

October 2003

## The value of mistakes

Len Cook, head of the UK's Office for National Statistics, made a remarkable discovery just recently - £4bn of national income he had not known was there. You might think it would be a cause for dancing in the streets but Mr Cook is apologising for the oversight. "We make more mistakes than we should," he said in the FT this week.

His department had underestimated the amount of construction going on and its contribution to national output. Mr Cook regards the error as serious and I suppose it is, given the massive impact of statistics on investment.

But his statement about mistakes is forgiving. He does not rule them out or say they should not happen. He says there should be fewer of them and, by inference, that perhaps they should not be so big.

This seems both fair and realistic, given that forecasting based on statistical analysis is a notoriously inexact science.

If I had a boss, I would want someone like Mr Cook. He is not making excuses for the mistake. Quite the contrary; he promises to do better in future. But he is big enough to own up when a mistake is discovered. Perhaps it is easier to do so when the nation is £4bn better off than it thought it was. For the chancellor, it was something like turning up the Monopoly card that says: "Bank error in your favour".

I cannot help noticing, however, that many employers are becoming less tolerant of mistakes in the workplace and I am not sure that this is a good thing.

I need to be frank here. Part of the reason I was comforted to read of the ONS oversight is that it eased the guilt I feel over my own inadequacies.

It is in the nature of journalism that mistakes in print are always laid bare. They never get past the people who read this column. Mine tend to be silly errors that I find difficult to explain.

A few weeks ago I mentioned that the Great Plague of London started in 1666, when every schoolchild knows it began in 1665. All right, it was not the crime of the century - I knew the dates well - but the mistake still happened and, sure enough, I had more than one e-mail putting me right.

Sometimes the mistake is grammatical. I was once pulled up by an FT reader for using the Latin phrase in tandem, which means "one behind another", when I was describing people working side by side. Once you know this, you do not make the mistake again. The tendency instead is to join the pedants and cluck when you see the same misuse elsewhere.

In fact, before the godsend of spell-checking software, my career path was an untidy trail of bizarre and eccentric spellings. I cannot spell. Never could. On a good day I can spell "necessary" but not "necessarily".

Sometimes I transpose letters and once I transposed a city and state, placing Pennsylvania in Philadelphia. I put it down to a form of dyslexia but this does bot

seem to wash with some people, who treat dyslexia as a lame excuse for incompetence.

I should offer no excuses but it is difficult to write about my own mistakes without some plea of mitigation. I am not proud of this carelessness and frequently beat myself up in acts of penance and remorse.

If we do not face up to our mistakes and accept that they happen in every job, if we are fearful of punishment, the chances are that errors will be concealed, overlooked and, in some cases, compounded. In these circumstances we can forget innovation, according to Stefan Thomke, associate professor of technology and operations management at Harvard Business School.

In a new book, *Experimentation Matters\**, Prof Thomke concedes that careless mistakes - such as mine - are something we should try to weed out. But failure when experimenting with something new, he says, should be rewarded, not punished, when lessons are learnt.

Self-recrimination is one thing. The threat of punishment from above is something else. Too often, he notes, employees are embarrassed by failure that they believe will lead to a loss of standing in their company.

"This policy is especially true in workplaces that have adopted 'zero tolerance for failure' or 'error-free' work environments," writes Prof Thomke.

"The result is waste, not only the kind of waste that comes from lower productivity and longer time to market but waste from not taking advantage of the innovation potential that new technologies can provide."

Managers, he says, need to rethink the role of failure in their businesses. More bosses, he suggests, should adopt the attitude of Tom Watson Sr, the founder of International Business Machines, who is said to have called into his office a young executive who had lost Dollars 10m while trying to develop a new venture. When the executive offered his resignation, Watson said: "You can't be serious. We've just spent £10m educating you."

Prof Thomke quotes a study of learning rates among nursing teams in two teaching hospitals. It expected to find the largest number of errors among the poorest teams, In fact the opposite was true.

The team that learnt the most, whose members worked best with each other and achieved the strongest performance, registered the highest number of errors. In this team, errors were tolerated as long as people learnt from them. In that sense it was safe to fail.

Authoritarian teams reported fewer errors but this was because people were unwilling to take responsibility for their actions and therefore they learnt less.

In a further experiment, Prof Thomke found that people were more willing to try new ideas when managers explicitly encouraged experiment and were consistent in refusing to censure failure. This is a tough lesson for managers who seek to outlaw sloppy behaviour. It is difficult to be kind about failure. The key is to seize some learning from the experience.

This work appears to be proving the sense of the old proverb: to err is human; to forgive, divine. Perhaps you could add a rider, that to congratulate in these circumstances is extraordinary.

Of course, in safety-related jobs such as air traffic control and train driving, mistakes can be a matter of life and death. But training for these roles can allow mistakes in simulation exercises. This is not to say that all workplace mistakes or failures are acceptable. Gross negligence cannot be excused.

Yet work that can tolerate experimentation - and much of it can - appears to feed off errors and failures. If necessity is the acknowledged mother of invention, it may be time to recognise failure as the father.

*\*Experimentation Matters, Unlocking the Potential of New Technologies for Innovation , by Stefan H. Thomke, is published by Harvard Business School Press, \$35.*

© 2003 Richard Donkin. All rights reserved