At its simplest, ambiguity is a lack of clarity. While physician and writer Deepak Chopra suggests that ambiguity is the womb of creativity, and should therefore be embraced, the reality is that people generally aren’t comfortable with it. This leads to frustration and, in the organisational context, heightened anxiety for leaders and employees. Our challenge as leaders, given this reality, is determining what we can be clear about in order to enable agile organisational responses.

The challenges of ambiguity

To lead others through ambiguity it is important to first understand ambiguity and its many challenges. Only when a leader is able to manage his or her response to ambiguity, will they be able to empathise with the concerns and fears of others and inspire them. This requires that a leader is confident and avoids conveying anxiety to others – since stress and anxiety are contagious.

A leader must acknowledge that whilst it is not possible to give people clarity about everything, giving no clarity at all is not an option. So, in ambiguous times, how and where can a leader provide clarity? Hay Group global research into organisational climate shows that of the 10,000 respondents in Australia, over 60 per cent feel they need greater clarity in what their organisation stands for and its strategic direction. In New Zealand, over 50 per cent of the 1,500 respondents feel the same. If people are to continue to deliver effective outcomes during ambiguous times, they need greater clarity in what their organisation stands for and its strategic direction. In New Zealand, over 50 per cent of the 1,500 respondents feel the same. If people are to continue to deliver effective outcomes during ambiguous times, they need greater clarity in what their organisation stands for and its strategic direction. In New Zealand, over 50 per cent of the 1,500 respondents feel the same. If people are to continue to deliver effective outcomes during ambiguous times, they need greater clarity in what their organisation stands for and its strategic direction.

Ambiguity is the norm in any complex organisation, but clarity is still possible. It is about purpose, long-term direction and values.
Redefining clarity in uncertainty

People also need to be clear about where the organisation is heading in the long run. In times of uncertainty, the overall direction should remain stable, even if the approach for getting there and the detailed tactics change.

In addition, the same research found that over 60 per cent of local respondents need greater clarity around role expectations, that is, their immediate goals and priorities. Leaders who want to ensure employees remain empowered to take appropriate action need to answer the following questions:

- What are the essential value-adding tasks that you need them to focus their efforts on?
- What objectives do you need them to achieve?
- What are they specifically accountable for and not accountable for?
- What behaviours should they be exhibiting?

Improved clarity about the purpose and strategic direction of the organisation, and an alignment of this purpose with employees’ personal performance expectations can help people cope better with the challenges imposed by ambiguity. Gaps in these simple building blocks can be the biggest impediments to growth and success.

So, whose role is it to provide this clarity? While employees want to hear from the CEO about the organisation’s purpose and current strategic direction, they need to hear from their manager specifically about what this means for them. Line managers are best positioned and can communicate more frequently and in a more meaningful way to their team. This is the person employees have a relationship with on a daily basis, and people trust those they spend more time with. The most effective line managers align their team with the goals of the organisation, by articulating exactly what is expected of team members.

Creating the right culture

Coping with ambiguity means creating a culture where employees don’t worry about the things that are outside their control, and instead focus on what they can control. And this is where great leaders add value – by creating an environment that permits each employee to be engaged and focused on making a meaningful contribution, in spite of uncertainty.

Agile leadership in times of ambiguity and uncertainty means understanding its impact on the workforce and accepting that people aren’t comfortable with ambiguity. This involves showing confidence and clarifying the purpose of the organisation, its strategic direction and values, and employees’ expectations of their role. Line managers play a significant role in providing this clarity, and leaders need to get rid of unnecessary red tape and empower line managers and employees to take the action they need to be agile and deliver through ambiguity.

CASE STUDY: How Caterpillar catapulted into the top 20 World’s Most Admired Companies

Construction and mining equipment manufacturer Caterpillar has put people at the heart of its strategy since its foundation in 1925. Hay Group has worked with the company to turn its strategy into reality through its people, helping the company to grow and prosper across the world by increasing engagement, in particular through clarity and accountability, fostering high performance and delivering enviable retention rates.

“People are the one asset that appreciates over time. If you do the right things for people, it will give you a competitive advantage for the future.” - Kim Hauer, Caterpillar chief HR officer and vice president.

In the past decade the company has gone through periods of massive expansion both at home and in new markets, such as China and Brazil. When Doug Oberhelman became the company’s chairman and CEO in 2010, he asked Hay Group to join his strategic planning committee, helping to explore what success looked like for the organisation and design a strategic plan. The result was a threefold approach, focusing on clarity and accountability, customer focus and deep expertise. And the new strategy is already proving its worth. In 2011, Caterpillar announced results showing that its revenue was up 41 per cent to $60 billion and profits up a phenomenal 83 per cent and in 2012, for the first time in 15 years, Caterpillar entered the top 20 list of the World’s Most Admired Companies.