Managing the Future
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On October 27, 1986 the cover story of *Fortune* magazine was about Ken Olsen, the founder and CEO of DEC. The story, with his photo on the front page, named Olsen “America’s Most Successful Entrepreneur.” DEC had become the major competitor of IBM at that time and had grown from zero in 1957, when founded by Olsen, to a multi billion dollar company at the time the cover story was written (DEC’s revenues were close to $12 billion, with $1.3 billion in profits, in 1988). Yet ten years later, in 1998, Dec was bought by Compaq after incurring heavy losses and having to fire tens of thousands of people. Olsen’s famous, or better infamous, statement “There is no reason for any individual to have a computer in their home” prevented DEC from entering the booming PC market which was fully exploited by the likes of Microsoft, Compaq and Intel who had the foresight to aggressively pursue the PC market and, in the process, dominate the market.

The rapid rate of technological and other changes that affect the business environment has increased the need for correct foresight. Today, there is overcapacity and keen competition in nearly all industries. Thus, the big winners are those that can accurately predict forthcoming changes and effectively implement a series of steps/actions to exploit them before their competitors. Doing the same as many others, or waiting for confirming evidence before acting, can lead to disaster as the telecom industry, which correctly predicted the need for broadband, has found out. Accurate prediction must also be unique, as the expectation of large future profits inevitably attracts competition and results in oversupply, as has been the case in the telecom industry, which experienced major bankruptcies and big losses by practically all players in the last few years. But there is no such a thing as a free lunch. Profiting from foresight requires taking risks, since there is always the chance that the predicted events/technologies may not materialize as planned, or their timing may be different than predicted.

The industrial revolution reversed established trends that had prevailed, often, for thousands of years and brought material abundance while also raising the standards of living of Western societies, as well as other parts of the world, while also almost doubling life expectancy during the past 150 years. Technological innovation has been the engine behind the industrial revolution, which has, consequently, affected all aspects of our
personal lives and business firms. The information revolution currently developing will equally affect all aspects of our lives and business. Those able to exploit its technological advantages in order to provide new, useful products and services for both consumers and businesses will greatly benefit, as will be those who benefit from using new technologies to run their internal operations more efficiently and effectively. Foremost, new technologies require an open mind if they are to be used, not as extensions of the old ones, but in brand new ways that exploit, in the highest possible degree, the availing technological capabilities ensuing from new technology.

The role of foresight is to provide business executives and government policy makers with ways of seeing the future with different eyes and fully understanding the possible implications of alternative technological/societal paths. The most critical element in succeeding is not the correct prediction of when new technologies will arrive but rather the implications of such emerging technologies and their abilities to offer new products/services that consumers would be willing to pay for. Nothing, however, is certain. Thus, the purpose of foresight is neither to provide recipes nor specific forecasts. Its aim is to enhance an organization’s ability to consider various future scenarios without any preconceptions, debate their implications, examine the risks involved, estimate potential benefits, predict the costs/investments involved to arrive with practical alternatives that can be translated into executable actions.

In order to improve the chances that foresight can be as valuable as possible, organizations must create a group consisting of the right people (mostly young high flyers with one or two seasoned executives who know the industry and firm) and provide them with ample time and resources for their deliberations. This group should not hesitate to ask the most threatening questions such as: will our industry exist five or ten years from now? Will the Internet make our business model obsolete? How easy will it be for new competitors to enter the industry? How can our firm grow and prosper in the face of keen competition from existing players and pressures from new entrants? Can our firm provide products/services that add extra value to our present and potential customers? etc. The recommendations of the group should be presented directly to the Board of Directors and must, in their majority, be implemented unless the Board, and not the Management, decides otherwise. Implementing bold changes is neither easy nor risk free. At the same time organizations must recognize threatening changes and adapt to them as technology and competition continuously affect business firms. Tomorrow’s winners will not obtain leverage by being operationally efficient and effective (such abilities are fast becoming competitive requirements), instead they will need to recognize forthcoming changes and be proactive in implementing them before competitors, fully realizing the risks involved, so that they can lead their industry and make above-average profits, before others follow creating overcapacity and reduced profit margins. Finally, executives must realize that as the pace of technological change becomes faster so does the failure rate of once stellar firms (the fact that Compaq was obliged to merge with HP is a vivid example of a great company getting, in a short period of time, into serious financial trouble) that see their business model becoming obsolete because a start-up devised a brand new model.
Chapter One

Introduction: Organizations and the Future, From Forecasting to Foresight

Haridimos Tsoukas and Jill Shepherd

Deliberation is irrational in the degree in which an end is so fixed, a passion or interest so absorbing, that the foresight of consequences is warped to include only what furthers execution of its predetermined bias. Deliberation is rational in the degree in which forethought flexibly remakes old aims and habits, institutes perception and love of new ends and acts.

John Dewey (1988, p. 138)

The dominance of retrospect in sensemaking is a major reason why students of sensemaking find forecasting, contingency planning, strategic planning, and other magical probes into the future wasteful and misleading if they are decoupled from reflective action and history.

Karl E. Weick (1995, p. 30)

Several leading social theorists have pointed out that one of the most significant features of modernity is its attitude to time in general and the future in particular. As Giddens (1990, 1991) has repeatedly argued, whereas for pre-modern societies the future is something that just happens, with individuals exercising only a limited influence over it, for modern societies the future is something to be carefully thought about, influenced and, ideally, planned. Nowhere is this modern tendency better manifested than in the field of strategy. Companies are advised to plan meticulously ahead and several techniques have been on offer to that effect.

However, research has shown the limits of the planning-cum-design approach to strategy (Mintzberg, 1994; Mintzberg et al., 1998), as well as the inherent limits to the ability of organizations to forecast, especially discontinuities and radically new developments (Hogarth and Makridakis, 1981; Makridakis, 1990; Makridakis and Hibon, 1979). Popper (1988) famously remarked that, for radically new innovation to occur at all, the future must be unknowable, for otherwise an innovation would, in principle, be already known and would have occurred in the present and not in the future. As MacIntyre (1985, p. 93) observed, commenting approvingly on Popper’s claim:
any invention, any discovery, which consists essentially in the elaboration of a radically new concept cannot be predicted, for a necessary part of the prediction is the present elaboration of the very concept whose discovery or invention was to take place only in the future. The notion of the prediction of radical conceptual innovation is itself conceptually incoherent.

If we are to take the idea of the future seriously, we must accept that the future is inherently open-ended – it will always surprise us (Rorty, 1989).

While such an agnostic attitude towards the future points out the limits of a purely cognitive attitude to it (namely, it highlights the limits of trying to forecast and plan for what lies ahead), it makes it possible, at the same time, to emphasize an active attitude to the future: the latter may not be known ex ante, but it is useful to remind ourselves that the future is created by human beings and, insofar as this happens, the question of foresightful action – action that aims at influencing what will be – becomes relevant and important to explore. The main questions, therefore, in an organizational context at least, are: what does an active stance towards the future imply for organizations? What is organizational foresight and how can it be developed?

Organizations and the Future

In a celebrated lecture given at the Harvard Business School in 1931, Alfred North Whitehead (1967) posed similar questions. The distinguished philosopher identified foresight as the crucial feature of the competent business mind. Anticipating contemporary notions of “sensemaking,” “double-loop learning,” and “scenario planning,” Whitehead perspicuously saw that business organizations need to cultivate foresight in order to cope with the relentless change that modernity generates. Foresight is rooted in deep understanding, he remarked. It marks the ability to see through the apparent confusion, to spot developments before they become trends, to see patterns before they fully emerge, and to grasp the relevant features of social currents that are likely to shape the direction of future events. While Whitehead (and other philosophers, such as Dewey and Popper, who also addressed the question of foresight) had individual actors (entrepreneurs) in mind, his remarks can be extended to organizations as well. But to appreciate what foresight may mean in an organizational context, we need to revisit some key properties of organizations.

It has been suggested that organizing is about reducing equivocality between actors and generating recurrent patterns of behavior over time (Weick, 1979). Another way of putting this is to point out that organizing is a process for institutionalizing cognitive representations, routines and sequences of predictable behavior. Strictly speaking, when a social system is organized it creates the conditions for a standardization of time, whereby events and processes are placed in a patterned chronological order. Take, for example, the case of a university. Classes are scheduled, meetings are planned, office hours are announced, events are put on the calendar – university life has its own patterned rhythms. Chronological time is superimposed
over the subjective time of individuals so that the synchronized carrying out of organizational tasks is possible (see Das, this volume; Hassard, 2002). Or, to use Giddens’ (1991) language, experienced (subjective) time is “disembedded” – it is lifted out of its subjective individual context and placed in an abstract (organizational) context (Tsoukas, 2001). Insofar as this happens, an organized social system creates quasi-predictability: its internal life is structured along standardized routines sequenced over time.

That predictability, however, is never complete. Partly this is because of the, ultimately, non-programmable human nature: the “disruptive” student, the “awkward” academic, the “indifferent” administrator conspire to make university life more interesting than it would otherwise have been. Predictability, moreover, is mainly limited by the changes in the external environment. Although this is more difficult to see in a regulated academic environment, it is clearly visible in the case of business organizations operating in the market place. Changes in competition, legislation, customer tastes, and technology are some of the most important changes that make a market-based business environment truly unpredictable in the long term. And if those researchers who have studied “high-velocity” environments (Brown and Eisenhardt, 1998; Ilinitch et al., 1998) are to be believed, such changes are faster and more frequent than ever in the history of capitalism.

The environment is thus a source of uncertainty for business organizations much more so than human behavior within organizations is. The reason for this is not difficult to see. Human behavior in organizations is regularized and normalized to some extent (but never completely) through the authority relationship. The latter standardizes expectations, homogenizes to some degree individual cognitive maps and, through management control systems, elicits certain intended behaviors. The environment, however, is, to a large degree, beyond an organization’s control, hence it is not clear how it will change over time. Think of how disruptive technologies have reshaped the semiconductor and the watch industries (Glasmeier, 1997; Tushman et al., 1997), or how legislation has influenced the activities of accounting firms, in the aftermath of corporate scandals in the USA in 2002. Precisely because of the uncertainty of the environment – that is to say, the uncertainty generated by the interactions of all those factors that make up the business environment over time – strategy making is important: it represents senior managers’ wish to steer a distinctive and coherent course of organizational action over time (Mintzberg, 1994, p. 239). But how do organizations do that? How do they deal with the uncertainty of the future? (See Narayanan and Fahey in this volume.)

How organizations deal with the future depends on how they answer the following two questions: first, to what extent is there a knowledge base for anticipating important events? And second, to what extent is there a stock of knowledge on which to draw for undertaking action? How these two questions are answered, gives four different ways organizations attempt to deal with the future (see Figure 1.1). When important events are anticipated (that is, when we have knowledge of forthcoming events) and there is a stock of knowledge as to how to deal with them, organizations use forecasting methods. Seasonal demand, for example, is such an event that may be anticipated, which, say, a beverages company knows how to deal
with. Such events are typically extrapolations from the past and a relevant knowledge base has been developed over time. The future in this case is not qualitatively different from the past; it rather is a pattern that is being repeated over time (Makridakis, 1990).

When, however, certain events may be anticipated, but a knowledge base on how to deal with them does not yet exist, forecasting is of limited utility. In such cases, analogies is the method most often used for drawing conclusions. In politics, nation building is a good example. Overthrowing a government and disrupting the political and institutional status quo in a country leads, typically, to a power vacuum, lawlessness and a breakdown of institutions (at least initially). Such events may be anticipated but how to deal with them – how, in other words, to create new institutions, which will command the loyalty of the local people – is far from clear. The case of Iraq is a good case in point. Building institutions, especially democratic ones, which will, at the same time, reflect the values and culture of the indigenous population for post-Saddam Iraq is fraught with huge difficulties and uncertainty. As is seen in the debate about the future of Iraq, drawing analogies with similar situations concerning nation-building in post-War Japan and Germany, as well as more contemporary ones in Bosnia, Kosovo, and Afghanistan, is the most feasible way for policy makers to figure out what to do. The same applies to policy making at large. How to create a functioning market economy and a liberal democracy in former communist countries is far from clear (Elster et al., 1998). Analogies with the development of capitalism in other parts of the world help to derive lessons of what to do.

Cases in which knowledge about the extent to which certain events and processes may be anticipated is limited leads typically to the use of “what if” contingency
planning and scenarios. Forecasting in this case is inadequate, since forecasting relies heavily on the established patterns of past behaviors and/or a good understanding of cause–effect relationships in order to predict what may happen in the future. Some events, however, may be novel or rare, about which there is very little prior knowledge, hence they cannot be predicted. There are, however, certain events, for which, although uncommon, should they occur, there is a stock of knowledge of how to deal with them. For example, a biological terrorist attack on the London underground is an event no policy maker knows will happen, but, if it does, hospitals need to be ready to treat the patients in certain ways. The same applies to some environmental catastrophes. There is now a certain know-how concerning, for example, the treatment of oil leaks in the sea or earthquakes. Policy makers know, broadly, how to respond to such events, although they do not know if and when they will happen.

It is far more difficult for managers and policy makers to respond to events about which (a) they know very little about the probability of their happening, or even cannot imagine what form they will take (think, for example, of the terrorist attack on the Twin Towers – who would have imagined it?), and (b) managers and policy makers have very little knowledge about how to deal with them. Such events represent discontinuities—they are rare events that happen on an ad hoc basis (Mintzberg, 1994, p. 228). Rapid price increases, draconian legislation, dramatic political changes, disruptive technologies, and abrupt shifts in consumer attitudes are discontinuities, whose occurrence and/or timing are difficult to predict and there is no developed knowledge base as to how to deal with them.

Currently, scenario-based organizational learning (SBOL) is the most widely used method to deal with such discontinuities. Notice that the use of scenarios is not an attempt to attach probabilities to a set of events, but a process to prepare the organization to see such discontinuities “soon enough . . . and to do so earlier or at least better than anyone else” (Mintzberg, 1994, p. 233; see also van der Heijden et al., 2002, p. 176). SBOL does not attempt to eliminate uncertainty; it rather recognizes its irreducible character and, consequently, the fundamentally unpredictable changes in the environment (van der Heijden, 1996, p. 103). Uncertainty now is not so much a threat to be eliminated as an opportunity to be taken up and given form (Tsoukas, 1999). The burden is on the organization: how clearly and quickly it can see developments in its environment, how sensitive it is to environmental changes, how quickly it can spot differences both within and outside the organization.

SBOL is not so much about the future per se as about sharpening the organizational ability of perceiving in the present. As van der Heijden (1996, p. 118) remarks:

The language of scenarios is about the future, but they should make a difference in what is happening now. If it is successful in embedding different models of the business environment in the consciousness of the organization, it will make the organization more aware of environmental change. Through early conceptualization and effective internal communication scenario planning can make the organization a more skilful observer of its business environment. By seeing change earlier the organization has the potential to become more responsive.
In this view, a foresightful organization is an organization that has sharpened its ability to see, to observe, to perceive what is going on both externally and internally, and to respond accordingly (see Chia, this volume). Organizational awareness is enhanced by the extent to which members of an organization collectively become skilful perceivers of the business environment (see Schwandt and Gorman, this volume). The ability to perceive is sharpened through increasing the individual and organizational capacity to see differences. This is easier in the case of individuals, such as for example the Canadian retailer Sam Steinberg, who was the first to launch his business into shopping centers in the early 1950s in Canada (Mintzberg and Waters, 1982). As Mintzberg (1994, p. 232) points out, incipient discontinuities in the business environment tend to be spotted by individuals who have a deep understanding of an industry and its context (see Fuller et al., this volume).

However, as research in artificial intelligence shows, such a sophisticated form of pattern recognition for discontinuities cannot be formalized and, insofar as this is the case, it cannot be turned into formal organizational systems and routines (Dreyfus, 1997; Penrose, 1994; Searle, 1997). Ansoff’s (1984) “weak signals” – the signals that give an organization a clue for discontinuities to come – are potentially infinite. Which ones will turn out to be critical cannot be formally articulated but informally intuited (Mintzberg, 1994, p. 233; see Seidl, this volume), which is why foresight tends to be an important feature of successful entrepreneurs who do not have to articulate and justify their choices and actions to outside audiences.

For an organization to sharpen its collective capacity to perceive is more difficult than for individuals. The reason is that, as argued at the beginning of this chapter, organizing is the process of generating recurrent behaviors, namely a process for reducing differences among individuals through institutionalized cognitive representations (Tsoukas and Chia, 2002, p. 571). This is what gives organized systems predictability and efficiency; but this is also what gives them rigidity and crudeness. Organizing induces abstraction and generalization in social activities for coordinated purposeful action to become possible. Thus, in strictly organizational terms, a “broken photocopier” is an abstract entity, as malfunctioning as any other, and this is what enables a photocopier company to issue repair manuals to its service technicians (Orr, 1996). Organizations, however, are far more than abstract systems: they are activity systems (Blackler, 1995; Spender, 1996). A particular broken photocopier is not a an abstract entity that simply features in repair manuals, but a material machine that is used in specific contexts by specific individuals, which will be repaired by specific technicians.

An organization develops its ability to see differences by the extent to which its members do not merely draw on institutionalized cognitive representations and routines (“a broken machine,” “if this happens then do that”) but improvise and adapt them to local contexts, and undertake situated action that compels organization members to partially revise the cognitive representations they draw upon (see Cunha, this volume). The more sensitive organizational members are to differences between institutionalized representations and routines on the one hand and the local contexts of action on the other, the more perceptive they will be. Just as a good painter brings to our attention something we had seen but not noticed (Bergson,
so an organization becomes perceptive by sharpening its members’ attention through helping them spot differences between how things canonically and routinely should be on the one hand and how they actually are and/or might be, on the other. Notice that what is important here is not forecasting what exactly “might be” but using plausible versions of the latter in order to juxtapose them with current representations, routines, and assumptions, and draw out the implications. Maintaining the difference – the tension – between “what should be” and “what is” as well as between “what is” and “what might be” activates the organizational sensory system, just like the human sensory system is activated by difference (Bateson, 1979).

It is in that sense that SBOL creates “memories of the future” (Ingvar, 1985). Through preparing scenarios about different futures, an organization can see plausible changes in the environment and how they will probably impact the organization. Although none of those scenarios may come true, the jolt that is delivered to the organization through them is often strong enough to make the organization challenge its business-as-usual assumptions, its current cognitive models and routines (van der Heijden et al., 2002, p. 176; Wright and Goodwin, 1999).

Van der Heijden et al. (2002, p. 177) describe how a scenario project in an Asian multinational corporation made the company perceive more clearly the changes in its environment and their implications for the organization, as follows:

In other words, the scenario project re-focused senior managers’ attention and made them notice changes that they had probably seen but not noticed – the price of being both an organization in general (reducing differences) and a successful organization (complacency) in particular (Miller, 1990). The process of constructing and reflecting on a scenario set enabled senior managers to “visit” the future ahead of time, thereby creating “memories of the future,” and juxtapose those “memories” with current practices. It is the difference between “how things may turn out to be” and “how they currently are” that spurred managers to action. The organization now could not go on as before pretending it did not know: things would have to change.

Notice that, seen this way, foresightful action – action in conditions of limited knowledge concerning both the extent to which future events may be anticipated and how to deal with them – is possible through greater self-knowledge. Knowledge about the future and how to handle it may be difficult to obtain, but it is within our power to enhance what we know about ourselves. This should not be confused with the case of self-prediction – self-knowledge is valuable not because it leads to self-prediction but because it sharpens one’s ability of perception and, thus, enhances one’s capacity for action.
As MacIntyre (1985, pp. 95–6) persuasively argued, self-prediction is impossible because an actor’s future actions cannot be predicted by him/her since they depend on the outcomes of decisions as yet unmade by him/her. Self-knowledge is clarity about one’s behavioral tendencies. In organizations, it is particularly strengthened when senior managers envisage different ways in which the future may turn out and how the organization would accordingly respond. That kind of knowledge makes the organization more aware of its potentiality and, to the extent this happens, it contributes to organizational self-knowledge.

This is in line with Dewey’s understanding of “potentiality.” For him potentiality is not teleologically defined – namely defined as the unfolding on an inner essence in the pursuit of a fixed end – but interactively produced (Dewey, 1998, p. 223). Potentialities are known after interactions have occurred. There are, at a given time, unactualized potentialities in an organization because, and in as far as, there are in existence other things with which it has not as yet interacted. Scenarios of the future are such things with which an organization is asked to simulate “interacting” and, by doing so, it obtains a clearer picture of its potentiality.

Dewey (1988, p. 143) has observed that “the object of foresight of consequences is not to predict the future. It is to ascertain the meaning of present activities and to secure, so far as possible, a present activity with a unified meaning.” And, later on (1988, pp. 143–4), he continues:

Hence the problem of deliberation is not to calculate future happenings but to appraise present proposed actions. We judge present desires and habits by their tendency to produce certain consequences. … Deliberation is not calculation of indeterminate future results. The present, not the future is ours. No shrewdness, no store of information will make it ours. But by constant watchfulness concerning the tendency of acts, by noting disparities between former judgements and actual outcomes, and tracing that part of the disparity that was due to deficiency and excess in disposition, we come to know the meaning of present acts, and to guide them in the light of that meaning.

In the context of this book, Dewey’s argument can be seen as a wonderful advocacy of organizational learning. While the distinguished philosopher points out the futility of trying to forecast the future, he is sensitive enough to realize that intelligent (or in his terms, “deliberative”) action is one that: (a) springs from knowledge of past experience that reveals current tendencies; and (b) is quick enough to link outcomes to expectations in a continuous manner (see Lipshitz et al., this volume). Dewey seems to have in mind here both retro-knowledge and how important it is in helping actors understand current tendencies and fore-knowledge and how significant it is in inducing re-consideration of old aims and habits in light of expected outcomes. Like the executives of the Asian multinational mentioned above, organizations need to keep ascertaining the meaning of their current activities – their active tendencies – for by doing so they keep their activities alive, stop them from becoming routine habits. The meaning of current activities is ascertained by juxtaposing them with activities in the past and, more importantly, with likely activities in the future.

While organizational learning partly relies on retrospective sense making, whereby we obtain a clearer picture of our actions through making sense of them ex post facto
(Weick, 1995), it also partly relies on prospective sense making, whereby an organization ascertains its tendency to yield certain results through comparing its current modus operandi with the anticipated challenges of the future. In other words, in Dewey’s terms, an organization is likely to act foresightfully when it obtains the necessary self-knowledge of its current tendencies. This happens when it systematically links both expectations to outcomes and current practices to anticipated futures. Foresightful action is thus inextricably linked to learning and sense making. Dealing effectively with the future is not so much about getting it right ex ante as about preparing for it. Whereas forecasting activities focus on outcomes, organizational learning (especially scenario-based and analogical organizational learning) focuses on process – preparing the organization to spot differences soon enough and act before or better than others.

**Foresightfulness as Coping**

From the above it follows that an actor is foresightful when it has the propensity to act in a manner that coherently connects past, present and future (Tsoukas and Hatch, 2001; Weick and Roberts, 1993; see chapters by Cunha, and Lipshitz et al. this volume). At an elementary level, this happens when an organization forecasts, for example, demand for next year and adjusts accordingly its policies (e.g. production capability, prices, marketing campaign) in anticipation of the new demand. Forecasting techniques tackle this sort of problems rather well. For this simple form of foresightfulness to be effective, organizations need to have a memory in which past incidents are recorded, and to have deciphered certain relations between the items stored in memory, which enable the organization to anticipate future incidents.

A second, more complex way of relating past, present, and future is for an organization to hypothesize that certain events will take place in the future and work backwards to the present state to decide what it would need to do should these prognostications come true. This, as argued above, can take the form of contingency planning or scenario planning.

An organization also fully develops the pervasive *skill of foresightfulness* when its members systematically treat time as a stream, namely when they forge a coherent relationship between past, present, and future or, between memory, attention, and expectation respectively (Tsoukas and Hatch, 2001; Weick and Roberts, 1993). Through the use of stories, scenario-based organizational learning provides practitioners with flexible means to connect data dispersed in time. Plausible futures need to be narratively connected to current tendencies and past experiences.

The pitfalls for organizations here are threefold. Too heavy an influence by the past results in incapacity to see what has changed in the present and what is the likely shape of things to come. This is a problem inherent in formal organization. The latter tends to perceive the world predominantly in terms of its own cognitive categories, which are necessarily derived from past experiences. The world may be changing but the cognitive system underlying formal organization, a system that reflects and is based
on past experiences, changes slowly (see chapters by Durand, and Henderson and Blackman in this volume).

Too much concentration on the present task makes the organization unappreciative of all the small changes that are taking place in the wider environment. Van der Heijden (1996, pp. 115–16) mentions a major company in the mainframe computer industry in the 1980s that found it nearly impossible to notice the huge changes that were taking place in its industry. They were very capable of forecasting demand for computing power (tellingly, expressed in “millions of instructions per second” – a key term in the mainframe business) but unable to work out the form the market was slowly taking before their own eyes (i.e. the emergence of distributed computing).

Finally, too tight a focus on the future per se risks making the organization a victim of fashions. As Mintzberg (1994) has pointed out, moving in and out of diverse markets, following the fashion of the day, without properly considering the organizational capabilities a firm has historically developed, may lead a company to reckless decisions. Diversifying into new businesses should not be a mere exercise in linguistic re-description (“reinvent your business”) but a balanced consideration of a firm’s capabilities. “Knowing thyself” is as important as “dare to be different.”

Foresightfulness becomes an organizational skill when future-oriented thinking ceases to be a specialized activity undertaken by experts and/or senior managers, in which they engage from time to time in order to deal with something called “the future,” but acquires the status of expertise that is widely distributed throughout the organization and is spontaneously put to action. Forecasting techniques, simulation methods, even scenario planning, all are designed to be used or engaged in by experts, or senior managers, who focus explicitly on the future and treat it as if it was a separate entity. While this is important, for all the reasons mentioned above, it is even more important that foresightfulness becomes an embedded organizational capability, a set of actions that do not spring so much from explicit reasoning about “the future” but from an “immediate coping” (Varela, 1999, p. 5) with what is confronting the organization. Just like “a wise (or virtuous) person is one who knows what is good and spontaneously does it” (Varela, 1999, p. 4), so a foresighted organization is one whose members spontaneously forge connections between past, present, and future. In other words, organizational foresightfulness is fully developed when it becomes an institutionalized capacity of unobtrusively responding to an organization’s circumstances so that the organization may get around in the world.

The notion of coping, drawn from Heideggerian philosophy (see Dreyfus, 1991; Wrathall and Malpas, 2000), implies that dealing with the future is a pervasive, background organizational skill, not a focal act. In executing its primary task – be it treating patients, serving customers, teaching students, or whatever – an organization acts necessarily in the present. The future is not some entity to engage with in the same way, say, a bank engages with a customer. A bank sells its services in the present and organizes itself to be able to carry out this task in the future as effectively as it can. To be able, however, to continue selling services to customers, it needs to be concerned not just with the present but with the future as well. A foresightful bank is subsidiarily aware of the past and the future while focally engaging in the present (Tsoukas, 2003). It is aware of the fact that it ought to be able to continue being