

## Leading in Turbulent Times: learning to live with paradox

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*"If you are not confused by current events, you are not paying attention." Bob Johanssen (2012, p. 2)*

In the late 1990s the U.S. Army War College developed the acronym VUCA to refer to the volatile, uncertain, complex, and ambiguous nature of political relations in the post-cold war era. It did not take long, however, for people to realize that these issues had implications for organizations well beyond the military and in 2009 Bob Johanssen, former president and CEO of the Institute for the Future, popularized the concept in his book *Leaders Make the Future*.

In today's interconnected world you don't have to look far for examples of VUCA issues: the 2008 financial crash and its continuing impact on the global economy; the Arab Spring of 2010-11, subsequent rise of the jihadist 'Islamic State', and the mass displacement of people across the Middle East and Europe; the forthcoming referendum on Britain's membership in the European Union; even the trials and tribulations of candidates in the 2016 U.S. election campaigns. All of these highlight the speed at which apparent stability can break down and new realities emerge. They also vividly illustrate the contested and ambiguous nature of 'truth' – never before have we had access to so much information (apparently 90% of the world's data was generated in the past two years), yet we seem to struggle more than ever to create and apply useful knowledge.

The changes since the turn of the millennium have come at such a rate that it's been hard for leadership theory and practice to keep up. In reflecting on what has happened since the publication of his 2005 book, *The World is Flat*, Thomas Freidman noted:

When I said the world is flat, Facebook didn't exist. Or for most people it didn't exist. Twitter was a sound. The Cloud was in the sky. 4G was a parking place. LinkedIn was a prison. Applications were something you sent to college. And, for most people, Skype was a typo. That all happened in the last seven years. And what it has done is taken the world from connected to hyper-connected. And that's been a huge opportunity and a huge challenge. (Freidman, 2012)

In the second edition of his book, Johanssen (2012) presented an updated forecast of trends that would shape business and society in the next decade. Alongside the challenges and opportunities previously identified (changing diasporas, civil society, food security, ecosystem degradation, and amplified individuals) he identified two new developments that will have significant, enduring, and unpredictable effects. The first of these, digital natives, refers to the first generation to have grown from childhood in a world of social media and cloud computing (anyone born since the mid 1990s), who are now entering the workplace. Johanssen suggests that digital natives “will be a disruptive force on a scale that we cannot yet imagine” (p. 10), significantly challenging the assumptions and behaviors of previous generations. The second new trend is cloud-served supercomputing, which offers networked forms of computing that were previously unthinkable and which, according to Johanssen, “will be the biggest innovation opportunity in history” (p. 12).

In a VUCA world established approaches to strategy, planning, and control often accentuate rather than alleviate the problem. Take, for example, the predicament facing the UK’s largest supermarket chain – Tesco. A strategy of growth that proved successful for many years hit a wall in 2014 as low cost retailers such as Aldi and Lidl ratcheted up the competition in an increasingly cost-sensitive marketplace. Combined with financial mismanagement and wavering public opinion, the future is far less certain than it once appeared for Tesco and the share price has fallen by nearly 50% in the past two years.

Turbulent times highlight all too quickly the limits of traditional models of leadership and leadership development that focus almost exclusively on what is happening at the top of the organization. Whilst the CEO, Chairman, and other members of the senior leadership team are clearly important, the factors that contribute towards organizational adaptability, innovation, and performance are far more widely distributed. Context, both internal and external, ultimately determines what works... and what doesn’t.

In this rapidly changing environment, however, a business-as-usual mentality continues throughout much mainstream leadership development and research and practitioners are rarely encouraged to think or behave differently. The ‘romance of leadership’ (Meindl, Ehrlich and Dukerich, 1985) remains as alluring as ever despite a large and growing body of evidence highlighting the risks and limitations of individualistic approaches.

So what can be done to address this matter, to encourage a more reflexive and contextualized approach to leadership development and research? Over recent years, colleagues and I have begun using the concept of paradox to help leaders and organizations think and work differently. A paradox is something that conflicts with deeply held views of what is possible yet, on closer inspection, may turn out to be well founded. The logician Willard Quine (1966) distinguished between three categories of paradox: (1) veridical - something that sounds implausible but is logically correct; (2) falsidical - something that sounds plausible but is actually impossible; and (3) antinomy - something that cannot be resolved with any amount of logical analysis.

In times of turbulence and uncertainty all three of these paradoxes can have challenging and problematic effects. Several examples of veridical paradoxes can be found in J.W. Forrester's seminal work on systems dynamics and leverage points (see Meadows, 1999 for a brief summary). Through computer-based modeling, for example, he demonstrated that a common factor linked to global problems such as poverty, hunger, environmental degradation and unemployment is economic growth. However, whilst political and business leaders were (and still are) trying to resolve these issues through increased economic growth this is the wrong approach and what is actually required is slower, or even negative, growth. This is an insight so at odds with the dominant capitalist logic of our times that it continues to be largely ignored, despite convincing evidence of its veracity. Instead we insist on pushing the lever of change in the wrong direction!

For an example of a falsidical paradox it is worth considering pay and remuneration structures. Whilst organizations continue to claim that 'people are our most valuable asset' the scale of the pay gap suggests the opposite. Analysis of data from 2014 shows a 204-to-1 ratio between the average pay of CEOs to median worker wages in U.S. companies, with four CEOs earning over 1000 times the median salary in their company (Che, 2015). Such discrepancies are based on a number of false (yet surprisingly widespread) assumptions, including: 'company performance can be traced directly to the CEO'; 'the more you pay, the better the CEO you will get'; and that 'such differentials are justifiable on the basis of the value that the CEO brings to the company'. You don't need to look far for evidence of where such logic is clearly misguided and yet, similar patterns are replicated around the world. We continue to grossly over pay senior executives and are then surprised when they turn out to be driven by greed and to show signs of grandiosity.

Whilst veridical and falsidical paradoxes are problematic, and entrenched mindsets and ways of working make them difficult to address, antinomy paradoxes

may well be the most difficult for individuals and organizations to come to terms with as they require an ability to hold two or more possible interpretations in mind simultaneously. Take, for example, the widely held view that the USA is the wealthiest country on the planet, yet nearly 47 million Americans are reported to be living in poverty. These facts suggest (at least) two very different experiences of what it means to live in America – both ‘correct’ to those experiencing them and yet each completely at odds with the other. Similar trends exist in many spheres and challenge our tendency towards binary ‘either/or’ distinctions.

In organizations paradoxes are often experienced as a need to balance or choose between two or more apparently contradictory demands or expectations. For those of us working in universities a common example is the tension that can be experienced between teaching and research. Whilst it is possible to conceive of these as interdependent activities (as articulated in the mission of universities that seek to deliver research informed education), in the day-to-day experience of many academics they are often felt to be in direct conflict with one another and to require the deployment of quite different expertise and resources. In such a context one of the functions of leadership is to enable people to identify the links between these activities and to create an environment in which both are recognized and valued. The situation, however, is complicated by a system that tends to acknowledge and reward one set of activity more than the other, thus producing the perverse situation in which recruitment and promotions are largely dependent on research performance whereas institutional funding and student experience is more reliant on teaching-related activities.

The experience of paradox and the need to balance competing requirements seems to be a fairly ubiquitous experience of life in organizations. As people who are looked to for direction, leaders have an important role to play in helping others to navigate their way through paradox... and may frequently struggle to come to terms with the inherent ambiguities of their own role. Frameworks, models and theories that espouse a common set of behaviors, competencies or attributes tend to neglect the significance of context and the importance of collective sensemaking and identity in the leadership process.

Years of teaching and research have taught us that there is no quick fix, no simple framework, no easy answer; and that much of the confusion about leadership is created by those who suggest that there is. Taking the perspective that leadership is inherently paradoxical, and that leaders, followers, and organizations need to develop an ability to navigate through complexity, ambiguity, and uncertainty calls for

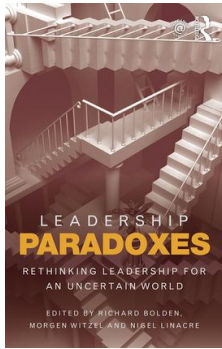
a critical and reflexive approach to leadership education and research. Rather than providing 'answers' we need to create spaces for exploration, debate, and co-inquiry. Colleagues at the University of the West of England are working with individuals and organizations to develop 'negative capability' - described by the poet John Keats as "when a [person] is capable of being in uncertainties, mysteries, doubts, without any irritable reaching after fact and reason" (see Simpson, French and Harvey, 2002). In today's complex world we must learn to let go of the need to be 'in control' and, instead, to embrace learning, inquiry and experimentation.

The theme of leading in turbulent times is at the heart of my most recent book. *Leadership Paradoxes: Rethinking leadership for an uncertain world*, published by Routledge in March 2016, is an edited collection that considers a number of common and enduring paradoxes in leadership practice, research and development. Whilst traditional texts tend to present and explore a range of well-known leadership theories and concepts, we use a problem-centered approach to illustrate the lived experience of leadership and how this informs, and is informed by, mental models and assumptions about the dynamics of power, influence and identity in organizations. By exploring the ideas in this book, we hope that readers will gain a greater appreciation of the breadth and depth of leadership studies and begin to recognize the limitations, and precarious foundations, of many widely assumed 'truths' about leadership.

In the spirit of Socrates we suggest that true wisdom lies in recognizing how little we actually know, and using this insight to guide a continuing quest for enquiry and understanding. Leadership remains one of the most sought-after qualities in contemporary society, yet after centuries of research, education and debate 'good leadership' remains just as elusive as ever. As Rick Haythornthwaite, Chairman of Centrica and MasterCard, said during a recent talk at our university: "anyone who thinks they can impose yesterday's patterns on tomorrow's world looking for insight in this fast-paced, disrupted world is kidding themselves" (cited in Bolden & O'Regan, 2016) – and that applies as much to leadership educators and researchers as practitioners.

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