedures, often described as a 'Devil's advocate' or a 'red teaming' approach. This may also assist in countering another danger: when problems are many and diverse, on any one of them the number of experts can be dangerously small, and individual, possibly idiosyncratic, views may pass unchallenged".

50. The Blackett Review of High Impact Low Probability Risks was commissioned by the Cabinet Office and the Ministry of Defence from the UK Government Office for Science following widespread air traffic chaos from the volcanic ash cloud after the 2010 eruptions of Eyjafjallajökull in Iceland. See page 11. https://www.gov.uk/government/publications/high-impact-low-probability-risks-blackett-review

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