Adaptive Leadership in today’s Modern Society

By Dr Tony Mobbs, Associate Partner, Cynefin Centre for Organisational Complexity
IBM Business Consulting Services

Disposing of yesterday’s ineffective management styles
Learning from nature to redefine the notion of leadership
Chaos as the spark for creativity and innovation
Cynefin & Leadership

Abstract

Today’s business environment is becoming increasingly dynamic, complex and socially aware. Organisations have to become more agile and responsive to survive and succeed. This in turn is placing a different emphasis on the type and style of leadership required to create innovation for business advantage.

Unfortunately, current management theory is proving wilfully inadequate for addressing this task. This is because it draws on the mechanistic world view that has dominated Western culture since the emergence of Newtonian physics. The main problem is that this model assumes a known cause and effect which can be researched, understood, and thereby managed. Furthermore, by assuming that human organisations are best understood and managed as if they were machines, Taylorism has imposed a pessimistic and unconstructive blue print on organisational behaviour that underestimates nature’s capacity to innovate.
In response to these inadequacies, an alternative school of thought has come to the fore. Based on the “science of complexity”, it views all living things as examples of complex adaptive systems, whether they are rain forests, ants, humans or businesses. In all these systems, independent participants interact to continually reform and shape their future. This new paradigm no longer sees companies as unemotional environments with simple causes and solutions, but embraces them as uncertain milieus, brimming with the inherent innovative capacity we associate with all life.

By demonstrating how much there is to learn from nature, this work has opened up new thinking for today’s business leaders. For example, if we treat organisations as adaptive organisms that thrive on change, rather than as machines that need reengineering, an innovative, social aware culture becomes a natural habitat rather than a constant uphill battle. Interaction between people, not structures and processes, are at the key to understanding any organisation.

Keywords
Leadership, Complexity Thinking, Pattern Management, Narratives

Four key principles
There are four key principals that can be distilled from the science of complexity that are inherent to businesses and organisations: (1)

1. Equilibrium is a precursor to death. When a living system is in a state of equilibrium, it is less responsive to changes in its environment.
2. In the face of threat, living things move towards the edge of chaos. This invokes high levels of mutations and experimentations, from which innovative solutions are more likely to emerge.

3. When this excitation occurs, the components of living systems self-organise and new forms or patterns will emerge from the turmoil.

4. Living things cannot be directed along a linear path – unforeseen consequences are inevitable. The challenge is to disturb or disrupt them to provoke the desired outcome.

Strong adaptive leaders who apply these key principals to their business will allow their enterprises to develop and thrive in a complex, modern world, but at the same time being aware of their social responsibilities.

**Leadership Characteristics in a complex and innovative enterprise**

The romantic image of a lone leader working late into the night to conjure up groundbreaking innovation that will invigorate a company’s performance is enticing, but dangerous. People lie at the heart of an organisation, but it is people acting within teams, networks and communities that are the basis of culture and corporate values in today’s business environment. Far reaching and complex cultures are not the result of creative entrepreneurs, but the outcome of effective teamwork. The heroic vision of leadership puts too much emphasis on an individual, making a distinct contribution, at a particular moment in time. Leadership is not always dramatic, and everyone does not sit below simply waiting for something truly significant to happen. The centuries old rhetoric therefore needs to be toned down, and in the new model that is emerging, leaders become a critical part of the team, and sit in the
heart rather than at the head of an organisation. According to this approach, one of the most important characteristics required to lead a socially aware company is connectivity – the capacity to connect with employees, customers, suppliers, & competitors, and the desire to connect them with one another.

A connected leader is vital for innovation, because meaning is critical for creativity. People have to care about a problem in order for them to be sufficiently motivated to innovate. The most effective way to find out what is meaningful to people is to work with them and listen to them. By getting to know their stories, leaders will appreciate and benefit from each unique perspective. Diversity is critical for innovation, and it is an advantage, not a hindrance, that no two people will see the world in the same way. The key is finding a way to connect with, and harness, these diverse perspectives.

Leaders also need to be connected because no one person can understand all the intricacies of a complex system. By connecting to as many aspects of the business as possible, leaders can place themselves in a unique and valuable position. They can stand on the boarder-lands between different areas of the business, imagining the possibilities, breaking down traditional boundaries, and spotting where unexpected collaboration could yield results.

Connectivity can also lead to innovation because much of an organisation’s knowledge and intelligence is invisible, and remains in the head and hands of particular employees and networks. By engaging as many participants as possible in the innovation process, this invisible knowledge will be brought to bear. Adopting an inclusive approach towards innovation also increases the number of co-creators and champions. Sharing in the achievement provides a common ground for the innovators, and increases the sense of camaraderie
within a team of diverse employees. This camaraderie can be further bolstered by a strong sense of corporate culture, which helps employees to feel connected, and inspires them to perform to the best of their abilities. The leader of any organisation must be the clearest embodiment of this culture, and it should be evident to all employees that the corporate principles are not mere slogans, but should imbue all work.

As well as being connected, a leader should also strive to connect creative people to the entire organisation, whilst also protecting them from bureaucracy and legalism. Layers of management often thought necessary for orderly review and direction can, in fact, stifle and limit innovation. So, leaders should not insist that every innovation has to go through several lines of management before it can be considered by someone who has the authority to act. Innovation requires fast approvals, not only to ensure an idea is not stifled and the innovator not demotivated, but also to make certain it reaches the market before a competitor.

Effective innovation is also customer driven so leaders need to be externally connected to their customers and suppliers. These external sources provide a further perspective on market needs and open up new possibilities for collaborative innovation. To borrow the analogy of Rosabeth Moss Kanter, the more eclectic the picture with it’s Kaleidoscope of colours, the more likely that innovations will result. As CEO of IBM, Louis Gerstner was well known for spending a great deal of time collaborating with customers to drive strategic insights.

All the best intentions to achieve connectivity will fail, if employees and customers do not believe a leader is willing to listen and learn. Connectivity
Adaptive Leadership in today’s Modern Society

will increase when leaders have the courage to be curious rather than certain, and admit they don’t know everything about the business. Professor Joseph Badaracco of Harvard Business School agrees that heroic accomplishments are not always the key to an innovative company. Instead, he argues that they are the sum of millions of small yet consequential decisions made by many leaders within an organisation. Badaracco calls them ‘quiet leaders’, those who don’t want to be a gutsy hero, but want to do the right thing, inconspicuously, and without casualties.

The Cynefin model for leadership
Are you an adaptive leader?

According to the science of complexity, effective leadership within a complex environment relies on making sense of the relationships between its interacting components. One of the techniques, developed by IBM over the last three years, has been the use of a “common sense making model”. It describes the business environment in a way that creates clearly marked boundaries between different levels of uncertainty. This, in turn, allows the definition of a variety of leadership styles that recognise the diversity found in modern organisations. This model is called the Cynefin model for leadership and is shown in the following figure.
Cynefin (pronounced cu-n-ev-in) is literally translated from Welsh as habitat, or as acquainted or familiar. It demonstrates that in order to understand the current context of a business, an effective leader must first understand its history. Only then will they have the capability to change its future and create build a culture that nourishes innovation and social obligation.

The Cynefin model defines four main phases that can best be described in terms of the relationship between cause and effect:

1. The known space. The relationship between cause and effect are known and repeatable. This is the domain of common procedures, universal processes and information systems.
2. The knowable space. The relationship between cause and effect can be deduced and, over a period of time, given the necessary resources of time and effort. This is the space of experimentation and expert opinion.

3. The complex space. This is the domain of complex adaptive systems. Relationships between cause and effect can be perceived through the patterns that will emerge, but the form of these patterns cannot be predicted.

4. The chaotic space. There are no known relationships between cause and effect. Within the chaotic domain the most important thing to do is to act, then sense and react accordingly. Being in this domain is not comfortable and can lead to high levels of stress. However, if managed appropriately, the adaptive leader can use this space to their advantage and this can prove to be the most innovative environment as humans strive to create new ideas to ensure their survival.

**Standing on the edge**

As well as understanding the characteristics of the domains, the successful adaptive leader will also need to understand the nature of the boundaries between these domains. This is best explained through the use of simple metaphors. The boundaries between the various domains can be thought of as being one of the following:

1. A chasm. This is a clear boundary between two spaces. You are quite safe to walk up to the boundary but it is painfully obvious when you
have crossed the edge. A chasm may be crossed via bridges positioned at strategic locations where the chasm may be crossed safely in a controlled fashion.

2. A river. Again, there is a clear boundary between two domains. Rivers may be crossed at designated crossing points, but may also be crossed at unauthorised points. Again, in both cases you are aware that you have crossed the boundary.

3. A forest. Here the boundaries are very defused. There are no clear boundary lines that indicate any transition. And, like being lost in a forest, you are never sure where you will emerge and in what domain you will be in!

The adaptive leader must be aware of the nature of these boundaries, what actions should be taken to move closer to them, or what needs to be done to cross the boundary. Often, moving to the edge of chaos, while very uncomfortable, can lead to conditions that will drive innovation and creativity.

**Application of the Cynefin model**

By way of a simple application of the Cynefin model, consider a situation where a business has to innovate as result of a new challenge. This brings into play the fifth space within the Cynefin model – the space at the centre that represents the domain of confusion.
Once in this state of confusion, leaders must be aware of the potential dynamics that may appear:

1. The bureaucrats will try to take control and solve the problem by forming committees or proposing modifications to existing processes and procedures to define the solution. Such bureaucracy stifles innovation and slows down any response.

2. The experts will propose a research programme to investigate the problem and to derive a solution. While goal based innovation of this kind is vital, it would be even more effective if it were seamlessly integrated within a programme that also fosters ‘eureka’ based innovation in the bottom left hand quadrant of Cynefin.
3. The marketing group will like to discuss the problem with many people and establish relationships with various customers and partners. External connectivity is critical, but will only be successful if driven by a leader who acts as the conduit for internal and external ideas and thus stands on the boarder-lands between different perspectives.

4. The potential leader in waiting will look at it as an opportunity to come to the fore through the confusion. This should be harnessed as an opportunity to refresh leadership thinking.

**Concluding Remarks**

Businesses are complex adaptive systems and, as such, decisions made using traditional business management thinking are not only wrong, they could lead to disastrous consequences. Lessons from nature and complex adaptive systems demonstrate that for businesses to become more agile and innovative, the adaptive leaders of the future will have to become used to “surfing the edge of chaos” and thriving in uncertainty. Strong leadership is about making decisions. In making these decisions, it is important to acquire a common view of the context within which any action is to be made. The Cynefin model provides a simple, yet powerful, approach to determining the context within which decision-making occurs and the range of options available.

**References**

Adaptive Leadership in today’s Modern Society


Biography

Dr Tony Mobbs is an Associate Partner within the Cynefin Centre for Organisational Complexity at IBM, where he is the World-wide Consulting Leader. His responsibilities include the development of a number of innovative Cynefin offerings for clients. He is one of IBM’s leading workshop facilitators, Tony has pioneered several creative workshop approaches for use in IBM’s E-business Innovation Centres. He may be contacted at tony.mobbs@uk.ibm.com.