SCENARIOS, FUTURES AND KNOWLEDGE MANAGEMENT

A panel for ISKO Singapore, 21 April 2023

Dr Gary Klein, Macrocognition LLC

Dr Matt Finch, Said Business School, Oxford

Dr Susann Roth, Asian Development Bank

1. THE CONUNDRUM

Scenarios encapsulate past experience, we know that the future is not going to be like the past/present, but we still try to predict/anticipate.

Two conflicting beliefs

Organizations need to prepare for future developments or they will be left behind and trapped in obsolete practices

Trying to forecast the future is impossible — too many intersecting variables, too many unexpected game-changers

These two beliefs cancel each other out. You can’t be expected to prepare for an unknowable future

One reaction: Resilience engineering. Just try to build more adaptable and resilient organizations. But this creates a great deal of redundancy and inefficiency

Another suggestion: Strengthen your team, increase their expertise, help them build richer mental models, so that they can be more adaptable

And scenarios offer an opportunity to accomplish that suggestion

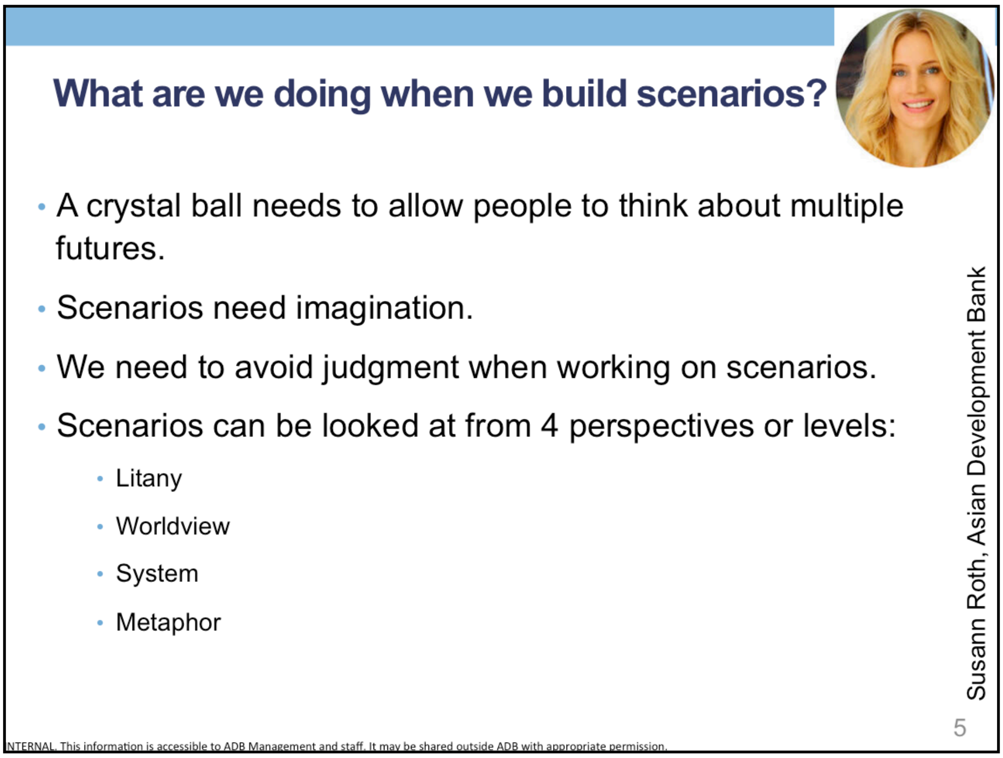
http://www.macrocognition.com/

3

QUESTIONS: How can the knowledge of deeply experienced people about the PAST help people in the future? What kinds of things are you interested in when you interview experts around challenging situations? Do these cognitive capabilities also provide FUTURE-oriented benefits? This question is to Gary.

Matt's Notes: Crystal balls that foretell the future with perfect certainty don't exist, you can't gather data + evidence from events which haven't happened yet; but the questions you do or don't choose to ask a hypothetical crystal ball tell you something about how you currently frame a situation.

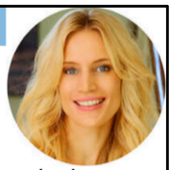
QUESTIONS: why is it important to recognise your current framing of a situation? How does that help adapt to future needs? Are scenarios mostly about the present and not the future at all?



QUESTIONS: What is the role of experience (patterns of past experience in an experienced practitioner) versus just imagination versus analytic techniques in building good scenarios? This question is to all three panelists.

- The first level is the litany — the official unquestioned view of reality (data).
- The second level is the social causation level, the systemic perspective. The data of the litany is explained (e.g., GDP growth) and questioned at this second level (the system, e.g., capitalism).
- The third level is the discourse/worldview. Deeper, unconsciously held ideological, worldview and discursive assumptions are unpacked at this level.
- The fourth level is the myth/metaphor, the unconscious emotive dimensions of the issue that each individual or a collective in a team or agency hold. CLA helps to understand constraints and opportunities of preferred futures that are often described in development and business plans.

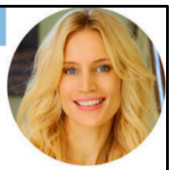
Example from ADB

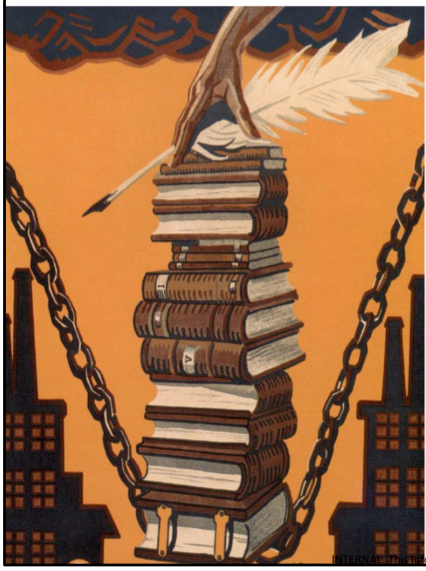


Futures thinking and foresight to develop a new approach to knowledge management

LITANY Official public description or quantitative data of the issue	ADB is a finance++ bank Know WHAT	ADB is a knowledge solution bank Know HOW
SYSTEMS Short-term historical facts and structure uncovered	Number of knowledge products and services per departments	Number of solutions applied to complex problems Project performance Development impact
WORLDVIEW Personal/organizational view that support and create the system	We need to collect, capture and share more knowledge	We need to apply knowledge to understand the problems and co-create solutions
NARRATIVE/METAPHOR Model that support and create the worldview	**Knowledge on a chain**	**Knowledge with wings**

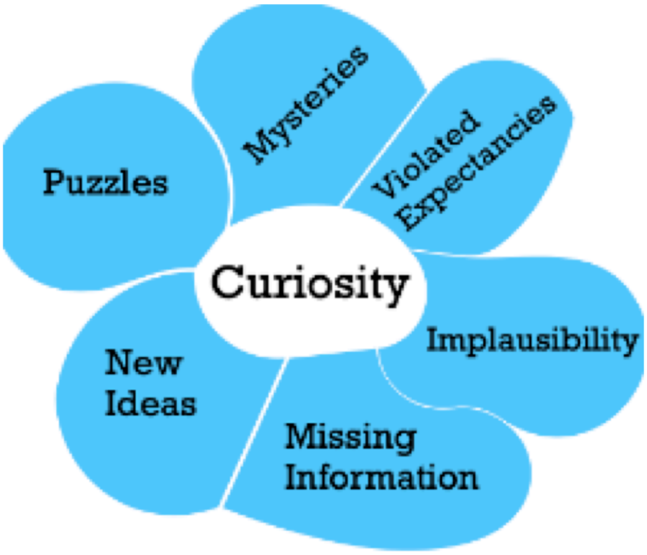
Powerful narratives to convince stakeholders about change





Susann Roth, Asian Development Bank

Curiosity



Klein, G. (2022) *Snapshots of the Mind*, p.289-91

http://www.macrocognition.com/

2. THE BENEFITS

Working with scenarios is about skill and capability building, especially for decision making in uncertainty. Not just strategic level planning, but also capabilities to respond tactically. Building richer mental models. Reacting faster and more smartly. Building the capability to foster insight.

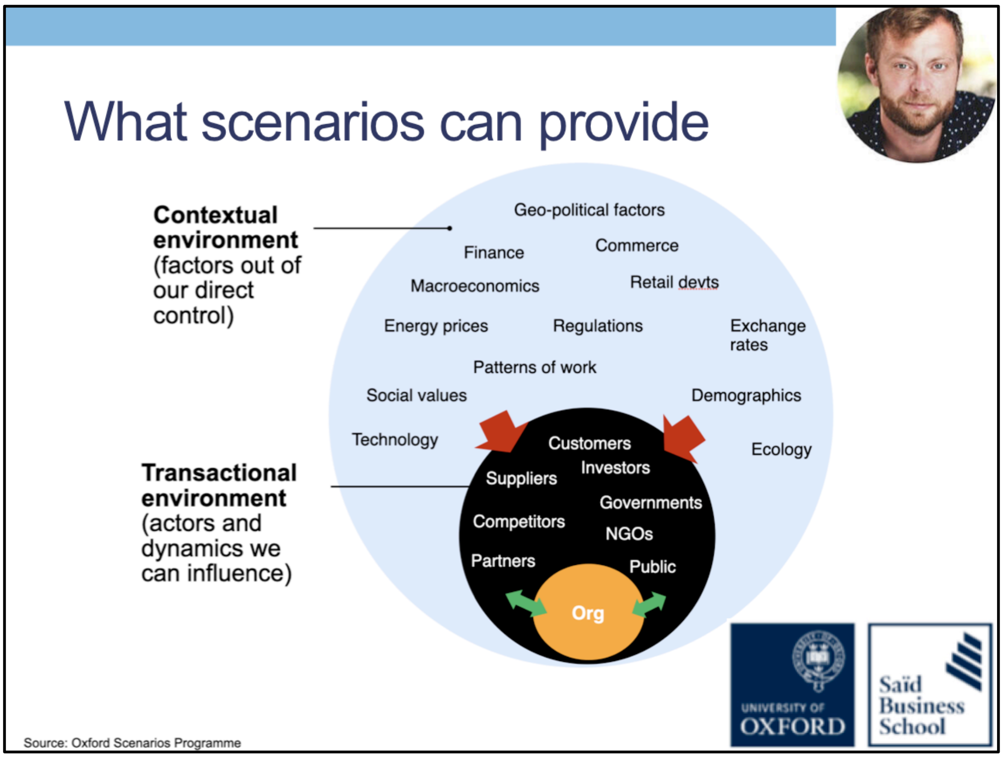
9

What scenarios can provide

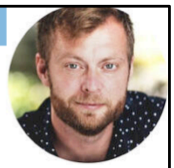
- Richer mental models of the participants
- More insights and discoveries
- Greater calibration for the team members
- Increased common ground — the scenarios become common referents. And so do actual events if they are used as scenarios
- Greater candor as team members learn to work together
- Greater team coordination

http://www.macrocognition.com/

10



We can think of scenarios in terms of imagining how the sea of uncertainty which surrounds our business environment might come ashore in different ways, redrawing the map of the ecosystem in which we operate, challenging strategies, policies, roles, relationships, and identities. Scenarios then become not just a matter of strategy but exploring the common ground of an unwritten future, even when there are disagreements in the present.

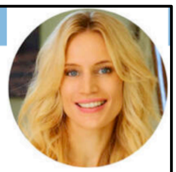


exformation

tor nørretranders
kenya hara
cassini nazir

matt finch – mechanicaldolphin.com

12



What scenarios can provide

- Enable us to think about disruptions, recognize signal early
- Thinking critically and in depth about our situation, and the constraints and opportunities of preferred futures
- Create shared understanding of preferred futures
- Understand that several scenarios can happen in parallel

Susann Roth, Asian Development Bank

13

Futures thinking allows people to think about disruptions, gain more knowledge about them and recognize them early as they appear. So scenarios become knowledge about the future.

3. PRACTICAL SUGGESTIONS

Practical ways of leveraging scenarios within the organisation

14

Four suggestions for practice

1. Use scenarios to turn policy into practice
2. Use scenarios to address wicked problems
3. Consider the ShadowBox approach for designing and running scenarios
4. Use the Pre-mortem method

http://www.macrocognition.com/

Turning Policies into Practices

- Many organizations issue policies without considering the kinds of judgments and decisions and expertise needed to carry out those policies
- Scenario exercises such as ShadowBox can help ensure that the policies will turn into practices

http://www.macrocognition.com/

16

Program for managing wicked problems

There are lots of ways **not** to handle wicked problems

- Treat them as conventional problems & other problematic mindsets

Suggestions for:

- Self-preparation,
- Framing wicked problems — the Clarity Frame, the Causal Landscape
- Wrestling with wicked problems

Almost all wicked problems involve multiple stakeholder interests

- Stakeholder issues: Making tough tradeoffs, reducing Common Ground breakdowns, selecting leaders who are skilled at perspective-taking

http://www.macrocognition.com/

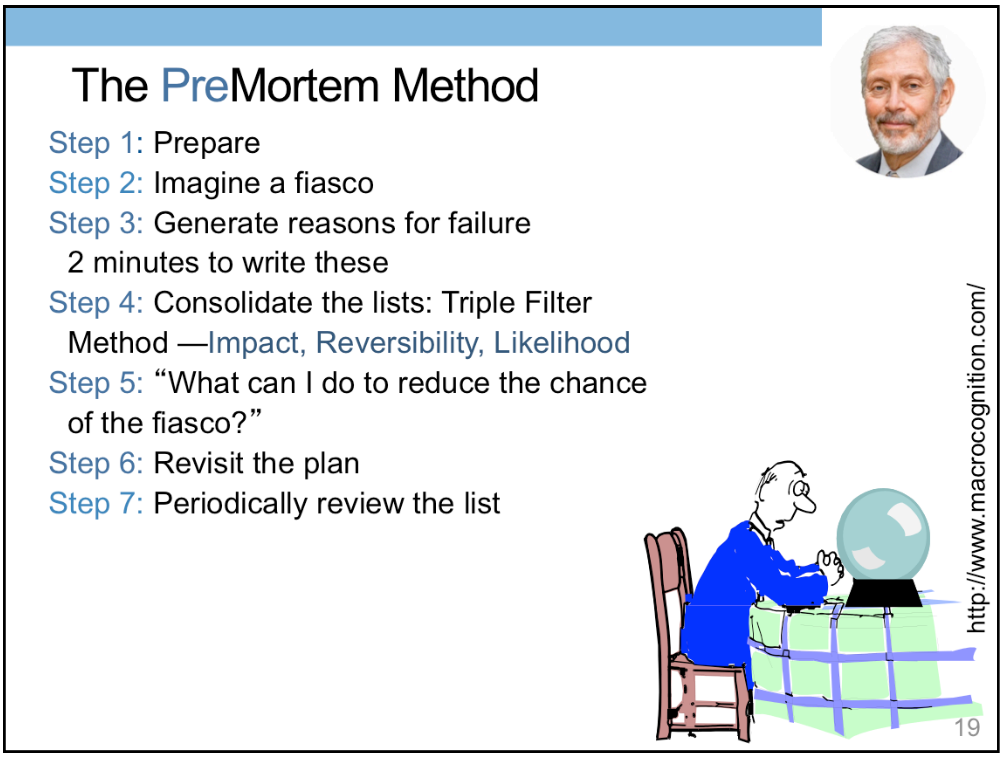
17

ShadowBox

- Problem:
  - Subject Matter Experts (SMEs) are costly and often unavailable
- ShadowBox Training Method:
  - Present challenging scenarios, with periodic Decision Points: Multiple-choice response options, priorities, information to track, etc.
  - Trainees rank the alternatives and record their rationale
  - Trainees compare their responses and rationale to a panel of SMEs
- Rationale: Trainees see the world through the eyes of the experts
  - And no SMEs have to be present
- Promotes individual discovery, corrects flawed mental models and immature mindsets
- Evaluation studies: 18% to 27% improvement after ½ day of training

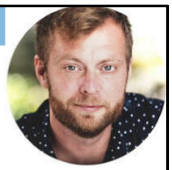
http://www.macrocognition.com/

18



Susann has used the pre-mortem in a leadership retreat – any comments on well how it worked?

Two suggestions for practice



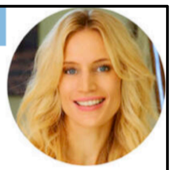
Anchor foresight work in user, use, and purpose

- Who will experience ‘reframing’? To what end? Through what means?

Map your business environment

- Consider your context as an island of relationships surrounded by a sea of uncertainties
- How might these uncertainties come ashore in different ways, challenging assumptions about what lies ahead and what's “really going on” in the here-and-now?

Futures and Foresight thinking



- Provides framework to think about changing operating environment
  – a world in transition
- Enables designing new capabilities and systems needed
  – we learn from the future
- Creates visions and alternatives
  – the future pulls us, policy comes from vision, and helps to balance toxic optimism
- Allows safe space to accept that the future is not stable
  – manage uncertainties
- Finds the narrative that enables change
  – stories that liberate culture change
- Helps to find your story to create a preferred future

Susann Roth, Asian Development Bank

21

Futures thinking requires working at 4 levels with tools like Causal Layered Analysis (CLA): Litany, systems, worldviews, and narratives/metaphors. The first level is the litany — the official unquestioned view of reality (data). The second level is the social causation level, the systemic perspective. The data of the litany is explained (e.g., GDP growth) and questioned at this second level (the system, e.g., capitalism). The third level is the discourse/worldview. Deeper, unconsciously held ideological, worldview and discursive assumptions are unpacked at this level. The fourth level is the myth/metaphor, the unconscious emotive dimensions of the issue that each individual or a collective in a team or agency hold. CLA helps to understand constraints and opportunities of preferred futures.

FF thinking helps to recognize when the time comes that requires to activate new or different sets knowledge.

What I like most about FF, it helps to understand people, communities and context. Many knowledge organizations and knowledge workers believe that with knowledge we can draw on rational behavior and evidence to make decisions, but unfortunately humans display bounded rationality😊as you all know. This comes back to the question “why people don’t use the knowledge they have?”…

Thank you!

Dr Gary Klein,
Macrocognition LLC

gklein@shadowboxtraining.com

Dr Matt Finch, Said
Business School, Oxford

Matthew.Finch@sbs.ox.ac.uk

Dr Susann Roth
Asian Development Bank

sroth@adb.org

www.iskosg.org