

CONTEXT

REFLECTIONS ON THE ESSENCE OF
DOING BUSINESS WITH HUMANS

LATEEF MAURICIO ABRO



**CHAPTER EXCERPT
SAMPLE EDITION**

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DOING BUSINESS WITH HUMANS

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DIGITAL EXPERIENCE CO.

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First Edition

For media inquiries and bulk purchases of this book contact the publishing team at publishing@digitalxp.co.

Printed in the United States of America

1 3 5 7 9 10 8 6 4 2

Book design by Bartholomew Holmes

Book cover photo of buildings by Simone Hutsch

Editing by Maria Nuñez Botero

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PREFACE

DATA IS AN INPUT.

There is so much happening around us that we often forget why we're even paying attention. Desperate to make sense of all the information in our possession we strive to find meaning and ask, "what does the data say?" Then we evaluate the data and make decisions that seem statistically sound. But in our desperation to find answers, did we forget to collect all of the data we should have? Or were we too caught up to note that we only used data that was freely available and easy to find? Or maybe we stopped searching as soon as we found information that confirmed our existing beliefs?

In this book, I reflect on five factors that are prevalent in every business transaction, but often overlooked because they're tough to quantify. These factors are easier to understand through critical thinking than digital calculations, and they must be baked into a company's core strategy before they can be implemented as tactics. The first two chapters, *Culture* and *Empathy*, draw attention to the social and emotional relationships between humans and businesses. The chapters on *Diversity* and *Momentum* prompt us to think differently about human resources and innovation. And the closing chapter, *Judgment*, shines a light on the subjectivity of ethics and the factors that influence the way we make decisions.

DECISIONS ARE AN OUTPUT.

1.CULTURE

CULTURE

Going deep, getting personal.

Cultural insight shouldn't be derived exclusively from surveys and statistical inferences. It should be felt.

DEPENDING ON WHO YOU SPEAK WITH, the term “culture” can be defined and interpreted in a variety of ways. A corporate recruiter may use the term to refer to a company’s idealistic expectations for a certain type of shared work ethic; while a biologist uses the term to explain scientific phenomena related to biological development, growth, and diversity. In this book, we review human behavior and business strategy in a manner that relies on my informed, but admittedly subjective, worldview—while respecting the indisputable truths of scientific evidence. So, for the purposes of this book, the most relevant definition of “culture” is the one an anthropologist might use to describe the values, behaviors, beliefs, and customs shared by a society, or a group within a society.¹

We begin by examining culture because it represents a valuable category of information that is generally underutilized in the business world.

The fundamental and defining factors shared by any group of humans, whether we’re talking about groups of consumers or people within a business organization, can be recognized as characteristics that define a culture. The culture of a group represents a common way of doing things, of thinking, and of interacting with the rest of the world. Culture is also ever-

changing, and this dynamic nature alone makes it almost impossible to define the boundaries of any specific culture, but it doesn't stop us from trying. So we tend to begin the categorization process by grouping people based on the characteristics that are easiest to define in broad terms such as geographic location, gender, household income, profession, and job seniority.

These simple categories serve the purpose of breaking large populations down into smaller, more manageable data sets, but because the categorization is so broad, we miss out on meaningful subtleties and nuances. Over-generalizations can result in a worldview that lacks cultural depth, increasing the probability of getting blindsided by risks or missing opportunities that would've otherwise been detected through a finer assessment of cultural characteristics. We don't always need deep investigation, but sometimes granular cultural analysis is critical to understanding the way people behave, what motivates them, and how they interact with their environment—often generating findings that are not quantifiable, yet particularly valuable.

Cultural awareness adds color and depth to data, revealing qualitative context that informs leadership and staff in ways that many organizations will find completely novel. This qualitative context helps companies to create stronger bonds with customers; policymakers to develop legislation that is more equitable; and, nonprofit organizations to deliver humanitarian aid that has more sustainable, long-term impact.

Let's look at how cultural insights can be developed, and why they can add significant value to a company's business strategy.

Studying Culture Like an Anthropologist

The social sciences are significantly underutilized in the business world, but I think this is slowly changing as companies realize the competitive advantage brought by deeper knowledge of human behavior. When it comes to researching and analyzing culture, the anthropologist's methods present a particularly well-suited set of tools and techniques. While we'll always be able to inform cultural awareness with third-party data, surveys, focus groups, and off-the-shelf analysis models like Hofstede's cultural dimensions², nothing beats the on-the-ground fieldwork of an anthropologist when it comes to generating deep and wide data and meaningful insights. This involves the collection of qualitative data through ethnographic methods such as participatory observation, semi-structured interviews, and artifact collection; followed by the analysis of the data and substantiation of the researcher's perspective through specific processes such as pattern detection, theme identification, and argument framing.

This is valuable and structured work conducted by specialized practitioners, but companies can also benefit from providing a foundational understanding of ethnographic methods to employees who have limited exposure to the social sciences. Anthropologist and author Jay Hasbrouck describes how, through "ethnographic thinking," businesspeople can go beyond simply asking what consumers want, and delve deeper to identify why the company is relevant to the consumer at all, and discover how the company's unique make-up and culture impacts the capability to innovate and thrive in a competitive marketplace.

In his book *Small Data* Martin Lindstrom talks about how he relies on a similar approach to breathe new life into the companies he advises.³ While spending time with consumer audiences in their natural environment and conducting what he calls “subtext research,” he discovers business growth opportunities that are hidden in plain sight. For example, while conducting research for The Lego Group, he visited homes with children, and in one boy’s room he observed just how proud the skateboarding-enthused kid was about a pair of sneakers that were significantly distressed—they were a badge of honor that proved his dedication to the sport. In a separate case, Lindstrom discovered that older Russian matriarchs disliked the smell of perfumed laundry detergents, while younger homemakers associated the smell with cleanliness. This revealed important insight that could make or break detergent brands seeking to do business in Russia.

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Cultural Insights in a Data-Crazed World

Like any other information, cultural insights must be codified and observed a certain way before they can become useful. This is the same challenge that modern organization’s face with ever-increasing volumes of big data. For example, a company may have the answers to its most pressing strategic questions within the massive stores of data it has built up over time. But, though we know there is treasure in the sea of all this data, one cannot simply throw the data into an Excel PivotTable and hope to get lucky. It takes a dedicated team of skilled data scientists to ensure the quality of the data, organize it, then analyze it. In a similar way, the information gathered through cultural analysis must also be cleansed, managed, and analyzed by a skilled

expert in order to generate valuable insights and impact the way we create and resolve strategic questions.

Our rapidly advancing computing capabilities make it possible to crunch data and develop robust, customized analytic models more efficiently than ever before. However, we must also acknowledge that the way we think about the world is grounded in subjective beliefs, and we rely on these beliefs when we program analytic models.

[...]

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2. EMPATHY

EMPATHY

Logic, meet emotion.

When we understand what someone is feeling, the possibilities are endless.

TEXTBOOKS DEFINE EMPATHY AS THE ABILITY To sense someone's emotions and feelings from their own point of reference. Fundamentally, to be empathetic is to be aware. This awareness, or lack of awareness, impacts all of our relationships with people, brands, and society; and, though the idea seems abstract, our ability to be empathetic influences the way we perceive other people's opinions, ideas, and cultural norms. This matters to business, public policy, team sports, and any other pursuit that relies on interactions between people.

Have you met an empathetic person lately? Chances are this is someone you feel comfortable with, they have good energy, they aren't judgmental, and they typically possess desirable personality traits. We gravitate to empathetic people because they help us feel valued. Can businesses make us feel the same way? Of course they can, and especially those businesses that understand how important it is to create rich experiences. This works just the same for government agencies, churches, philanthropic organizations, and hospitals.

Empathy is an observed trait just as much as it is an ability.

The Empathetic Brand and Being Human with Technology

Empathetic brands are those which are perceived to be favorable, not just because of price or utility, but because of the good feelings we get when thinking of the brand. A company's brand image is the culmination of a multitude of factors, but it is the personal, private, one-on-one moments between customer and business that matter the most when it comes to the perception of empathy.

At well-regarded companies, staff are empathetic to customer needs, requests, and concerns. They are proactive at delivering a stellar customer experience, and they are proactively prepared with "rules of engagement" that help them mitigate potentially negative customer interactions. The operative word here is "potentially," because it represents staff preparedness to be proactive, rather than reactive, to any situation. These employees are empowered to delight the customer, not simply because "the customer is always right," but because staff aim to listen, understand, act fairly, and mitigate issues tactfully. They treat humans like humans, relying on a honed capability to be human, without fearing disciplinary action from management.

The airline industry offers a good example of how technological advancements support the development and application of empathy in the context of customer support. Customer service representatives at an airline reservation desk, their administrative burden cut down through online check-ins, pre-vetted passengers, and mobile self-service, now exist to provide a welcoming smile and attentive ear—in essence, to be the

passenger's advocate. Of course, many airlines will go the opposite direction and take the efficiency gains along with significant cost reductions in the labor category. In this scenario, check-in desks will be operated by a skeleton crew of stressed out, over-worked staff; dehumanizing the customer and staff experience and effectively canceling out the force-multiplying effect of automation. This is why it's critical for companies that adopt advanced technologies to pay special attention to staff and consumer sentiment in order to strike a favorable balance between people and technology.

*In an increasingly automating world,
where smart technology is accelerating the
completion of menial tasks, the human
touch is what tomorrow's workforce will
focus on more than ever.*

Today's digital technologies are developing at such an aggressive rate that many people will lose their jobs to something as simple as basic process automation. At the same time, these leaps in technology are making it possible for humans to get back to what we're best at: thinking critically, building better technology, and experiencing and expressing emotion. The role of empathy will only become more important as we shoot into the future. And perhaps it's a form of empathy in itself, for people to be given the opportunity to apply critical thinking skills and do less "busy work."

The pharmaceutical scientist, whose tedious research work is now supported by automated programs that search thousands of journals and databases to conduct unstructured text analysis, will be able to dedicate a larger share of time to the development

of high-order hypotheses and analyses which cannot be performed by machines. These scientists are able to program rule-based algorithms that predict and anticipate thousands of scenarios, resulting in better medicine, lower risks, lower costs, and better healthcare outcomes. When built with the right ethical considerations, advanced technology can almost seem to be empathetic as it enables the provision of customized and precise service at a massive scale.

Empathetic communication smooths decision making.

When Dove launched its "Real Women" campaign it stood out as a brand that validates each woman for the unique being she is. When combing through a dizzying array of beauty and hygiene products at the supermarket, we see the Dove logo and think great thoughts, observing the calm-colored and smooth-shaped packaging, and placing it into our basket before even considering the product's actual value in relation to other similar products. *Because it just feels right.*

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3.DIVERSITY

DIVERSITY

Opening the aperture.

Markets are diverse. Yet, many organizations limit the influence of diverse voices and information.

CONSISTENT AND SUSTAINABLE BUSINESS GROWTH requires constant adaptation to changing conditions over time. There are many ways to keep up with changing times, but there is no more efficient manner to meet evolving market demands, and even get ahead of changing conditions, than the cultivation of diverse resources.

Diversification of business resources, whether they are people, technology, or processes, doesn't happen on its own; and many businesses operate in a manner that actually inhibits diversity. So organizations must be deliberate about diversity initiatives, and commit to persistently, and continuously seek out methods that vary the way business is conducted. Only when this deliberate diversity is expected of every employee, can diversity become part of the organization's culture, embedded into its fiber.

Interestingly, the pursuit of diversity as a broad concept is already deeply embedded in the fabric of business management principles. We are diversifying when we seek alternative suppliers to mitigate supply chain risk, or establish several revenue channels that are independent of each other. However, today's enterprises don't struggle with these business school fundamentals, they struggle to achieve two very specific

categories of diversity: diversity of voice and diversity of fact. In short, they limit the people that have an influential voice, and rely on a limited set of facts to inform decision making.

Diversity of Voice

We're seeing more about this topic than ever before because of the contemporary social movements that call for greater human equality and inclusion in the workplace, and society at large. This is an important and noble cause, but let's look at this from another angle and try to understand why the concept of staff diversity is key to sustainable business growth. I believe it boils down to the presence of "diversity of voice."

Diversity may seem like it's mostly about hiring different-looking people, but at its root, it's really about fostering an environment where the company's direction is influenced by people that don't think and act the same. We've all seen CEOs surrounded by insipid executives that lack drive, vying for friction-free meetings, and avoiding confrontation at all costs. These types of leaders operate in an echo chamber where the same old people say the same old things and think in the same old ways. This is no way to keep up with changing market conditions and constricts opportunity while magnifying the effects of errors. By actively insisting that different types of people are listened to, we broaden our perspective and bring more objectivity to decisions. Diversity of voice is needed at all levels of an organization, but it must start with the most influential roles at the topmost rungs of the organization.

It's very easy for business leaders to hire more minorities and create inclusive social media hashtags, but we are still hard-

pressed to find companies that specify practical performance indicators to monitor the effectiveness of such programs. Even though the idea of inclusion and equality in the workplace has become more commonplace, you will find that very few organizations actually attempt to correlate this type of “identity” diversity to business performance. Instead, it’s used as a badge of honor displayed to outsiders, while the company’s topmost positions continue to lack diversity.

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4.MOMENTUM

MOMENTUM

Iterative relevance.

Progress is less about speeding forward, and more about maintaining productive forward momentum.

ARE WE BEING PRODUCTIVE, OR JUST KEEPING BUSY? There's a big difference, and humans have always been concerned about it. Between pondering over our life's purpose and reflecting about our endless stores of underutilized potential, it's tough to pin down what perfect looks like at an individual level. But in a business context, this conversation should be simpler. So, what is productivity anyway? Is it simply the state of doing something or hitting a specific metric? Words like "productivity" have different meanings for different people, but most of us can agree that productivity is directly related to "progress." And this is where we once again find an under-tapped opportunity to be more mindful about how we do something—how we make progress—in order to maximize our value as individuals and groups, buyers and sellers, consumers and producers.

High-Tech is Table Stakes, Move On

Coming back to the Red Queen effect we covered in the preceding chapter, businesses need to invest almost all of their resources just to keep up with the competition. But if we're only keeping up with the competition, who's looking out for the future? Keeping up with the competition isn't progress, it's a steady state, and at best contributes to a dreadfully minimal

amount of forward momentum. So, how can we be deliberate about getting far ahead of change?

I'll tell you right now that the answer isn't to simply throw more high-tech into the mix. The immense volumes of data, killer digital technology, and proven processes of our modern era are being exploited by every single competitive market player. So we can consider that these resources are the cost of entry—table stakes—that build a company's basic capacity to compete in today's market. Without these basic resources, you're simply not going to get anywhere. So before we can even talk about how to run a profitable business amid rapidly changing market conditions, we need to get over the technology hype.

At the end of the day, investors and customers don't put up money to support the development of company resources, they are paying for the value derived from those resources. We must shift our attention away from processes and shiny new technology, and measure the value of investments based on their contribution to the company's continued relevance into the future.

The Changing Face of Value

Investors are looking for outcomes that are almost entirely quantitative, but customers look for outcomes that are both quantitative and qualitative. The key issue here is that customers have an ever-expanding range of really good options for addressing their wants and needs. Think about any consumer product or business service, how many companies offer the same thing at similar prices? Now compound the issue by recognizing that consumers are increasingly gaining access

to more advanced technology they can own and control, allowing them to get more things done, without needing to buy additional products and services from a separate company. In this re-shaping environment, customers are transforming the way they perceive value to put more weight on qualitative factors. If the way you offer value isn't changing to adapt to the way consumers want value, other businesses will fill the gap and you'll find it incredibly difficult to catch up to the market once you lose momentum.

Momentum is precious, and a strong grasp of factors presented in this book (such as cultural awareness and diversity of voice) will not only insulate your business from drastic change, but also position your business to be a market leader at the *frontier of change*.

Let's look at how innovation, deliberate iteration, and trend forecasting influence a company's ability to make progress and establish unrelenting momentum.

Humans: Inherently Innovative, Consistently Iterative

Researchers recently discovered evidence of early human innovation dating back to around 320,000 years, about 100,000 years earlier than previous estimates. As part of the Smithsonian Institution's Human Origins Program, excavations in the Olorgesailie Basin of Southern Kenya resulted in the discovery of advanced tools made of stone and the use of coloring pigments, indicating the presence of complex technological and sociological behaviors.¹ If we look beyond our own species, *Homo sapiens*, technological innovation dates all the way back to

about 1.2 million years ago, when other hominin species crafted large, less intricate handaxes out of stone.

Our prehistoric ancestors wrangled natural resources into materials for hunting, clothing, and nutrition; which in turn created entirely new categories of derivative resources. Raw stones were carved into pointed shapes, which were then elaborately shaved to form sharp cutting devices. These devices became utility knives used to cut portions of food and create clothing from animal skin. Food could then be distributed and consumed in new ways, and the concept of clothing would usher in some sort of prehistoric wearable fashion, like Neanderthal necklaces made out of eagle talons.²

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5.JUDGMENT

JUDGMENT

Acting on thought.

Decision-making is based on highly-individualistic standards of trust, ethics, rationality, and bias.

WIKIPEDIA DEFINES JUDGMENT as “the evaluation of evidence to make a decision.”¹ Computers are able to do this, but only when information is digitized, and even then, the computer’s decision-making framework is programmed by humans. It’s a fascinating paradox. In this most digitally-oriented point in mankind’s existence, human judgment may be more valuable than ever.

Machines process data more efficiently than humans, but there is a lot of data that is so complex it cannot be digitized because only humans can process it. Emotions, feelings, philosophies, and biases are only a small sample of the many types of data we hold in our brains, and this *exclusively human* information significantly influences the way we make decisions.

Growth-oriented organizations need to stay ahead of these rapid changes by inculcating into their strategies a firm understanding of the exclusively human information which cannot be digitized. This means that we need to look *inward* to understand what drives employees to do better and more meaningful work—without focusing solely on quantitative performance metrics. And we need to look *outward* to understand what societies and customer groups are looking for,

and how their needs can be met—without focusing solely on quantitative demand metrics.

We close out this book by reflecting on some concepts that play a significant role in the way we exercise judgment: the definition of ethics, the perception of value, and the presence of bias.

—
**Ethics:
Individually Subjective, Universally
Objective.**

In any given society, things like norms, values, and philosophies are trusted to public and cultural institutions that manage what is right and wrong, good and evil, and so on. This shared understanding of morality is dynamic and ever-changing, unlike scientific facts, which are static. For example, the waves of our great oceans, the call of a hunting eagle, and the human ability to walk on two feet, are all observations that can be explained by science, they never change. But our civil codes, laws, philosophies, and religious rituals are manufactured by humans and defined through a shared understanding across groups of people, they always change. We build governing organizations to carry out these shared beliefs and institutionalize them. And though we're not often cognizant about it, we have a very similar relationship with corporations, who play a role in defining, and to a lesser extent, governing, these beliefs we share across our societies.

Corporations produce things we need and want, they foster innovation, we interact with them multiple times a day, and they influence the way we think about life in general. But unlike publicly funded and publicly accountable institutions,

corporations are not necessarily required to act in the best interest of the public. Though corporations *are* publicly funded by proxy, through the purchase of company goods, distribution of company shares, and allocation of tax benefits, they *are not* publicly accountable in the same way we hold government agencies responsible for their duties to society. This isn't to say that corporations are evil, but that we should be observant about the ways we enable businesses to influence society—especially since it's possible for a particular company's interests to be at odds with a particular society's interests.

We're at a point in the evolutionary path of commerce where it's becoming difficult for consumers to separate business and philosophy. This is why corporations that are looking to thrive in the future should take a clear stance on social issues and resolve ethical quandaries with speed, as if they could make or break the business.

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CONCLUSION

CONCLUSION

IT'S SO NOISY AND EVERYTHING IS HARD.

Sometimes it seems like all we're doing is running around reacting to things we cannot control. We're constantly being interrupted, and things just don't seem to go the way we planned them. One person might say this is the result of overreliance on flawed human judgment, instead of algorithms that reduce noise.¹ Another person might say that amid this craziness is where we find our best opportunities and create unprecedented insights.² Perhaps both perspectives are correct, and what we really need is to dig in to the noise to challenge our knowledge, to discover context.

In his 1964 best-selling book *Understanding Media: The Extensions of Man*, Marshall McLuhan posits that any content is less significant than the medium which carries it, because the medium, not the content, shapes human senses and perception, and thus the way we perceive.³ From this perspective, we can begin to understand how important it is to investigate the underlying, less-than-obvious contextual features that shape the way we think about business.

I hope this book activated some sort of curiosity in you. The five factors themselves represent categories of context that can be explored to reveal a bigger truth—and add character to the information we consume. If there's anything I hope to accomplish through this book, it is to motivate businesspeople to think differently, dynamically, and contextually.

IT'S SO CALM AND EVERYTHING IS NATURAL.

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