COMPLEX CHALLENGES OF LEADERSHIP AND ORGANISATIONS:

A TERRITORY MAP FOR LEADERS

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We can summarize the human experience in organizational systems by a number of statements:

ORGANIZATIONS ARE COMPLEX...

Organizations, human systems are complex. Each part impacts others; all parts are in equilibrium with each other, and each and every one is impacted when you intervene in one. If we want to put it in few statements:

- ***Organizations are complex, not simplistic.*** Linear "*impact* → *effect"* thinking usually fails.
- ***Relational positions are dynamic, not static.*** Everything changes. All the time. Especially when *you* move.
- ***Interactions are interdependent, not linear.*** When you move, your movement impacts all others. And then their move moves you.
- ***Behavior is contextual, not personal.*** 80% of our (and their) behavior is determined by the context we find ourselves in.

VUCA

To understand why organizations are like this, we need to understand "VUCA".

Lately, an acronym from the military field, especially from the special forces has been gaining widespread use and acceptance in the business world to define the economic, political, managerial and social environment we all live in: VUCA. This acronym stands for the four critical characteristics of the context of critical operations; and when military personnel are exposed to these conditions, their evaluation, decision-making and responding capability is severely diminished. The purpose of the acronym is to make these conditions visible and thus help the soldiers to build enough capacity to deal effectively with these conditions and regain enough footing to respond effectively.

These four conditions are:

- Volatility – things change unexpectedly, quickly, and rigorously.
- Uncertainty – and we don't know when and how and where they will change.
- Complexity – and the change happens in non-linear ways.
- Ambiguity – and it is impossible to name exactly what is happening.

As many professionals from organizational behavior and development have rightly identified, these four conditions that Special Ops personnel find themselves in during critical operations is the everyday reality of the operational, economic, political and

social environment organizational leaders operate in. Thus, understanding the reflexive responses of people who find themselves in such volatile, uncertain, complex and ambiguous conditions, and finding methods and approaches that can support them to deal with them effectively is something that many people in leadership development has turned their attention towards.

PREDICTABLE HUMAN ERRORS

As much as these systems are complex, the human in the organizational systems generally base their thinking on good intentioned yet simplistic and linear "impact → result" approaches that regard the systems they deal with somewhat static. Yet, the systems are not simple, static, or linear. They are complex, dynamic, and adaptive. So the results of such an approach is at best unsatisfactory, usually disappointing, and sometimes disastrous, as documented by Dietrich Dörner[1].

As a result, people fall in predictable errors and traps while living and working in organizational systems without realizing it. They tend to consider each part, each event, each action separate from each other, from the conditions that created it and from the conditions it creates. This has deep roots not only in our psychology, but also in our neuropsychology, in how our brains work and especially how our brains are organized to react to perceived threat[2].

Neurology as support and as hindrance

Recent breakthroughs in brain research and their spill over effects in behavioral sciences shed light on how we human beings operate in such conditions and why. The research shows, in an overly simplistic summary, two regions of our brains are in charge of our actions and reactions. These are:

- **Prefrontal Neocortex**, which is basically in charge of all intentional thinking, logic, choice, attention, decision, understanding, etc. This is the part that we usually call "ourselves" when we are happy with ourselves.
- **Amygdala,** which is the watchtower of the human brain, who is constantly on alert to determine if there are any threats in the environment. If the amygdala perceives any threat, like a tiger in near vicinity, it holds all resources of the brain and body, practically shutting down prefrontal neocortex temporarily, and coordinates these resources for three strategies that has saved humans and other animals from being extinct by being eaten by others: Fight, run, or freeze.

The problem with this excellent mechanism is that amygdala does not differentiate between actual physical threat and perceived emotional and identity threats, and

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[1] Dietrich Dorner. *The Logic Of Failure: Recognizing And Avoiding Error In Complex Situations.* Basic Books, 2009.

[2] This area has recently fascinated many writers and thinkers on leadership and coaching and interested readers are invited to explore into a growing literature. A natural starting point will be Daniel Goleman et al. *The New Leaders: Transforming the Art of Leadership.* Sphere, 2002.

reacts with the same three strategies whenever how we see ourselves is challenged, or something we don't wish might happen.

David Rock[3] had identified 5 situations that our brains react as if there is a tiger in the room. These are:

- Status
- Certainty
- Autonomy
- Relations
- Fairness.

David Rock states that when we perceive threat in these five areas, our brains react in a similar way as if there is a tiger in the room. I observe in our culture, and in many eastern cultures, one more area is very critical: Shame. This is why it always is a struggle to give and receive feedback in these eastern and other cultures with eastern flavors.

As you can see, a VUCA environment will inevitably trigger many, if not all, of the SCARF + S threat responses.

Triggers

These conditions we find ourselves in result in what scientists call "amygdala hijacks". When triggered, our amygdala bypasses all logical thinking and reacts in the fight, run, and freeze responses. I like to think that most of the conflicts in organizations and in the world generally, are not between rational human beings; they are rather fights between scared and as a result triggered amygdalas, who keep on being threats and scary to each other, and further triggering themselves and others.

Five Hindrances of Leadership[4]

Behind these fallacies human beings find themselves as leaders and also in their social/personal lives are some basic misunderstandings and the results of these misunderstandings. These, as summarized as the The Five Hindrances of the Leader and the Leadership are as follows:

1. As leaders (and everyone else), we are usually running after some **unrealistic expectations, desires, and wants**. Some of these expectations are things that we have to learn to let go, stop grasping and grief over to be effective and to make best of the leadership opportunities when we are in leadership positions:
   - Most, if not all, of these in someway are connected to **control**. Even though many leaders cognitively know that the results and processes are dependent on many conditions and factors outside their span of control, they organize themselves and their actions in an attempt to take these

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[3] David Rock. *SCARF: A Brain-Based Model For Collaborating With And Influencing Others. NeuroLeadership Journal Issue 1, 2008.*
[4] Adapted from the Theravadin tradition of insight meditation. These five obstacles are defined as the hindrances to meditation and also enlightened thought and action. As such, I observe them also as main internal obstacles to exercising effective leadership.

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conditions under their control. The result is while trying to control uncontrollable conditions, they end up giving away, or loosing their **socialized power**, as identified by McClelland, the ability to influence and mobilize people and systems towards common goals, and the ability to respond effectively to ever-changing conditions, e.g. VUCA, and as a result, initiate meaningful adaptive change.

- Likewise, the basic and deeply ingrained human need of being able to say "I am **innocent**" (need to be loved and accepted) is a luxury we have to let go the moment we assume leadership. To say "I am innocent" is moving away from responsibility and **accountability**, and eventually from power.
- These two trade – offs, namely socialized power instead of control, accountability over innocence, are what makes a leader, what distinguishes effective from ineffective leadership, according to my experience. When we look deeply into the issues our coaching clients present, more often than not, we will find these four archetypical issues of control, power, need for innocence (need to be loved and accepted) and accountability/responsibility.
- Other much sought after things, like guarantees, feeling totally secure, or a feeling of fairness, or certainty, or everlasting happiness and satisfaction, and others as well also fall into this category, as we operate in a VUCA environment and these are simply unrealistic.
- You will also note that to expect to have all of your SCARF (status, certainty, autonomy, relation, fairness) needs to be satisfied all the time is in fact quite unrealistic in a VUCA environment.
- To the extent a leader tries to grasp these unrealistic expectations, he/she gives away his/her power to lead.

2. It is inevitable that these unrealistic expectations will lead to disappointment. We will never have full and lasting control over systems we are in charge of. We will never make everyone fully happy. Our ducks will never be in a row. Even if they did, it will be for a brief second. That is how life, and definitely organizational life is. And others have other expectations and desires, and sometimes these are in conflict. So the leaders, and all of us, tend to **project our inevitable disappointment on to others**, creating an environment conducive to **accusation, blaming, putting people in boxes, and even polarization**. In the subtlest form this can lead to learned pessimism, and in worst, **ill will against others**. Yet as the conditions dictate mostly the results, this is another form of giving away power. The anger coming from the disappointment over unrealistic expectations is like becoming angry at the weather conditions. So, the disappointment, anger and polarization over unexpected results, is the second hindrance of leadership.

3. The third hindrance is born out of the **weariness and the resignation** of actually having a remote sense of knowing that it is impossible to guarantee that things will go your way, as your expectations are unrealistic. This pushes the leader to a certain type of **leadership laziness**, a certain type of sloth and torpor that manifests as not taking necessary yet risky decisions and leadership actions. The uncertainty of desired consequences moves us away from risky yet crucial leadership stances and actions and investing in building a power base. Instead, we stay in the area we feel more comfortable and secure, and mostly technical, and try to achieve business results we couldn't get through

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leadership by instilling a control culture. Most of the time we will be working extra long hours, maybe classified as workaholic, yet we are mostly avoiding the most important and necessary yet risky and uncertain leadership tasks.

4. Fourth hindrance is a direct result of not being able to see this process and how it manifests. As we don't see, we develop a sense of **regret and self-accusation** for past expectations that did not materialize, and a **chronic stress and anxiety** for our future expectations. As a result, we live our life as leaders in a **defense mode**.

5. The fifth and the last hindrance is maybe the most difficult to work with, yet overcoming this one usually helps with others too: As a result of all of the above, the **loss of belief and trust in either my leadership capabilities, or in the totality of the leadership possibility**. To develop a sense of mistrust of all leadership concepts, theories or even opportunities. And also to look at all others who step up to leadership challenges and opportunities with the same eyes of mistrust.

My experience is such that one or more of these are generally present no matter what the presenting problem of the client is, and building awareness around these is critical to create lasting change and improvement for the client.

These hindrances are not only found in leaders and leadership situations; they are present for everyone. I can even postulate that these are behind all the unhappiness and dissatisfaction in the world at a meta level. The VUCA environment of leadership makes them very alive and makes leaders prone to fall into one or more of these traps. Roots of the many familiar everyday leadership problems, failures and errors we see in a large or small scale and we as coaches are employed to remedy can be understood this way.

SYSTEM BLINDNESS

A typical error of leaders and anyone in organizations that prove to be costly is a direct result of the five hindrances, as well as our simplistic approach to complex systems. The hierarchical systems in which the power is distributed asymmetrically, in which some are tops, some are bottoms, and some middles, create similar and typical dynamics that are independent of people, personalities, culture, and socioeconomic realities[5]. Everyone who enters the field and context of tops, middles, and bottoms are impacted by these systemic dynamics; and to the extend they are not able to objectively see these impacts on themselves and others, react in predictable ways:

- Tops, as those who are in charge of the whole system and everyone in it, and the results as a whole, will experience pressure of accountability and having to deal with complexity (VUCA).
- Bottoms, as they are at the bottom of the power chain, will experience disregard and vulnerability.
- Middles, as they will be receiving demands from every party that they need to go to others to satisfy, will feel tearing.

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[5] Barry Oshry. *Seeing Systems: Unlocking the Mysteries of Organizational Life.* Berrett-Koehler Publishers, 2007. Discussion in this section is mostly based on Oshry's model.

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- And customers (internal and external) will experience anxiety and neglect as they will expect delivery.

The systemic and contextual inability to see the system we are in and the complexity (VUCA) of it, the impact of the system on us, the conditions it creates, the situation and the experience of ourselves and others in the system, namely "system and context blindness" is both the reason and the result of this. What makes it even more difficult to deal with this is our predictable reflexive reactions to these very normal and predictable systemic realities; and these reflexive reactions are fueled by the Five Hindrances of Leadership (you may also see how SCARF factors are also implied in the below statements):

- Tops, in their attempt to deal with the complexity and the burden of accountability, try to control the system even more, and assume more responsibility, and thus end up with more complexity and more accountability.
- Bottoms, in their reflexive attempt to deal with the bottom vulnerability and disregard, and with the luxury of being innocently at the bottom, hold all others responsible for their situation and as a result feel more powerless.
- Middles, in their attempt to deal with the tearing, try to make everyone happy, ends up making no one happy, and experience more tearing.
- Customers, in their attempt to deal with their experience of neglect, move themselves away from the system and to a position of judgment, and making it more likely they will end up dissatisfied.

Most of the issues we coach leaders around have a sense of these vicious cycles in the background. **The thing we do to alleviate our pain makes it even worse** (which is a common human error).

If we are not able to see, as coaches, the systemic complexity, and the influences of the context, we will be making the same error of turning contextual problems into personal ones, and thus be unhelpful to our clients. As Kurt Lewin says "Eighty percent of the behavior is determined by the context".

TECHNICAL AND ADAPTIVE LEADERSHIP[6]

When we look at the bigger picture, we can see that leaders are dealing with two kinds of problems: Technical and adaptive. **Technical problems** are the ones than can be solved with the current expertise, and exactly that expertise, coupled with some authority, is what we need to solve them. **Adaptive problems**, on the other hand, generally require adapting attitudes, approaches, values, beliefs, and as a result, behaviors to the needs of the presented challenges of the environment and the new vision we are moving towards. Adaptive change most of the time involves new learning, innovation, and letting of some old, espoused, yet ineffective structures and values. If we look at the job of the leader today trying to navigate a world of VUCA, we would see most of their job is exercising adaptive leadership. And to be able to do this, leaders should build enough capacity to maintain presence and mindfulness on

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[6] Ronald Heifetz, Martin Linsky. *Leadership on the Line: Staying Alive Through the Dangers of Leading.* HBR Press, 2009

the face of VUCA challenges, to stay awake against the five hindrances and to overcome system blindness.

LEADERSHIP THROUGH ARIA

So, how do we create adaptive change? This brings us to fundamental tool and the currency of leadership: **Attention**.

The movement of attention, or the figure and ground fluidity (or fixation, for that matter) has always been pointed out by Gestalt practitioners as what defines our subjective reality, how we see the world, and what determines our thinking, attitudes and behaviors. The most simplistic definition of the Gestalt approach can be that we are helping clients become aware of how their behavioral (and invisible) attending process defines their thinking, feeling and action, and thus helping them have more choices around that.

Neuroscientists like Jeffrey Schwartz[7] demonstrate the same phenomenon. Their research show that the powerful and automatic conditioning like the five hindrances and system blindness can be changed, and new approaches and behaviors can be learned. Schwartz demonstrates that even very difficult behavioral challenges like Obsessive Compulsive Behavioral Disorder can be treated by a learning strategy that involves using **Attention** in a strategic way, enabling deep **Reflection**, and facilitating new **Insights** and awareness, and designing new behavioral experiments and **Action**, hence the ARIA learning model.

This model, which describes how human brain learns, fits perfectly with the Gestalt approach, and also is the fundamental model of adaptive leadership tasks. *If any leader can attract and sustain the attention of the people that are critical for his or her agenda, there will definitely be change and progress.*

In this respect the one of the first tasks of the leader is to learn how to manage her attention and how to sustain her attention on her agenda and leadership commitment. And with that, how to attract and sustain the attention of the people critical for her success, how to orchestrate and regulate joint reflection, argument, even conflict on the agenda, how to facilitate new joint insights, new collective understanding, and new agreements and commitments, and how to help design new behavioral experiments for the group she is leading.

While doing that, she also has to remember the axiom: "If you are one step ahead, you are a leader. If you are ten step ahead, you are a target". And as Heifetz and Linsky so beautifully puts it: "Leadership is the art of disturbing people at a rate that they can tolerate". As such, the first duty of any leader is first to stay alive.

This, defines the beauty, and the challenge of the leadership.

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[7] David Rock, based on an interview with Jeffrey M. Schwartz, M.D. *A Brain-Based Approach to Coaching* International Journal of Coaching in Organizations, 2006, 4(2), pp. 32-43.

OUR DEVELOPMENTAL TASK AS LEADERS

So, as leaders operating in a highly complex environment, our primary preparation for the work ahead includes:

- Building capacity to stay present, mindful, awake, and alive in VUCA challenges, and navigate them effectively,
- Developing the habit of continuously and methodologically asking the most important change question "what is really happening here?" and make effective assessment and diagnosis of the system we are leading,
- Understanding and regulating our reactivity and triggers in a complex system,
- Becoming aware and managing our tendencies to fall in the trap of the five hindrances,
- Upgrading our lens to see and overcome the common human error of system/context blindness,
- Thus becoming students of systems and achieving a certain balance of humbleness and boldness when we are dealing with systemic complexity and predictable human responses.
- And using this balance and a certain sense of awake mindfulness, learning to use ourselves as change agents to design, initiate and lead adaptive change in a strategic way: through managing attention, orchestrating collective reflection and conflict, facilitating joint insights and agreements, and designing and carrying out behavioral experimentation.

As leaders, we will only be effective in leading complex change in VUCA environments to the extend we will make sense of the environmental and internal forces we are exposed to and to the extend we support ourselves and others to match our approach to the complexity we are facing.

References and further reading

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