

# Managing Ambiguity

Business leaders and managers face many challenges, not least the ability to make effective decisions based on unclear and shifting information. Ambiguity can be found at all levels of decision-making across an organisation. It affects everyone, from the strategic leader wondering whether to re-structure the business or launch a new product, to the front-line manager considering which project to focus on or whether to recruit now or wait. This article looks at the challenges created by ambiguity, and outlines practical strategies to help reduce any negative impact.



## What is ambiguity?

Ambiguity means not knowing exactly what is going to happen. Everybody will have experienced ambiguity in some form or another, be it working on a project with unclear objectives or trying to make decisions with incomplete information. If it is not addressed, ambiguity affects organisational productivity and efficiency. Consequently, many employers recognise the importance of managing ambiguity as a specific competency within their people development and recruitment strategies.[1] Individuals who manage ambiguity well often demonstrate:

- a capacity for **creativity, innovation** and **ingenuity**
- an ability to **lead** and **guide others** through **change management initiatives**
- an ability to **challenge** the **status quo** of systems and processes

## What problems does ambiguity cause?

It is important to recognise that ambiguity can have both **positive** and **negative** influences. It can encourage the development of **creative ideas** and **novel approaches** to problems. However, it can also cause problems. In particular, ambiguity can:

- **Hamper decision-making.** Where information is unclear and objectives are uncertain, people can be fearful of making the wrong decision. A typical response is to **procrastinate** and **delay** making the decision in the hope that more useful information will become available. In extreme cases, decision-

making can be completely paralysed. In this situation, productivity grinds to a halt and projects cannot move forward.

- **Increase risk.** The pressure to make a decision when faced with ambiguity can also create the opposite of the above scenario. People may take **unnecessary risks** by making quick, ill-informed decisions in an attempt to move things forward. Although research shows that risky decision-making can pay off in some contexts (notably for entrepreneurial start-up businesses), in an organisational context the stakes are higher for those unused to balancing intuition and ingenuity to make judgements.[2]



- **Increase workloads.** Where a decision is taken on the basis of incomplete information, this can result in **unnecessary** or **inappropriate work** being done. In a team situation, this generates more work for everyone where tasks need to be re-visited or started again.
- **Create stress.** Pressure to make a decision (and anxiety about making the wrong decision) can raise stress levels for those charged with making the decision. Wrong decisions cause **stress** in relation to **missed deadlines**, **increased budgets** and **reduced confidence** in the decision-maker's leadership or management ability.

## Reducing ambiguity

Lessening the impact of ambiguity involves a dual approach to:

1. **reduce ambiguity** wherever possible
2. **remain productive** while ambiguity exists

This can be achieved by:

- **Being informed.** In some cases, ambiguity can be diminished simply by asking for **more information** or **clarification**. When receiving information or instructions, **ask for specifics** wherever possible. Remember that information can be lost or misinterpreted as it moves through an organisation, so ensure that communications to colleagues and team members are as precise as possible. Consider whether knowledge of a particular situation can be

improved by utilising **management reporting** or **business information tools**.<sup>[3]</sup> Although it is important to be well informed, gathering too much data can **waste time** and create an **information overload** which **adds little value** to the decision-making process.

- **Remembering that no decisions are perfect.** With any decision, there is always a **margin for error**. Managing ambiguity calls for the ability to overcome the need for absolute perfection and strike a **balance** between taking time to think things through and taking action. Although some decisions won't please everyone, fear of criticism should not become a smokescreen for unnecessary delay.
- **Getting organised.** When faced with ambiguity, people can often become hampered by **trivial issues** rather than focusing on what is most important. **Prioritising tasks in order of importance** from one to ten, and then organising work appropriately will maintain a sense of perspective.



- **Breaking it down.** If ambiguity has halted progress, it can be helpful to **take a step back** and break a large decision or problem down into a series of smaller components. Gathering information and making decisions about smaller issues (and gathering feedback on these) can gradually make a larger problem become clearer.
- **Stepping out of the comfort zone.** Effective management of ambiguity rarely occurs where people stick to **tried and tested** approaches, processes and precedents. Try to look at situations from a **fresh perspective** and don't be afraid to **try something different**. Examples might include introducing a new or modified procedure or assembling a different project team.
- **Using coping mechanisms to minimise stress.** People respond to ambiguity in different ways. Developing an awareness of **how you deal** with uncertainty and developing appropriate coping mechanisms can go a long way towards diffusing stressful situations. For example, adopting a **positive outlook towards criticism** and accepting it as part of the **learning process** can be beneficial.
- **Learning from different situations.** The ability to deal with ambiguity effectively is improved where people take time to reflect on their experiences and consider which approaches were successful and which were less so. Integrating **new learning** into **future behaviour** can help to reduce the impact of ambiguity.

## Conclusion

It is important to recognise that ambiguity is a **natural organisational state**, as markets, budgets, work projects and priorities are rarely set in stone. Although leaders and managers cannot change the fact that ambiguity exists, changing their **attitudes** towards it and how they choose to deal with it in practice can go a long way towards improving their decision-making capability.

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[1] As part of its commitment to support education, dealing with ambiguity features as a core aspect of Microsoft's Education Competency Wheel.

See [//www.microsoft.com/education/competencies/default.aspx](http://www.microsoft.com/education/competencies/default.aspx) (31 May 2010).

[2] Research by the University of Cambridge found that when it comes to managing ambiguity, entrepreneurs are more likely to demonstrate risk-taking behaviour. This can result in positive outcomes during stressful economic circumstances. Wellcome Trust, 'Risky decision-making essential to becoming an entrepreneur'

at <http://www.wellcome.ac.uk/news/2008/news/wtx051884.htm> (13 November 2008).

[3] Such tools might include reporting software to extract, sort, summarise, and present selected data, or online dashboards and scorecards to track business performance.

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