

LEADERSHIP AND PERSPECTIVE

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“History never repeats itself”. “Those who fail to learn from history are doomed to repeat it”.

The great thing about aphorisms is that there is one to suit every circumstance and the good ones contain at least an element of truth. But aphorisms never encapsulate the whole truth and their opposite is nearly always true too! Given that ninety percent of all leadership books, especially those by celebrated business owners, are little more than a collection of aphorisms and truisms, only a selection offer much real wisdom or reliable prescription for managers. But let’s not get distracted by that little aphoristic observation of mine, because what I want to talk about is the role of perspective in leadership, starting with historical perspective.

When I first went to university I enrolled in a History Honours Degree with Philosophy as my support act. This was a great disappointment to my Depression-era mother who wanted me to be a plumber. It was not until mid-career that I dived into management studies at Harvard. For the twenty years since then I have succeeded in weaving a lot of earlier philosophy into my management courses, but the history books have remained on the shelf. Now that is changing. I recently wrote about “big history” boffin Yuval Noah Harari muscling in on the futurists and ambitiously claiming to have written “A brief history of the future”. In this article I will reference some business toffs from Oxford University who are claiming that the present epoch is the biggest thing to happen since the European Renaissance. And they reckon that there are lots of lessons and perspective that business and community leaders can derive in the present from studying the earlier Florentine marvel. Fortunately for me, if I can locate my books I will be well positioned because Renaissance History was first cab off the rank in my history degree!

I know what you are thinking – a few musty academics with a holiday house in Tuscany and a unique specialty in “brushwork innovations in Siena between

March 1490 and May 1491”, have tried to drum up a little earner for themselves in the popular business literature. Perhaps you are wondering if their aphorisms will be a cut above the rest because they are in Latin. But no, these are experienced business leaders and excellent scholars whom I am talking about. Ian Goldrin and Chris Kutarna published a meaty tome in 2016 called “The Age of Discovery: Navigating the Risks and Rewards of Our New Renaissance”. They concede that every generation believes that they are living through a seminal period, but they have the facts, figures and analysis to demonstrate that this is a giant-slaying period in which we are living (more soon). And they argue that the scale of the changes and the complexity of the forces underway are leaving many business and public leaders blind-sided and reactive. Opportunities abound, but the risks are formidable. It is difficult for leaders to know the best way forward.

It seems to me that what can help contemporary leaders is perspective - without perspective there is a specific risk that our insights will be shallow, our actions will be very short term and knee-jerk, and our leadership tenures may be brief and frustrating too. It is hard for leaders to think and act strategically if we lack perspective. It is like wandering through an interminable forest without the aid of a map or GPS or a compass – every path forward looks as good and bad as the other. Leaders themselves need perspective, and others are looking to us to provide perspective, and a bigger picture, and to be able to frame challenges and opportunities in ways which are powerful and useful (see my earlier article “Strategic Approaches to Leadership”). So let’s examine the forest of change that is currently occurring in business and society, and let’s go looking for maps, satellites or a compass.

The “Age of Discovery” has a quote from Bill Gates from 1995 saying: “There will be a day, not far distant, when you will be able to conduct business, study, explore the world and its cultures, call up any entertainment, make friends, attend neighbourhood markets, and show pictures to distant relatives – without leaving your desk or armchair”. The authors note that what is most remarkable about this observation is not its foresight, but just how hard it is for us to imagine the world in which none of that was possible. And it was only a little over twenty years ago! Change is happening – it is dramatic, it is fast and it is confusing. One of three key insights to emerge for me from comparing

our period with the events of the European Renaissance is that we have many more reasons to be optimistic than pessimistic, and as leaders we should be bold, grab the new opportunities and make the demanding effort to stay up to date with new developments on a very broad front.

Europe was at the margins of the civilized world represented by China and the Ottoman and Arab empires at the start of the Renaissance, yet we now look back five hundred years later in awe at a period which produced the genius of Michelangelo and Da Vinci and such glorious art and architecture and beauty. We know it as a period when the map of half the globe was rewritten with the discovery of the New World (even if it was actually tiny islands like the Dominican Republic that Columbus actually uncovered). While many persisted with the belief that the earth was flat, Copernicus and others were mapping the skies and the earth's subsidiary place in it. Commerce and cities in Europe flourished as merchants took advantage of the new sea and trade routes opened up by explorers and adventurers. Prestigious libraries which previously boasted a collection of a hundred texts hand-written in Latin were suddenly sidelined by the new technology of the Gutenberg Press. Greater participation in learning and the rapid spread of new ideas followed, including reforming and subversive thinking from people such as Luther, Savonarola and Machiavelli. The ground work for the Enlightenment and a Scientific Revolution was being laid during the Renaissance.

Since 1990 humanity has been experiencing another Golden Age and winning the contest against the three great scourges of war, hunger and disease. This new Renaissance has been enabled primarily by the digital revolution and greater economic and political integration between nations. Since 1990, real capita income rose in 146 of 166 countries, and global real GDP per capita increased by 40%. In 1990 only one third of humans lived until 70, and now more than half do. Computational and scientific breakthroughs have been so vast that it took 15 years and cost \$3 billion to sequence the first genome at the start of the period, and it now takes 6 hours and costs \$1000. We are currently on the cusp of scientific and technological breakthroughs which are simply mind-boggling. In one generation we have added three billion literate brains to our ranks and reduced global illiteracy from 44% to 17% of humans. Since 1990 China's share of world trade has grown six-fold from 2% to 12%. In

1990 the value of worldwide trade in merchandise was \$3.5 trillion and in 2014 it was \$19 trillion. In 1990 global cross-border financial flows were about \$1 trillion per annum and now they are more than \$12 trillion per annum. From 1990 Asia and Africa experienced urban population growth which exceeded all urbanization for the previous 5000 years. In Renaissance Europe only 10% of people lived in towns of 5000 or more, and in the past decade and for the first time in our history more than half of humans live in cities. These are enormous changes and there are a lot of reasons to be optimistic!

Of course, optimism which ignores risks, downsides, casualties and opposition can be no more credible than the chap who jumps out of a tall building declaring “so far so good”. Australian Prime Minister Malcolm Turnbull had a near death experience in the most recent federal election by vacuously repeating his mantra: “I am an optimist – there has never been a more exciting time to be alive”. It was not Turnbull’s optimism that was vacuous – it was widely welcomed – but his failure to address the costs and losses from change left an impression of someone who was “out of touch”. We may be experiencing a glorious Renaissance, but another insight from an earlier one is that at such times risks flourish, downsides are everywhere, casualties proliferate and discontent can fester. These factors also need to be actively managed and strong organizational and civic leadership is essential to build social cohesion and avoid polarizations.

Economic progress in the European Renaissance had the perverse impact of robbing many peasants of their own farms and led to a new form of indebtedness. The discovery of the New World may have been great for the Europeans but the Native Americans and South Americans didn’t share much joy. Not all the indicators during our new renaissance are positive either. More of our youth are in higher education now but many are struggling to find decent jobs or to buy a home. Greater financial integration meant that a home loan crisis originating in America led to a global recession. Wages in developed countries are stagnant or going backwards – a 12% reduction for 90% of households in the USA – and wealth has become increasingly concentrated in fewer hands. In the USA the top 1% control 37% of the wealth and 40% of the population share 3% of the crumbs. It isn’t much better in the other 18 developed countries where the top 10% control more than half the wealth. In

fact income and job prospects have been so weak during this period that many have questioned whether it really is a golden era. They argue that electrification, or the post – World War 11 industrial boom, brought many more bankable benefits to more people than the digital age. The threat is a fracturing and fragmenting of society, a rise in populism and nationalism and maybe even militarism, and reactionary movements of “Luddites” based on old certainties and nostalgia for earlier times.

An influential teacher of mine is Larry Susskind, a Professor at MIT and one of the founding fathers of the renowned Program on Negotiation based at Harvard University. He is a strong proponent of near-consensual decision making and negotiation to deal with contentious and polarizing issues in organizations and in society. He argues that the work of leadership often is to corral as many parties as possible into a pluralistic coalition of the “constructive and creative middle”, and not to allow reactionaries or flame-throwers from the fringes to exploit real differences and exaggerate others, usurp control or to sabotage mutually beneficial change. His method only works if there is a search for mutual gain.

And finally, just as in the European Renaissance, an internal compass and public discourse are required to guide us through the maelstrom, and wise teachers and leadership are needed to help us discover and practice humanistic and civic values, virtues, ethics and the appreciation of beauty. The new thinkers and artists of the Renaissance were heavily influenced by Petrarch and others who mined the Greek Classics to rediscover their humanistic and democratic ideals and values. Some folk in our own era are calling also for the development of a new secular ethics to guide our leadership and progress – see my earlier article “Leadership and the Better Person”. The internet is an example of a liberating and empowering new development for many of us, but its unmediated anonymity has also unleashed the dark, cruel and tribal potential of human nature. It may be a golden time for humans but our public discourse is dominated by hate and mistrust of others and our leading institutions. What can leaders do? Individually, we can become more reflective and mindful about our own practices. With our own teams and organizations we can attempt to build islands of collaboration and success. And in the community and society we can move from being bewildered bystanders

to being active participants and shapers of the debate – to paraphrase an old saying “victory belongs to those who bother to show up”.

Let me end with another example of perspective. An American Nobel Laureate and Pulitzer Prize Winner has written a novel about a vain, outlandish, anti-immigrant, fear mongering demagogue who runs for President of the United States and wins. He is a public liar who is easily detected and a salesman of genius. He promises poor, angry voters that he will make America proud and prosperous again, but he takes the country down a far darker path. The novel is called “It Can’t Happen Here” by Sinclair Lewis and it was published not in 2017 but in 1935 as dark clouds gathered in Europe.

It is true that history never repeats itself exactly, but it is tragic that those who fail to learn from history may sometimes repeat its worse mistakes.