

Patrick Lagadec interviews Philippe Baumard, who explains why shaping the future, securing leadership commitment and implementing sensible tactical moves are so difficult in our micromanagement, toolbox culture

Rebirth: Strategic thinking



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PATRICK LAGADEC (PL): YOUR BOOK, *The Strategic Void*, clarifies the challenge of the future, saying that focusing on tactical rapid response will never compensate for the absence of strategy.

Philippe Baumard (PB): The world has turned tactical because it is faced with a situation where every known strategy has become inefficient. This is the perfect reverse of 'tipping point'. The paradox is that this is a result of an obsessive quest for efficiency. Management fads have become substitutes for strategic thinking. Strategy has turned into a relentless tactical response.

Indeed, strategists created the situation, starting during the Cold War when nuclear dissuasion made it difficult to plan for direct confrontation. Wars became small. Indirect action and fine-tuning showed more results than grand schemes. While academics were teaching the beauty of grand motives, governments learnt the value of being swift, discrete and, to some

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..... extent, brutal. But the ethos of grand theory did develop, first in governmental matters, then it spread to most areas of world affairs. While counter-insurgency became the main *modus operandi* of strategic affairs, the world market for management ideologies emerged and strategic thinking began to lose ground with reality. This growing gap between ungrounded strategy and shameless tactics is reinforced by governance mechanisms that focus on short-term returns, morbidly adopting the path of least resistance.

PL: You seem to bridge the fall of governance, at a macro-level, with the failure of governing at the micro-level?

PB: Because we confounded a loss of articulation with a problem of mismatch of scales. The asymmetry between insurgents and military command, or between climate change and our energy-efficiency policies, are not an issue of adjusting a large-scale response to an asymmetric threat, but rather the problem of outdated and disconnected models that generate singularities they can neither comprehend nor handle. In the military, this situation evolved through cultivating models that had lost their grounding in reality and substituting them with their forceful tactical counterpart. Insurgents learnt that our models were designed for asymmetries, but could not handle their own absurd functioning. So they exploited our failure to strategise.

Constant and immediate global scrutiny has reinforced this bad habit of adopting the most rapidly visible response and believing this is evidence that our models are working. This idea spread in global finance and drained the governance of sovereign debts into the same dichotomy: on one side, an uncontrolled escalation of commitments to a biased global model, and on the other, a very efficient, discrete and swift market dominated by financial tactics. We didn't, collectively, acknowledge that 'containment' was counter-productive.

The reason for this is that at ground level, it did not appear counter-productive. Discretionary tactics and perversions defeated the reign of communism. But when the Cold War chapter closed, the know-how stayed in place. People shifted to where new demand emerged, into the fields of world economic affairs, banking, development and trade. This created a world that can attain tremendous profit because any kind of strategic perspective is deliberately avoided. There is much more profit to be made in a strategic void than there is in bearing the risks and promises of a transformative commitment.

PL: Here is a paradox. One could have imagined that a world with such fluidity and flexibility would be in a better position to

handle complex crises. Why is this not so?

PB: Liquidity and availability are double-edged swords, carrying the promise of greater mobility of assets or intervention forces, but also instilling the feeling that preparation is fruitless, an unnecessary short-term cost when every small, inspired investment is seen as a lack of market rationality. Somatic adaptation yields better results, at least in the short term. This paradox has worked so far because, in the past 50 years, we had enough time to accommodate such a vacuum, and to create efficient deflection mechanisms to hide the encumbrance of the world's distressed assets.

PL: It sounds like the subprime crisis...

PB: It is the subprime crisis, but it is also the climate change crisis, the Afghanistan

Philippe Baumard

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crisis, and the sovereign debt crisis. It rigidifies the gap between the strategic void and the world of efficient tactics. Reginald V Jones theorised: If you feed an individual with relentless incongruities, they become congruous. We expect a world of permanent surprise. Individuals who dare to deviate from this endless repetition of 'doing more of the same' are denounced by their peers.

PL: Clearly, we need a powerful new mindset and operational repertoire.

PB: We must escape this state of artificial congruity. We are fighting an efficient and profitable dominant logic that simultaneously produces short-term wealth and long-term destruction. We have inversed creative destruction, and turned it into destructive creation. This reversal is sustained by an intense ideology that does not focus on framing the real world, but on the justification of the artificial one.

Markets celebrate forceful interventions because they give the impression that we

can enforce this artificial consistency. A strategic void feeds on the efficiency of its counterbalancing tactics and it rewards actions which are certain to generate profits – while sanctioning transformations that raise uncertainty and over-long commitments.

Modern corporations tend to behave the same way: the more atypical ventures are pushed away to units further away from the core business. Units that dare to question core beliefs are treated as insurgents of the dominant logic, they are deflected to the outer borders of the organisation in a swift, and sometimes brutal, tactical way. The periphery has become the place of meaningful thinking, and the core the guardian of the tactical vision.

Command is now a matter of mastering the figures, not the facts; the compliance, not the meaning. We do not reward the craft of governing, but the government of statistical crafting. The main threat with this mindset is collective self-deception. It implies that we stop questioning failures and purposes, and that we replace engagement with compliant procedures and timely reporting. We collectively lose the need 'to define', the will to affirm our own grasp on a situation.

PL: Is this different from an excessive growth of bureaucracy?

PB: There is an essential difference. Bureaucracies did not serve a higher purpose. They served the rule, and made sure the rule was honoured and applied, which does not involve an inherent change of the world in which they operate. What we are witnessing is a detachment of purpose from design.

PL: You say periods in history when visions and practices appear in the void are crucial moments of maturing dynamics – new visions and possibilities are shaped, the unknown triggers novel paths.

PB: But the logic has escaped its creators, and it is spreading. Its internal logic, based on tactics, can work within an entrepreneurial, an organic and collective co-operative, or a forceful bureaucracy. On one side, ideologies grow and thrive in their own world; on the other, tactical returns bear their fruits. Everything else is left to what Clausewitz envisioned as an: "Irregular warfare on a global scale."

The rise of a global information infrastructure provides the elasticity between these realms, which would be otherwise incompatible. When the tactics stumble – and they do – immediate cognitive adjustments, what some call information warfare and others manufacturing of consent, will fill the gap.

When global ideologies fail, the tactic is to reassure everyone on the efficiency of

From the unknown

Spearheaded by CRJ Editorial Advisory Board Member Dr Patrick Lagadec, who is Director of Research at the Ecole Polytechnique in Paris, France, this series is devoted to exploring the challenging issues characterised by 21st Century crises. The aim is to go beyond our usual mindsets, helping to clarify pitfalls, redesigning the new landscapes that must be considered and showcasing creative moves that will help to feed positive dynamics. The goal is not to find ready-made solutions, but to stimulate and feed new ideas, new approaches and new methods of thinking

the world without grand design and this is why the pack psychology of spontaneous rebellions can easily be absorbed at both ends. Tactical interventions can silence them, and if they fail, they can be drawn into the global irregular warfare that Clausewitz anticipated. To achieve a novel pathway, we need to fight these three mechanisms simultaneously. Ending the realm of tactics calls for the vigorous reintroduction of the transformative value of human action in science, education, economics, finance and society as a whole.

Ending management fads

Tactics do not transform. Strategy does, but it cannot achieve transformation without a purpose. We must acknowledge that creative destruction is not fit for a world facing a growing scarcity of vital resources. The current dominant logic of transformation is one of destruction, displacement, deflection and reconstruction, and which only serves to satisfy market efficiency. We also need to put an end to the global market for grand motives and glorious ideologies, including management fads. We know, by now, that we can live in a world that produces a large amount of visions, but still lacks a core strategy.

The fear of collapse has been used as a deterrent against atypical questioning, but times of strategic voids, which create holes and a wide empty space for creative reversal, are also times where new worlds are shaped. It only takes a lot of bored tactical thinkers, willing to put a little bit of meaning in their lives. And there is no lack of such people. CRJ

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