What is Complexity Leadership?

Traditional Leadership
- Alignment and control
- Change efforts driven top-down
- Relies on leader vision, inspiration, and execution

Complexity Leadership
- Interaction and adaptability
- Change is emergent (in context)
- Seeds organization with generative (i.e., adaptive) properties and uses for day-to-day performance
We have always studied leadership in contexts of bureaucracy…

Complexity brings to leadership a lens of Complex Adaptive Systems (CAS)
Complexity Leadership Theory (CLT) addresses bureaucracy and CAS together.

Complexity Leadership Model
Key Premise of CLT: 
*It takes complexity to beat complexity*

Adapted from Boisot and McKelvey, 2010, *Academy of Management Review*

Research Findings
Purpose of Study

- To examine leadership and adaptability in the healthcare industry using a complexity lens.

Methodology

- Qualitative investigation in 6 hospitals
- For each hospital we examined leadership processes in the context of a strategic initiative
- Each hospital was visited twice
  - First with executive team to identify the strategic initiative
  - Second to “snowball” sample in organization around the initiative
- Total of 195 interviews over a 16-month period (April, 2008-July, 2009)
Overarching Finding

1. Healthcare is “in” complexity, which is evidenced by increasing variety in (and pressures from) the environment.

2. Traditional leadership is inadequate for operating in these contexts because it generates an “ordered” response that does not meet the needs of complexity.

3. Leaders who respond effectively in these environments enable “complex” responses by creating climates and conditions conducive to adaptive leadership and enhanced performance.

Ordered v. Complex Response

Adapted from Boisot and McKelvey, 2010, Academy of Management Review
Findings: Complexity

- In complex environments—characterized by high variety and pressures for adaptability—organizations need complex responses, i.e., enabling dynamic interaction and emergence.

- This goes against natural instincts of many managers (and employees!) who want to respond to complexity with directives and control (to generate feelings of order).

Ordered v. “Complex” Response

Ordered Response
- Traditional Leadership
  - focuses on top-down influence processes to motivate and align organizational members around the strategic vision

Complexity Response
- Administrative Leadership
  - top-down leadership “loosens” administrative systems
- Generative leadership
  - informal leadership fuels entrepreneurial system
- Adaptive leadership
  - enables emergence for the organization
Summary: Leadership Outcomes

- Despite the importance of “complex” responses, only 2 of the 6 hospitals engaged in leadership styles appropriate to a complex response.
- The other 4 hospitals responded using traditional leadership approaches.

Summary: Leadership Outcomes

- Of the two who engaged in complex responses:
  - One is thriving
  - The other overwhelmed the system (Houchin and MacLean, 2005), resulting in the leadership team being ejected.
Summary: Leadership Outcomes

Of the four who engaged in traditional responses:

- Two used overpowering administrative leadership that stifled or suppressed adaptive dynamics.
- The leadership teams of these hospitals are either completely turned over or in leadership transition (with CEOs of both organizations no longer there).
- The other two are either in status quo or steady state.

Findings:
Leadership Responses and Outcomes

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Ordered Response</th>
<th>Complex Response</th>
<th>Leadership Outcomes</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Traditional Leadership</td>
<td>Adaptive Leadership</td>
</tr>
<tr>
<td>Alpha</td>
<td>Moderate</td>
<td>Too much tension—put into chaos</td>
<td>Moderate</td>
</tr>
<tr>
<td>Beta</td>
<td>High</td>
<td>Weak</td>
<td>Moderate</td>
</tr>
<tr>
<td>Gamma</td>
<td>Moderate to Weak</td>
<td>Absent</td>
<td>Absent</td>
</tr>
<tr>
<td>Lambda</td>
<td>Moderate</td>
<td>Strong balance of loosening and tightening</td>
<td>Moderate to Strong</td>
</tr>
<tr>
<td>Theta</td>
<td>Overpowering</td>
<td>Absent</td>
<td>Stifled</td>
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<tr>
<td>Zeta</td>
<td>Overpowering</td>
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</tbody>
</table>
“Traditional” Leadership

Traditional Leadership

Focuses on alignment and control

Which suppresses adaptive dynamics

Administrative System

Entrepreneurial System
Findings

• In our data, traditional leadership looks like this…

Key Point

• The key is to recognize and appreciate the value of adaptive dynamics…
• …and interact with and enable them.
• That is the critical difference between traditional leadership and complexity leadership.
Adaptive dynamics are often present or trying to be present in organizations. They look like new ideas, innovations, workarounds, pushback, prosocial rule-breaking, voice. They are enabled by generative leadership. Generative leadership helps generate new ideas and champion them into the system. Generative leadership contributes to “bottom-up” emergence in organizations.
Key Point

- It is critical that organizational leaders recognize and value generative leadership.
- Generative leadership and adaptive dynamics are a core source of innovation and adaptability for the firm.
- That said, they are *easily* suppressed.
Adaptive Leadership

• Enhances organizational adaptability and performance by creating conditions that simultaneously:
  • Allow the organization to transform itself to navigate fundamental shifts in the environment…
  • …and perform seamlessly on a day-to-day basis to satisfy customers, shareholders, partners, and other stakeholders (Garud et al., 2006)
Adaptive Leadership

- Channels energy and emergence through a combination of tightening and loosening behaviors.
  - *Loosening* behaviors (i.e., “exploration”) involve enabling conditions for interaction, search, experimentation and information flows.
  - *Tightening* behaviors (i.e., “exploitation”) involve reducing variance through choice, execution, standardization, and restricting information flows.

Complexity Leadership Framework

Adaptive Leadership

- Administrative Leadership
- Entrepreneurial System
- Emergence
- Generative Leadership
Emergence (and Suppression)

- When engaged appropriately (e.g., “simple rules”), administrative constraints channel generative leadership to perform in productive ways.
- Administrators get pressured to change from adaptors and innovators.
  - If administrators regularly turn down these adaptive requests, the organization “learns” to be not adaptive (generative and adaptive leadership is suppressed or stifled).

Conclusions

- Healthcare needs to respond to complexity with complexity:
  - Loosen the administrative system
  - Fuel the entrepreneurial system (and generative leadership)
  - Develop the adaptive system (adaptive leadership and adaptive dynamics) to capitalize on emergence
Conclusions: Not “Feel-Good”

- This can feel very disruptive to organizational members.
  - Complexity leadership is not a “feel-good” model of leadership typically seen in leadership theorizing and practitioner-oriented books.
- Because it goes against traditional understanding of what leaders do, many will not recognize it as effective leadership.

  Adaptive leaders often feel they are going against the tide, and it takes great tenacity to withstand the tremendous pressures to pull back to equilibrium.

Conclusions: The “Rubber Band” Effect

- The key is watching for the “rubber band” effect—the snap back against the leaders that occurs when the organization gets pulled too hard and the “rubber band” breaks.
- Leaders need to pull the “rubber band” (the change effort) so it is stretched (but not overly tight), and then pull gradually from the front end, making sure the back end follows, to move the entire system forward (to a “new equilibrium”).
References