The Art of Managing for the Future:
Leadership of Turbulence

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Are these unprecedented times and if so how do we lead?

- We are told that these are unprecedented times, so what does an evidence based profession have to offer when there is no evidential precedent?

- What might leaders do that adds value when facing unprecedented times?

Drucker talked about living in an un-precedented world & being so absorbed with management tools that we forget purpose

Drucker (1958) talked about *"living in a new and un-precedented world in which we know both a new unity of vision as well as a most dangerous cleavage"*.

 A new unity of vision is emerging in a world that is becoming more interconnected and this is creating new conflicts.

He warned that we should not become so absorbed with management tools and techniques that we forget the purpose that they are intended to serve i.e. the wider needs of an increasingly interconnected and global society.

We build on 4 Drucker themes to develop approaches to current dilemmas... starting with Theme 1 a concern about *'future risks of credit crunches'*

Drucker's (1992) primary focus was to generate understanding of changes ahead to create the knowledge needed to manage for tomorrow rather than for yesterday. A quote from nearly twenty years ago provides a powerful insight into the current financial crisis:

'Only a few short years ago we worried about inflation and about the ascendancy of all kinds of new financial superpowers…Inflation is, of course, still a danger - and will remain one as long as governments pile up huge deficits. But executives in the 90's are more likely to be worried by financial stringencies and credit crunches… The monetary giants of yesterday are everywhere in full retreat and mired in scandal.' (Drucker, 1992 p.V111)

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The second theme is his focus on *'turbulence and people's experience of turbulence'*

We are now living in a period of unprecedented turbulence with the worst financial crisis since the 1929 crash. Turbulence defines a state of unpredictable change that was not foreseen.

Yet as Drucker states:

'The Executive world has been turbulent for as long as I can remember - I started work two years before the 1929 crash'
(Drucker 1992 p.V111)

However people's approach to understanding has failed to keep pace and many tools we use to understand the world we face are inadequate for the purpose because they assume an ordered and objective reality.

The third theme is his focus on *'how the stories we tell drive reality and people's actions'*

As with previous 'divides' past assumptions dominate thinking and obscure people's vision of what is about to unfold, often with disastrous consequences.

'Most of what we assume axiomatically no longer fits our reality, lending a surreal air to our work and lives. The world seems to have dissolved into a series of media events that appear either bigger than reality or totally formless. This is especially true in political life, where we have entered "terra incognita".' (Drucker 1992 p1)

The final theme draws on his focus that *'if this is a turbulent world where do we turn?'*

Turbulence creates inevitable dilemmas about

1) **the level of agreement about purpose** and what to do

2) **the predictability of outcomes**

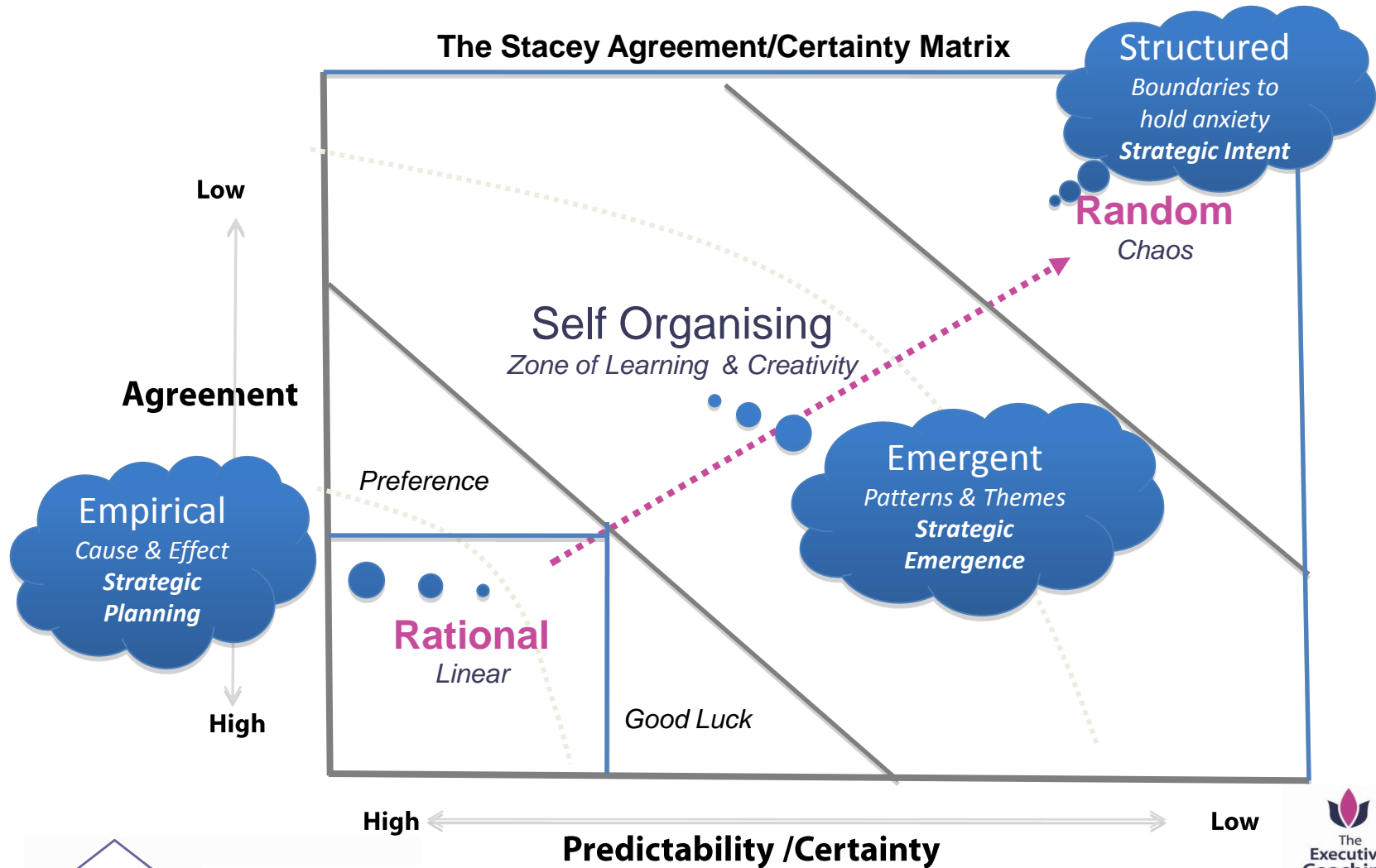3) **the central role played by the stories we tell**

Rational language, often used in organisations can have a dominating effect;
- creating the illusion of certainty and control
- influencing people's assumptions and actions
- blocking out exploration of alternative and different perspectives.

Many painful lessons have been learned from the current financial crisis that are critical to managing the gathering turbulence ahead

Complexity Theory provides a useful perspective to address these dilemmas .

Stacey's matrix provides a framework for matching process to context, creating fit-for-purpose approaches and stories

The Stacey Agreement/Certainty Matrix

Structured
Boundaries to hold anxiety
Strategic Intent

Random
Chaos

Low

Self Organising
Zone of Learning & Creativity

Agreement

Emergent
Patterns & Themes
Strategic Emergence

Preference

Empirical
Cause & Effect
Strategic Planning

Rational
Linear

Good Luck

High

High ⟷ **Low**

Predictability /Certainty

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Leadership of turbulence requires leaders to adapt and balance different approaches to leadership and decision making

Where agreement/certainty is **high** traditional approaches focus on hierarchy, alignment & control i.e. *'Administrative Leadership'* Typically this focuses on the short term organisational agenda.

Where agreement/certainty is **low** problems are complex in 3 ways:

1. Dynamically complex *i.e. cause & effect are far apart in space/time*

2. Generatively complex *i.e. unfold in unfamiliar/unpredictable ways*

3. Socially complex *i.e. "people see things differently, problems become polarised & stuck." (Kahane, 2007, pp1-2)*

This requires an emergent/interactive leadership style, which seeks different perspectives to deliver adaptive outcomes i.e *'Adaptive or Generative Leadership'*.

Between these two extremes *'Enabling Leadership'** creates the right conditions to optimise learning/problem solving to achieve best outcomes

(* Uhl Bien et Al 2007 pp 298-318)

We provide two examples of situations, that are dynamically, generatively and socially complex... starting with Example 1 South Africa – The Transition from Apartheid

Adam Kahane (2007) describes how leaders from different national constituencies participated in workshops at the Mont Fleur Conference Centre near Cape town to explore the birth of the new South Africa. The Mont Fleur process engaged participants in a process of dialogue, and mapping scenarios based on what might happen. He describes how :

*"**Simple problems**, with low complexity, can be solved perfectly well-efficiently and effectively - using processes that are piecemeal, backward looking and authoritarian.*
__Highly complex__ problems can only be solved using processes that are 'systemic, emergent and participatory'." (Kahane 2007 p.32)

Example 2: The Global Convention on Coaching

Situation

Increased demand for coaching, growth of coaches, confusion amongst buyers, in-fighting amongst professional bodies, no agreement on purpose, unpredictable context, competing stories about best practice.

Example

Out of the chaos conversations emerged and the concept of a global convention bringing together different parties.

Rather than a traditional linear approach the convention involved a process of dialogue, with no presenters, hierarchy of experts or predefined outcomes. 61 participants from 16 countries and 48 professional associations met for a week in a self-organising space to explore scenarios of the current/desired future for coaching.

Unifying themes emerged resulting in a declaration, which participants signed. Within 3 months 15,000 signed up to the declaration, which has become a catalyst for collaborative dialogue across the world.

Stories have a dominating effect in driving reality and people's actions so they need to be fit for purpose

Empirical
Cause & Effect
Strategic Planning

- Works from existing evidence base or hypothesis
- Assumes cause and effect
- Best fit: **high agreement/predictability**

Emergent
Patterns and Themes
Strategic Emergence

- Emergent patterns and themes
- Creative use of anxiety/tension
- Best fit: **high ambiguity/close to chaos**

Structured
Boundaries to hold anxiety
Strategic Intent

- Sets boundaries and principles
- Holds anxiety so we can work with the context
- Best fit: **chaos**

Stories can detract people's focus on Purpose e.g. *'the end of boom and bust', 'focus on growth', 'light touch regulation', 'the numbers speak for themselves'*
What stories can you share ?

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It is sometimes difficult for leaders to stand outside the system of which they are part - so what can we do?

- Create conditions that allow successful outcomes to emerge.

- Recognise that the nature of conversations are critical.

- Understand that motivating people is more about listening than telling.

- Generate healthy ongoing iterative conversations that create positive attractors and stimulate positive behaviours.

- Acknowledge that leadership in complex systems is more about dialogue and learning than dictate and control. This requires leaders to provide:
    - **Direction** - some key goals
    - **Boundaries** - limits and things to avoid
    - **Resources** - to get the job done
    - **Space for innovation** - permission to do things differently
    - **Set and maintain the real values**

In summary leaders need to be skilful in adapting and balancing different approaches to managing certainty and turbulence

- Many tools of management fit **high** levels of agreement/predictability but are inadequate in addressing a world that is less predictable.

- Management of relationships and dialogue is becoming more critical.

- This requires leaders to be skilful in managing the *uncertainty within* as well as power, conflict & blame associated with the human struggle.

- Management tools need be fit for purpose for the gathering turbulence of climate change, peak oil and other challenges – all concern degradation of the earth's assets.

- A key role of leaders is to act as *custodians* as well as *consumers* of the world's assets to leave a better legacy for future generations.

Are we ready to take on this form of leadership?

In turbulence there are no predetermined destinations only journeys of discovery
Thank you for taking this journey with us

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Further reading

- The Case for Coaching, 2006, Jarvis, Lane and Fillery-Travis, CIPD - explores the evidence base for coaching, literature, surveys, cases

- Modern Scientist-Practitioner, a guide to practice in psychology, 2006, Lane and Corrie, Routledge – explores your identity as a professional so you can create more effective stories about practice

- Constructing Stories, Telling Tales – a guide to formulation in applied psychology (forthcoming, 2009, Corrie and Lane, Karnac Books) - explores how we can understand our own and clients stories

- The Art of Inspired Living, Corrie, 2009, Karnac Books – explores tools you and your clients can use in coaching from positive psychology

- Evidence-based coaching: Contributions from the Behavioural Sciences, Cavanagh, Grant, & Kemp. 2005, Australian Academic Press – explores approaches to coaching grounded in psychology related areas

- Business Coaching International – transforming individuals and organisations, 2009, Stout-Rostron, Karnac Books, provides overview for coaching and clear guidance.

- Managing the Unknowable. strategic boundaries between order and chaos in organizations. Stacey, 1992, San Francisco, Jossey-Bass.

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PDF programmes for experienced coaches

- **WABC Chartered Business Coach**
  individualised programme for those with five years experience who have a business and coaching background.

- **EMCC Master Coach**
  Individualised programme for those with five years experience in coaching.

- **Masters Degree**
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- **EMCC Practitioner Coach**
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- **Doctorate**
  For experienced coaches.

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