

His Last Bow: Sherlock Holmes and Embracing Chaos To Build Compliance Programs

Fittingly, we end our tribute week of the 125th anniversary of the appearance of the world's great consulting detective, Sherlock Holmes, with a look at the final Arthur Conan Doyle short story in the Holmes *oeuvre*, *His Last Bow*. The story, written in 1917 but set in August 1914, is a spy story rather than a detective story. In it we find that Holmes is retired from his detective consultancy and is now a beekeeper but is also writing the definitive treatise on investigation. In the story, Holmes and Watson, now much older than in their heyday, have not only caught several spies in their return from retirement, but fed the Germans some thoroughly untrustworthy intelligence. Holmes then identified the security leak through which British secrets were reaching the Germans. In reference to the impending war, which is about to begin, Doyle penned the following dialogue between Holmes and Watson.

"There's an east wind coming, Watson."

"I think not, Holmes. It is very warm."

"Good old Watson! You are the one fixed point in a changing age. There's an east wind coming all the same, such a wind as never blew on England yet. It will be cold and bitter, Watson, and a good many of us may wither before its blast. But it's God's own wind none the less, and a cleaner, better, stronger land will lie in the sunshine when the storm has cleared."

I thought about this final Holmes short story when I read an article in the November edition of Fast Company, entitled "*Secrets of the Flux Leader*", where author Robert Safian engaged in an interesting discussion how of brilliantly managed chaos can lead to success in a wide range of companies and enterprises. If there is one thing about Sherlock Holmes his mind brought clarity to the chaos of a crime scene and all the attendant evidence, both real and imaginary. Safian, who coined the term "Generation Flux" in a previous article, explained "how the dizzying velocity of change in our economy has made chaos the defining feature of modern business." He described Generation Flux people as those who will thrive best in this environment of rapid change. "It is a psychographic, not a demographic--you can be any age and be GenFlux. Their characteristics are clear: an embrace of adaptability and flexibility; an openness to learning from anywhere."

Safian recognized that sometimes companies need rules and hierarchy but "Where hierarchy clearly fails the modern organization is in fostering and encouraging the creative ideas needed to stay agile in today's networked world. The challenge for the Generation Flux leader, then, is to encourage creativity and agility while retaining the advantages of hierarchy." He pointed to the example of retired US Army General Stanley McChrystal who "experienced a reinvention challenge of his own when the threat of Al Qaeda emerged and the U.S. military had to rethink its assumptions." He quoted McChrystal for the following, "We thought we knew the rules, that we knew what it took to be successful. But the sport we had been playing wasn't good enough for the sport we were required to be effective at." Further McChrystal stated that "Against Al Qaeda,

we had to change our structure, to become a network. We were required to react quickly. Instead of decisions being made by people who were more senior--the assumption that senior meant wiser--we found that the wisest decisions were usually made by those closest to the problem."

Safian wrote that "the smartest leaders recognize that a new kind of openness to ideas is required. This is where hierarchy fails us completely. How can a leader make sure that all the options and ideas from the trenches make their way to the top? If you rely on a traditional suggestion-box approach--"Please send me your ideas"--you're doomed to limit your inputs, even in a digital, social age." He believes that this is inherent in the system because "Self-censorship is endemic wherever there is a whiff of hierarchy. People assume that their opinions aren't really valued. At the same time, leaders also need to be open to letting others make decisions for them. In a fast-changing world, the boots on the ground--be they soldiers or salespeople, engineers or intelligence officers--often need to react without going up the chain of command for approval. What's more, they need to be empowered to act, to solve problems they encounter unexpectedly. This kind of openness requires not just free-flowing information but a new kind of collaborative trust."

Safian cited the example of Mark Parker, Chief Executive Officer (CEO) at Nike, who regularly walks the halls of the company seeking ideas from employees, by asking about projects they are working on at their desks. Parker found "a young designer showed the CEO a side project he was working on, exploring shoes that would match a barefoot running experience; Free is now a billion-dollar Nike franchise."

Interesting, Safian compared Generation Flux to the difference between Newtonian physics with the change wrought by Einstein and the quantum physics revolution. In Newtonian physics, there is no greater goal than stability. He wrote that "That scientific conclusion helped us to embrace hierarchy and one-size-fits-all models." Yet in the world of quantum physics "We now know that cause and effect is not a given in the natural world. Creation comes not from stasis but from unpredictable movement. Chaos is everywhere." This is state of the business world today.

So what does this mean for compliance? First, the hierarchical model of leadership will not work, but more importantly "There exists no single model that leads to success." This means that compliance leadership must be ready to throw aside previous assumptions and "embrace hierarchical top-down leadership and bottom-up systems." But this requires time for reflection both by the leadership teams and those below who are on the ground. Companies must recognize the diversity in their companies on a global basis. Not everything can be accomplished by the corporate office in the US nor can everything be run from the home office, wherever that may be. Safian ended his article by stating that "'Deciders find it really hard to accept failure, but tinkerers and engineers are undeterred by it. Failure is part of the process. We can't run from it." Nor should we."

So this brings me to my final post in the tribute week to my favorite character in fiction, Sherlock Holmes. I hope that you have enjoyed reading this week's post as much as I have writing them. I end this week with *His Last Bow* as a fitting tribute to Holmes use of chaos to help him solve mysteries. On a superficial level, it may appear that Holmes solved the chaos around him to solve the crimes he investigated but I would submit that he embraced it and used it to push the art of detecting to new levels. Perhaps he even presaged Einstein.

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