

# ***Happy New Year*** ***From*** ***The Jump Network***

***Organization Development, Change Leadership,  
Executive Coaching***

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To the amusement of some and the consternation of others, The Oxford English Dictionary word for the year 2016 is the slightly unsettling term Post-truth. Its actual definition, however, is less alarming:

*"Adjective, relating to or denoting circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief."*

Given our increasingly algorithmic world, a renewed focus on intuition and emotions certainly makes sense. The Behavioral Economists Daniel Kahneman and Richard Thaler certainly believe so, and looking at earlier economists we even find Adam Smith giving us a hint of "post-truth" thinking in his 1759 volume "The Theory of Moral Sentiments", with the notion of "sympathy" as a main driver of human behavior over rationality. His later "Invisible Hand" from "The Wealth of Nations" is well known - proposing logic and facts as the basis for optimized personal and collective gain. But we are after all emotional beings, so with an open view of what is fact or post-truth, let us review 2016.

## **January**

***Post-truth:*** The year began with the alarming acronym FANGs, with the world economy seemingly controlled by just 4 companies: Facebook, Apple, Netflix and Google. The FANGs never quite lost their bite, with Silicon Valley continuing to dominate daily news throughout the year. Artificial Intelligence and Deep Learning seemed to offer up Software as the panacea to the worlds ills.

***Truth:*** The fact that technology requires modern infrastructure, the rule of law, and internet penetration perhaps gives a skewed picture of what is important to the majority of human beings. There are now 3,424,971,237 global internet users. That sounds like a lot, but it still leaves 4,007,692,038 or 54% of the world without access to Amazon drone deliveries (the first commercial popcorn delivery occurred in UK last month), streaming movies (Netflix now produces more annual film content than many Hollywood studios), or "Like" buttons on Facebook (though increasing numbers are going off-grid, citing the pressure of posting endless streams of perfect, if fabricated, life moments). The future may be digital, with the 54% steadily diminishing, but let's not allow the West Coast's irrational exuberance to overshadow more pressing needs like basic education, women's rights, or access to clean drinking water. The \$330Bn wiped off the 90 largest US stocks in January reflected a less optimistic world than the view from San Francisco Bay might suggest. And by year-end the digital status quo had been seriously challenged as FANGs became BATs with Baidu, Alibaba and Tencent worth a cumulative \$500Bn.

## **February**

**Post-truth:** Coinciding with Chinese New Year, February saw the publication of the "official" Chinese government database of the 870 approved "Living Buddhas". This clever ploy was presumably aimed at discouraging any recently incarnated Buddhas from suddenly appearing in Tiananmen Square and offering unhelpful views on the Communist Party. Elsewhere behind the Great Firewall, internet user activity began being tracked and behaviors extrapolated to gauge citizens' "honesty" and "trustworthiness". Officially used for assessing credit ratings in an admittedly unreliable consumer environment, the other uses of this data are potentially far more sinister.

**Truth:** Only months later, the trend had crossed the Pacific. On this side of the Great Wall where data protection used to be sacrosanct, Big Tech, the insurance sector and banks (see Germany's Kreditech) began tracking social media to predict behavior for creditworthiness (can you really afford that Net-a-Porter jacket?) and car premiums (our sensors think you're braking a little too hard, Bob). More worryingly, racial profiling on sites such as AirBnB revealed our latest unconscious digital biases. Equally disconcerting are "wearables" given to office workers to track movement under the guise of "productivity" or "wellbeing". The Economist described this "Digital Taylorism" as essentially taking us back to the factory floors of 100 years ago. So while Alexa, Siri and Cortana help us in their dulcet tones to shop, find recipes, and adjust the thermostat, we're not so sure if the geeks behind these voices are using all this big data to our benefit or detriment.

## **March**

**Post-truth:** Fintech will eliminate cash and money as we know it within a decade. Thus spoke the sages at Davos this year. Within months, Goldman Sachs and Accenture were patenting blockchain systems for clearing trades. In November, Riksbank in Sweden announced plans for an "Ekrona" as the use of banknotes plummeted by 40%. Virtual money has become so popular it even spawned the first known case of Bitcoin fraud in the haplessly named town of Lucknow in Northern India.

**Truth:** The true opportunities for digital finance seem to be, ironically, in the domain of cybercrime. The initial reaction to Bitcoin was widespread skepticism by companies and governments imagining a tsunami of opaque and unregulated transactions. The emerging reality is a potentially safer and more transparent financial system than exists today, eliminating human error and manipulation. Further unanticipated benefits could emerge for countries like India, currently struggling over the elimination of large banknotes in an attempt to curtail corruption and terrorism. Even in Zimbabwe a virtual currency could help salvage an economy where the government has stopped printing money after giving up on trying to manage inflation that peaked in 2008 at 89 sextillion percent (that's 9 with 22 zeros), making a single egg worth an absurd Z\$1Bn.

## **April**

**Post-truth:** Curious culinary terminology appeared this month, with the Double Irish and Dutch Sandwich reminding us of Oscar Wilde's reference to hunting as "the unspeakable in pursuit of the inedible". These sweetheart tax deals now benefit the largest US multinationals like Starbucks, Amazon and Google - famous for its mantra "do no evil". When taken to task, their various executives protested too much, and the derisory taxes paid of 4%, 1% and 0% in the UK for Facebook, Google, and both Vodafone and Shell did nothing to dispel public skepticism. By mid-year, a whopping US\$500tn was sitting in the coffers - mostly overseas - of the largest US Big Techs, seemingly perfectly justified in the eyes of their CEOs and Boards.

**Truth:** In addition to seriously denting tax receipts, amassing cash piles worth billions of dollars has called into question these companies' commitment to investment, R&D, and job creation. Many tech companies now make more profit from financial engineering - hedging, currency trading, and treasury management - than they do from products or innovation. The fact that Apple has failed to unveil anything remotely compelling in 2016 reflects this short

term and profiteering corporate mindset. Mr. Trump's call for forced repatriation of overseas profits may well be his smartest idea yet.

## May

**Post-truth:** The rise in populism and its cousin nationalism was a growing concern in early 2016, but also took on comical proportions as some countries attempted to punch above their weight. Luxemburg (population 576,243 and GDP ranking 103) announced a program to launch asteroid mining to extract platinum and water. In another wildly optimistic move, a group of scientists created Asgardia, an orbiting "nation" whose ultimate aim is to ensure protection of planet Earth using its own citizenship, flag and anthem. Well-intentioned no doubt, but we wonder how a nation floating in space can solve seemingly intractable problems that remain stubbornly Earthbound. And as a person who is almost a country unto himself, Elon Musk launched plans for a nation on Mars, selling one-way travel tickets at a mere \$200,000 (assuming 1m colonizers sign up). At least he uses reusable rocket launchers.

**Truth:** But real science did not disappoint this year, with the discovery of gravitational waves proving one of Einstein's most important theories 100 years after it was imagined. The discovery provides new insight into the evolution of stars, supernovae, neutron stars and black holes. Matching sets of 4 kilometer-long structures coordinated readings around the world to "see" a tiny pulse that passed through Earth, reflecting the collision of two black holes 1.3 billion light years away. Putting this into perspective, one scientist described it as being able to find and measure the width of one proton in a thread of human hair in an area the size of Wales - a vivid description and a reminder of what we are capable of when we set aside our egos to collaborate as humans.

## June

**Post-truth:** The Burkini debacle on the beaches of the Cote d'Azur highlighted Europe's as yet ineffective response to mass migration and social integration. The fact that 20 French mayors in coastal towns chose to ignore the later high court ruling allowing women to choose their own swimwear demonstrated the power of human prejudice over the rule of law. France is not alone in grappling with multicultural integration and migration, and the problem is not going away: human traffickers earned an estimated 3-6Bn Euros this year alone transporting migrants from North Africa and the Middle East. Human rights are a global issue but too often our emotional and political responses are clumsy, ineffective or at worse insulting.

**Truth:** Diversity and integration may be an area where we could pay more attention to facts. Blaming unemployment on migration in the US is to ignore the effects of technology and robotics in reshaping jobs. Believing the claim of £350m weekly "savings" from Brexit ignores our pre-existing £60Bn contractual commitments to the bloc over the next 5 years. Gender equality naysayers were neatly rebuffed by an EY study of 21,000 companies in 91 countries showing women adding up to 6% to net profits in organizations with higher (above 30%) female leadership. And countries with female Presidents or Prime Ministers now account for 40% of global GDP.

## July

**Post-truth:** A potent symbol of the post-truth phenomenon was the June 24 UK vote for Brexit. Enough was written on this topic to fill the British Library, so we shall follow good "Brexiquette" as the FT suggested and simply not talk about it. But if you are suffering from Bregret, see below for further reading on this and other momentous changes of 2016.

**Truth:** Post Brexit and Trump the question seems to become how to establish relevant social and economic policies for a post-truth world. For some valuable insights, Charles Handy's thoughtful work "The Second Curve" brilliantly challenges our assumptions about social structures, the role and shape of government, and the future of organizations. Andrew Scott's

100-Year Life with Lynda Gratton, shortlisted by the FT for Business Book of the Year, looks at the consequences - both inspiring and alarming - of global demographic megatrends. If you read nothing else this year, we suggest these two insightful works for leaders and decision makers everywhere.

## **August**

**Post-truth:** The march of the robots continues as we see Google's Alpha-Go computer beat champion Lee Se-Dol at the world's most ancient and complex mathematical game that has as many moves as there are atoms in the universe (that's  $170 \times 10^2$ ). Having learned "promising moves" playing against itself, it won 4 out of 5 games, building on the original computer win by IBM Deep Blue over Gary Kasparov in 1997 and Watson on Jeopardy in 2011. More recently, a Japanese robot hand has beaten humans at "rock/paper/scissors", and another solved Rubik's cube in under a second (the human record is 4.7).

**Truth:** Robotics and AI are predicted to grow from a \$70Bn industry today to \$135Bn in 3 years, with "Deep Learning" and "Emus" set to emulate the entire human brain. But behind the screen, much of AI is in fact humans responding to routine tasks that are then coded. So-called "crowdworkers" in "HIT" factories perform Human Intelligence Tasks reminiscent of the Mechanical Turk in the 18th century chess game that hid a human hidden inside a "mechanized" game. Bloomberg aptly describes this as "humans imitating robots imitating humans". But if this creeping Orwellian trend depresses you, see Martin Lindstrom's book "Small Data" for a refreshing antidote showing how much we can still learn from simple human behavior using old-fashioned Ethnography and Anthropology. Happily, we are still some way from big data standardizing and predicting all of our human reactions.

## **September**

**Post-truth:** Economic inequality and the 1% debate continued to make headlines, dominating the US election, post-Brexit discussions, and populist movements in Austria, Italy, France and even Germany.

**Truth:** While inequality remains a global challenge, we must also pay attention to the nuances of relative power and some surprising benefits of new power shifts. The BRICs are moving steadily up the dollar billionaire rankings with 193 in China, 56 in India, 43 in Russia and 31 in Brazil. An increasing number of Unicorns are emerging in Africa, epitomized by payments giant M-Pesa. In France, Uber provides a well needed lift to unemployed immigrants in the banlieues, many of whom could otherwise be targets of radicalization or worse. But sometimes equality can go too far, as experienced by the Holocracy movement which lost significant credibility in 2016. At Zappos, employees tried to balance multiple teams and self-determined workloads until people ended up with up to 7.4 roles at a time, 25 different responsibilities and 4.1 "circles" to manage - making a travesty of performance metrics, reward systems, and work scheduling. Sometimes less is more, logic beats idealism, and a little well crafted inequality can create a lot of efficiency.

## **October**

**Post-truth:** An announcement on an international flight to Dubai to surrender handheld Samsung devices illustrated the depth of the problem facing businesses pressured for short-term profit. The Galaxy S-7 recall cost Samsung \$19Bn in market value, with employees and analysts blaming competitive pressures, unrealistic deadlines, and accelerating product cycles for the lack of quality control. Pushing managers to constantly innovate at speed is a worrying corporate trend, which at Samsung was encapsulated in the CEO's unfortunate diktat of "change everything but your wife and children". Wells Fargo followed swiftly with another demonstration of the excessive push for profits, with 2 million fake accounts opened as employees were pressured to meet sales targets. The subsequent firing of 5,300 staff did nothing to boost profits, morale or reputation - presumably the goals of this relentless pace in the first place. The need for speed is a uniquely human construct, with hubris and strangely

self-imposed ambitions seemingly unrelated to reality, but making us react as if they were physically life threatening. A post-truth phenomenon if ever there was one.

**Truth:** Despite this relentless pace, we can still choose how we prioritize, react to unforeseen events and learn from failures. Samsung fared far better than others when reacting to the fire-prone S7: its quick response to the crisis and admission of poor management practices actually cost just 5% of its share price and was resolved in 45 days. This compares to the clumsy and protracted emissions scandal by VW that required months of response time and 476 days to resolve, affecting 500,000 cars, causing a 45% share price fall, and resulting in a \$15Bn fine. Competition may be inevitable and the push for profit unavoidable, but how we choose to react and navigate this landscape remains very much in our gift as leaders.

## **November**

**Post-truth:** A tipping point was reached as the Goldfish Generation was born, with the average human attention span of 8 minutes falling below that of goldfish, who apparently can happily concentrate for 9. "Immersive technology" appears to be the culprit as we are drawn down rabbit holes of social media, sponsored links, suggestions to watch videos or buy more products. According to research, our daily screen usage now averages 418 minutes - 2 minutes shy of 7 hours. So we sleep for less time than we watch screens, and when we are awake we check our phones 221 times a day, or once every 4.3 minutes.

**Truth:** Our digital dependence may be real, but whether it is harmful or helpful is still a matter for debate as we balance arguments for privacy versus net-neutrality, real versus virtual friends, and fact-checks versus freedom of speech. Interesting also are some of the early antidotes being proposed. The well meaning but dubious "Time Well Spent" movement advocates more human interaction, non-digital activities, and reflection. Ironically, it exists only on a website and its tools are mostly app-driven, making it rather difficult to do anything offline. But progress has always been viewed with suspicion and history can provide great perspective: magazines caused initial suspicion as potential threats to family conversation, and it was feared that bicycles would make women immoral by allowing them more freedom.

## **December**

**Post-truth:** The dominant themes of 2016 as a year of digital acceleration and narrowing attention spans is nicely captured in Robert Colvile's book "The Great Acceleration". When challenged to stay away from their phones for 72 hours, he found only 3 out of 220 US students managed it. And when asked what they would give up to retain internet access, 75% said alcohol, 22% said daily showers, and 27% said sex. Even Woody Allen's Orgasmotron in the 1973 movie Sleeper couldn't predict that. So as we head into 2017, beware the lure of digital distractions - as the red-faced Prime Minister of Norway discovered when caught playing Pokemon-Go in Parliament.

**Truth:** Despite our focus on speed, we were reminded in 2016 that Nature still moves at its own remarkably measured pace. The discovery of a 392-year-old Arctic shark, carbon dated by its eye lens whose tissue does not evolve from birth, challenged our assumptions about aging and opened up a new debate about longevity. The predictable reaction came from Google's Calico health business, jumping on the bandwagon for more research and stating its corporate mission is now to "cure death". But Nature can also teach us some valuable lessons: a more subtle observation came from the biologists who detected an "atomic shadow" in the shark's eye, carbon-matched to dates of Arctic undersea nuclear tests. Surely the question of how a centuries old animal came to be subjected to nuclear weapons in the icy waters of the Arctic is a more salient question for us to ponder than how to make ourselves immortal by curing death?

So in 2017, ask yourself under what circumstances more vigilance and fact-checking will be needed to avoid groupthink; where a "post-truth" rekindling of emotions, intuition and personal beliefs will help us make better choices; and how we can use these gifts that Nature has given us to solve our biggest challenges with more wisdom and collective insight.

## **Selected Client List**

Dyson  
M&G Investments  
Marquard & Bahls  
Millicom  
Orange / France Telecom  
Oxford Instruments  
Red Bull  
Science & Technology Facilities Council  
ST Microelectronics

## **Business Partnerships**

London Business School - [www.london.edu](http://www.london.edu)  
Korn Ferry / Hay Group - [www.haygroup.com](http://www.haygroup.com)  
Human Insight - [www.human-insight.com](http://www.human-insight.com)  
Corporate Research Forum - [www.crforum.co.uk](http://www.crforum.co.uk)  
Organisation Development Network - [www.odneurope.org](http://www.odneurope.org)

## **Social Enterprises**

Global Health Initiatives for Africa - [www.who.int](http://www.who.int)  
World Photography Workshops - [www.explorenation.net](http://www.explorenation.net)  
Supporting Performing Arts - [www.andycraggs.com](http://www.andycraggs.com)

## **Recommended Reading**

*"The Second Curve - Thoughts on Reinventing Society"*  
Charles Handy, February 2016

Reflections by one of the world's leading management experts on the relevance of our current institutions, challenging our ideas about growth, prosperity and humanity

*"The 100 Year Life - Living and Working in an Age of Longevity"*  
Andrew Scott & Lynda Gratton, June 2016

Provocative predictions from leading London Business School academics about our human progress, prosperity and its potential consequences

*"The Quest for a Moral Compass - A Global History of Ethics"*  
Kenan Malik, April 2015

A brilliant history of our philosophical and intellectual developments through the ages provides a call to action to reignite our current thinking about society

*"Infinite Vision: How Aravind Became the World's Greatest Business Case for Compassion"*  
Pavithra Mehta & Suchitra Shenoy, November 2011

The inspiring story of placing people before profit, and the role of purpose and discipline in making an enterprise thrive

*"Confieso Que He Vivido - Memoirs of Pablo Neruda"*  
Pablo Neruda, November 1974

Neruda's thoughtful and poetic eye sweeps across his 20th century life experiences, providing en route a cautionary tale about conflict and violence during times of change

Harvard Business Review - [www.hbr.org](http://www.hbr.org)

Essential monthly reading for insights and ideas on leadership, business and society

Sources: HBR, FT, WSJ

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