

Complexity and the Implications for Leadership Development

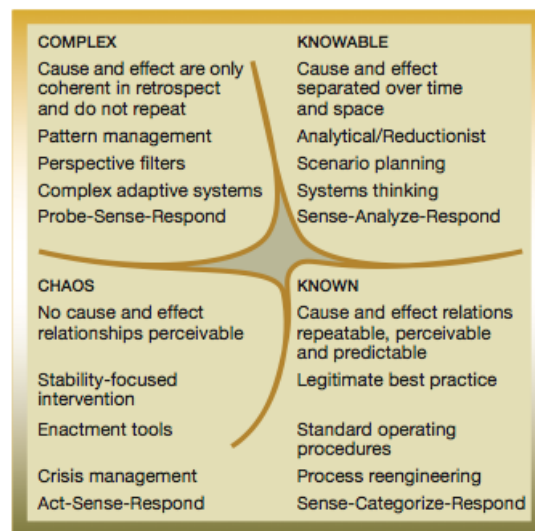
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In order to respond effectively in today's highly changing environment, organizations need managers that can perceive, understand and effectively work with complex and chaotic systems. To this end, models that incorporate complexity theory, like the Cynefin¹ framework, are excellent tools for sense making and decision strategy. But developmental research has shown us that only 15% of managers have consistent access to the cognitive and emotional capacity to operate effectively in complex and chaotic environments, implying that system models like Cynefin must be supplemented with individual and organizational developmental capacity building, in order to effectively address the demands on today's organizations.

Cynefin

David Snowden, et al, developed the Cynefin framework for understanding organizational knowledge exchange, decision-making, strategy, and policy-making that incorporates perspectives from complexity theory. The framework expands the conventional view of organizations to challenge three underlying assumptions in organizational decision support and strategy: the assumptions of order, rational choice, and intent.

The Cynefin framework describes four primary domains of interpretation and action: Known, Knowable, Complex, Chaotic, and can be used to describe contexts, situation analysis, domains of attention and work. Briefly, the Known domain encompasses situations where cause and effect, as well as solutions and strategies, are known and at hand; The Knowable domain encompasses causes and effects, solutions and strategies, that are not readily at hand but can be acquired through research or consultation with an expert. The Complex domain is the area of complexity theory in which cause and effect exist but are too complex or distributed to be knowable ahead of time. Patterns emerge in retrospect and do not necessarily persist. The Chaotic domain considers conditions in which the system is turbulent and no cause and effect relationship are discernable.



The Cynefin framework describes strategies for sense making and action around the boundaries and contexts of these domains.

Developmental Perspective on Leadership

The Cynefin framework provides a useful way to integrate domains of complexity and chaos into conventional views of decision making and strategy, which is essential in light of our view-point that complexity is rapidly increasing in our world now. The framework, however, underestimates the demands that complexity and chaos place on managers and does not take into account the need to support systemic and decision-making approaches with developmental approaches that enhance the leadership capacities necessary to work in these domains.

For example, one of the implications of this work is that it calls for the relaxation of three assumptions: order, rational choice, and intent. In our view of leadership development, which arises in part out of models of adult human development, order and rational choice are not merely assumptions, but are constructs through which we see, and arise out of inner capacities we have for meaning making. Intuitively, we all know that managers have widely varying needs for order and control. Developmental models show that this need arises out of a core mode of interpreting the world, or "action logic" that develops over time and results in profoundly varying capacities to deal with varying levels of complexity and chaos.

Many developmental models have been described, but they all share more commonalities than differences. The model we use, which is based on The Leadership Maturity Framework², defines several stages of leadership development, based on stages of self-development. As leaders progress through these stages, their relationship to order, rationality, and intent shifts as does their capacity to see and work with greater span of time, space, polarities (e.g., conflict), and complexity.

The implications for applications of complexity such as Cynefin are enormous. If we truly want to develop the capacity to embrace greater degrees of complexity, we must attend not only to the outer dimensions of it – strategy and action; but also the inner dimensions. Our own complexity must equal or exceed the complexity we wish to embrace.

According to leadership studies, 85% of managers today are operating out of what is sometimes called a *conventional* action logic, with most operating at either the Expert or Achiever action logic³.

Expert – Rules by logic or expertise. Uses rationality as primary perspective. Sees 'one right way' based on established expertise. Tends to vision at a group or department scope and a 1-2 year time frame.

Achiever – Meets strategic goals. Looks out at a 3-5 year horizon and can see the organizational context. Must work with challenges of competing forces such as resource limits, market demands, and human factors. Needs

to make choices between alternatives to achieve goals, based on limited information.

These two action logics represent the capacities to work well within the Known and Knowable domains. Experts assume what is needed is known or in some cases knowable. The world appears as ordered, discoverable through rationality, and by implication ordered through intent. The Achiever begins to work in a larger scope and timeframe, presenting cognitive demands to operate more in the Knowable domain, but still operating with a view based on order and rationality.

The Cynefin framework presents a perspective that incorporates what we call *post-conventional* action-logics – exercised by only 15% of managers.

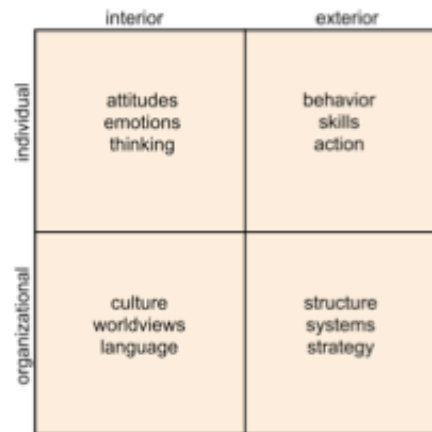
Individualist – Can see contexts and subjectivity. Understands that the world is subject to interpretation and that the objective perspective is one point of view, conditioned by one's individual and cultural context. Choice appears as a both/and polarity; space and time horizons expand beyond the organization and one's expected tenure in it (10 – 15 years).

This is the action logic where complexity theory arises and leaders begin to see complex adaptive systems without central ruling structures. Patterning and adaptive leadership strategies become important. As Heifetz⁴ calls them, 'Adaptive Challenges' come to light, along with the capacity to expose and hold people in, rather than resolve conflict, as a learning strategy.

Strategist and later – These leaders have the capacity to seek and enact organizational and social transformations. They see out to the larger social and market system in which they operate and seek to impact that context in a time space that may be multi-generational. Polarities and boundaries are seen as fluid and arising out of context guided by ethics and self-generated principles. These leaders can operate in the whole domain described by the Cynefin framework as they realize that order, unorder and disorder exist in all situations and arise out of choice-ful sense-making and necessitate reflective action. The fear normally induced by chaos is greatly reduced.

These stages of leadership action logic emerge in wave-like pattern of growth. Research into how adult human development impacts leadership capacity and how development occurs has shown that it is possible to assess, develop and nurture the capacity in organizations to fluidly work in all of the domains described by the Cynefin framework. Our work with leaders who are embracing these challenges has shown that these capacities are necessary for success in working effectively in the complex and chaotic domains.

An integral approach to leadership development must take into account capacity along four key dimensions (quadrants, in the accompanying diagram) that arises out of the interior and exterior perspectives of the individual and organization⁵. The Cynefin framework looks primarily through the lower-right quadrant – organizational systems, while acknowledging that this is a sense-making (lower-left hand quadrant) act. In order to be successful operating in complex environments, organizations need to develop leaders with the individual capacities and skills (upper quadrants) to operate at the levels implied by the domains of complexity and chaos, as well as create the necessary supporting organizational culture and practices.



References

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