

Q&A

The wisdom of organisational sensemaking

The science of sensemaking can be unlocked through innovative tools that power better executive decision-making, says

Dr Mike Carter, chief scientific officer at Tensense



Q How have the challenges facing CEOs and boards evolved in recent years?

A Leaders are gradually accepting that a business landscape shaped to some degree by uncertainty and disruption is now more of a norm than an exception. The speed, quantity and scale of major changes have all accelerated over the last decade. We are experiencing many events which are seen as exceptional in our recent experience – Brexit, a global pandemic, roaring inflation, a major war in Europe, widespread drought, a gathering crisis in American democracy. It is natural and perhaps even comforting to accept the assumption that each event is a one-off, and we'll go back to the more stable situation to which we had grown accustomed. Yet on every one of those issues, it is more likely than not that this assumption is wrong.

Q In this landscape, are traditional decision-making methods becoming less effective?

A The rise of the digital economy and the nature of technology has resulted in a presumption that both information and actions have to be instant. Yet set against an increasingly uncertain world, instant information and actions are fragile and prone to error. Meanwhile, the

notionally rational models of decision-making, both in human and technology-driven forms of decision-making, are contingent on the repetition of previous problems. But businesses are experiencing problems they've never had to deal with before. If the challenges they face are increasingly novel, the contingencies and assumptions that have historically been relied on to inform decision-making are redundant. In many ways, the rulebook for leadership is being thrown out of the window.

Q At Tensense you refer to 'organisational sensemaking'. What does that mean and why is it relevant to all businesses today?

A Sensemaking is a scientific term that describes how people notice what is happening around them, derive meaning, make decisions and take actions. It has been used by myself and colleagues to deconstruct and reconstruct the build-up to disasters where the actions of people have played a major role, e.g. 9/11, the explosions of the Challenger and Columbia spacecraft and the tragic shooting of Jean Charles de Menezes on the London Underground. Although it can be enhanced, sensemaking is an entirely natural part of our evolutionary development that for better or worse made humans the preeminent species. Organisational sensemaking is the collective meaning and understanding that people in organisations generate – but it is rarely utilised as a valuable tool to inform decision-making and action. By understanding and capturing the sense that people make of the environments in which they work, leaders can be much better enabled to understand threat and opportunity. The intuitive sensing of a developing issue is far more valuable than traditional management information which tells leaders their organisation started to underperform several months ago. Today, more than ever, this information is time-critical.

Q How does Tensense provide an early diagnostic tool for business performance?

A We use technology and science to gather information from people about key performance areas through the streamed analysis of light-touch clues and then present these back as part of a business performance early-warning system. Our unique combination of sensemaking and organisational experience (OX) data, collected regularly, provides measurable, actionable insights in real time, fed into a business intelligence platform for comparison with other performance metrics. The resulting insights act as an early-warning system, effectively allowing business leaders to see around corners, detecting issues before they become a threat and identifying opportunities way earlier than they ordinarily could.

For instance, we were retained by a US private equity company to support the new CEO of a West Coast tech firm with bases in the US, Europe, the Far East and Australasia. The regular financial metrics raised no alarms on performance, but the CEO asked for Tensense to be regularly deployed. Tensense measures prospective rather than retrospective information, and our insights were indicating that the Sydney office was becoming distracted by serious performance challenges and that the incumbent leadership team had switched off from this growing reality. This enabled the CEO to fly to Australia to spend six weeks identifying the issues and assisting the leadership team in fixing them. This timely intervention was truly business-critical, and it is just one example of how Tensense enables leaders to get to the total truth more quickly.



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