

Embracing Uncertainty

This article captures the highlights of the discussion from Keith Coats' presentation to members of SHRM Linkage. Please see the accompanying slide deck for more details.

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Keith Coats:

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Leaders are under increasing pressure to see and understand the implications of change.

Organizations and their business models have been built on the premise that management means understanding, ordering, predicting, and controlling complicated situations. But those assumptions no longer hold in today's environment, which is complex and not just complicated.

To address complexity, you cannot apply the frameworks and approaches you used to succeed in the past. You cannot push a round peg into a hole that has become square. Your role is to challenge orthodoxies that constrict the company and limit growth. Doing so means **seeing** further, **deciphering** meaning, **preparing** your organization for ongoing change, and **releasing** old ways without grievance.

1. SEE

Spend more time on the balcony

In the analogy of a dance in a great hall, you can either stay in the middle or move toward the periphery. Many leaders spend too much time on the dance floor in times of high complexity. It's what they're good at, where they feel comfortable, and where others expect them to be. The problem with staying at the center is that by the time the dance changes at the edge, it's already too late to pivot. Do whatever you can—whether that means changing your behavior or your thinking—to get to the balcony. Step back. See further. It will make you more aware, creative, and better equipped to solve problems and uncover opportunities.

NASREDDIN AND THE LOST RING

One evening, a passerby found Nasreddin Hoca was on his hands and knees under a streetlamp, searching intently. 'What are you looking for, Hoca?' he asked.

'I've lost my wedding ring,' Nasreddin replied.

The man joined him in the search, but after some time, he asked, 'Are you sure you lost it here?'

'No,' said Nasreddin. 'I lost it in the basement of my home.'

'Then why are you looking out here?' the man asked, puzzled.

Nasreddin replied, 'Because there's more light here.'

Observe the TIDES of Change

Most disruptive forces fall into five categories:

1. Technology
2. Institutional Change
3. Demographics
4. Environment
5. Social Values

Concentrate on these five disruptive change drivers to make sense of the seemingly chaotic shifts in your business environment. Assign individuals or teams to each track one area, and regularly bring insights into conversations.

2. DECIPHER

Ask better questions

As your organization experiences disruption, observe how often questions are asked in meetings. You might be surprised—most conversations are filled with opinions, debate, and discussion.

To extract insight from complexity, stay curious and avoid the pull to act out of urgency. Lead through questions rather than feeling compelled to give answers.

Strong questions to regularly include in meetings:

- What is the change that we may be avoiding?
- What stories shape how we see our company?
- Are we learning faster than our competition?
- What if ...?

Practice spotting great questions in your environment. Pay attention to billboards, books, movies, and daily conversations, and take note of questions that help surface what lies beneath the obvious.

Further Reading:

- Think Again - Adam Grant
- Strategic courage in an age of volatility - McKinsey
- A Kairos Moment - TomorrowToday

Host curiosity conversations

If your people have become arthritic in their learning, spark movement by challenging them to have a curiosity conversation once a week or once a month. Embedding curiosity this way helps reignite a learning mindset.

Encourage them to reach out to people outside your organization who model behaviors you want to see internally. What traits or habits do they show that you could apply in your context?

Questions to take into a curiosity conversation:

- How do you handle fear?
- How do you adapt your mindset?
- How do you avoid confirmation bias?
- How do you make time to think?

3. PREPARE

Build adaptive intelligence

In complex environments, a helpful question for any team is: What do we need to learn, unlearn, or relearn? You need an organization that can adapt as fast as its environment does. Training and skills development matter, but they're not enough. You don't want to be left equipped for a world that no longer exists.

Four key elements of adaptive intelligence:

- A mindset that embraces change and uncertainty
- Curiosity and continuous learning
- Freedom to act on insight and intuition
- Diverse backgrounds and perspectives

EMOTIONAL INTELLIGENCE

Empathetic leaders are better prepared to lead through uncertainty. They are leaders who are highly developed in the five areas of emotional intelligence:

1. Self-awareness:

Recognizing and understanding your own emotions.

2. Self-regulation:

Managing your emotions and impulses in healthy ways.

3. Motivation:

Driving yourself to pursue goals with energy and persistence.

4. Empathy:

Sensing and understanding the emotions of others.

5. Social skills:

Building strong relationships and managing social situations effectively.

Be future-focused in every meeting

Strategic imagination is a muscle, and muscles grow through use. If your teams aren't used to exercising imagination, they won't know how to draw on it when it matters.

Make space in every meeting for a future-focused moment. This could be a "what if" question or a shift in perspective on the issue. Start small, but do it consistently. Over time, it becomes second nature, and when a major challenge or opportunity arises, your team will be ready to respond.

Adopt new tools

Are you aware of the tools you're using to lead through complexity? And do you have a way to tell when those tools are becoming blunt and no longer delivering the impact they once did? It's often hard to know whether the problem lies in the environment or in the tools you're using to navigate it.

For example, traditional strategic planning can set a clear direction, but it moves too slowly in complex environments. By the time you're ready to execute, the goalposts have moved, and your investment in the process is already locked in. Scenario thinking offers a faster, more flexible alternative.

Leaders will also need to examine their business model. If you don't initiate that shift, or at least explore options better suited to complexity, your competitors will do it for you.

4. RELEASE

Acknowledge loss

In change initiatives, the biggest mistake leaders make is failing to acknowledge the sense of loss. They've often lived with the change for months, thinking it through and adjusting. But when they finally announce it, they expect others to fall in line immediately, forgetting that they've already had time to acclimate.

What leaders present as a bright, shiny new direction often lands as a loss for employees. People may be losing the team they relied on, the sense that their voice matters, or simply their footing in something familiar. The impact can be psychological, material, or both.

Create space to process that loss. Facilitate conversations that allow people to name what they're letting go of. Pause before pushing forward. Give people a chance to grieve so they can move forward with you.

A group of five diverse business professionals (three men and two women) in professional attire are walking and smiling. The image is faded to serve as a background for the text.

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