

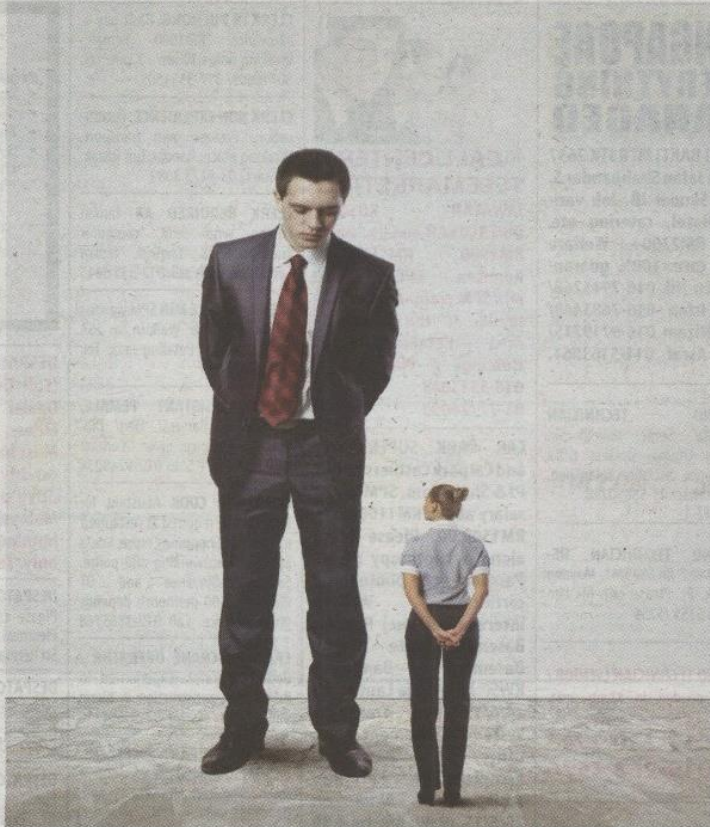
In today's business and non-business world, innovative ideas to improve efficiency and effectiveness will always remain a strategic goal for most organisations. This constant search for ideas to improve means that organisations will inevitably have to take certain risk options. In the process, it is unavoidable that mistakes are going to be made. Sadly, however, mistakes in most Malaysian organisations are always viewed negatively, and managers and employees alike are conditioned into believing that mistakes are unproductive and a reflection of the inefficiency of an individual. We tend to only associate it with negative connotations. The other problem with mistakes is that, we often spend more time on finding out who and what is to blame rather than to take measures to prevent it from happening again. This is most certainly negative management and will



produce a culture where people tend to 'play it safe' and, hence, there will be a dearth of new ideas to the detriment of organisational development.

Implicit in any manager's job is the fact that they have to take risks. The level, type and number of risks will, however, vary depending on the nature of the manager's job. Personality tests have shown that top managers have become what they are because they have shown the greatest tendency to take risks and are 'comfortable' making mistakes. In a recent article on leading Malaysian corporate figures, most of them cited their early business failures as significant lessons, which served as the basis for their later success.

The freedom of making mistakes, however, doesn't give managers the privilege of taking unwarranted risks. There must always be certain parameters set to ensure that an individual doesn't go overboard. The question therefore is, 'What are acceptable risks,



and when should risks be taken?" This is a difficult question as different industries and organisations may have different parameters. And there is always the reality that the greater the risks, the greater the payoff.

Listed are a few key guidelines that organisations can undertake in order to manage risk-taking and mistakes more effectively:

■ **Accept Mistakes.** Subordinates must be taught that errors and mistakes are part of the price to pay for development. A mistake provides an excellent opportunity to learn and improve on whatever is being done. It also shows that something new is being carried out. On the other hand, irrational and repeated mistakes should

not be tolerated. Encourage and build an environment where subordinates are 'comfortable' making mistakes, so long as due diligence was done.

■ **Tolerate Failure.** Many innovations and concepts are unsuccessful initially. Persistence and the ability to deal with failure and disappointment, are therefore, essential. As Akio Morita, the late chairman of Sony says, "When customers see our products, they only see success, they do not see the 99% of failures that made that product possible". Communicate clearly to subordinates that making a mistake once is alright, so long as it was an honest mistake. Repeating the mistake, however, cannot be accepted.

■ **Do Not Be Conditioned by Past Failures.** There is a tendency for managers to be conditioned by past mistakes and failures. This encourages conservatism and caution. Past mistakes must be acknowledged and learned from, but must never be allowed to impede risk-taking options in the future.



As much as we do not like mistakes, we have to acknowledge that it is the price we have to pay for organisational development. It is organisations that have bold, creative leaders with a healthy risk-taking environment, who will do well and survive in the future. When employees know that mistakes won't lead to retribution, it creates an atmosphere in which people are willing to try out new ideas which helps greatly in improving efficiency and effectiveness.



Heera Singh is the Principal Consultant of HEERA Training and Management Consultancy. He can be contacted at 012-6083708.

MANAGING MISTAKES

