

This is the tenth of a series of 12 articles on systems thinking, a way of understanding complex organizations and society offering significant promise for improving the leadership and management of commercial companies, not-for-profit organizations, and government agencies.

Part 10

Leadership in Complex Systems

By H. William Dettmer

It is better to have a lion at the head of an army of sheep,
than a sheep at the head of an army of lions.

—Daniel Defoe

Good leaders never set themselves above their followers—
except in carrying out their responsibilities.

—Unknown

Leadership, at its highest, consists of getting people to
work for you when they are under no obligation to do so.

—Unknown

Leadership—it's one of the most over-used, least-understood, misinterpreted words in the world today. It's become hackneyed, almost meaningless, like "paradigm," "quality," and "walk the talk."

What *Is* It?

Part of the reason for this is that there is no commonly accepted definition of leadership. And many of the various definitions are imprecise, leaving them open to widely differing interpretations. Even Warren Bennis, perhaps the foremost author on leadership, has observed:

Literally thousands of empirical investigations of leaders have been conducted in the last 75 years alone, but no clear, unequivocal understanding exists as to what distinguishes leaders from non-leaders...It's as if what Braque once said about art is also true of leadership: "The only thing that matters in art is the part that cannot be explained." [1:4-5]

Or, as Supreme Court Justice Potter Stewart once observed about pornography, "I may not be able to define it, but I know it when I see it." Okay, let's test that premise. Here's a list of names from history and current events from a variety of venues—sports, military, business, and the international stage. Which would you consider to be effective leaders? Why?

Winston Churchill	Bill Gates	Gerry Faust
Ray Kroc	George S. Patton	"Chainsaw" Al Dunlap
Dwight Eisenhower	Herb Brooks	Thomas Watson
Adolf Hitler	Saddam Hussein	Mohandas Gandhi
Martin Luther King, Jr.	Martin Luther	Julius Caesar
Alfred P. Sloan	Dave Thomas	Kenneth Lay
Pete Carroll	Franklin Roosevelt	Michael Milken
Jim Jones	Edwin Land	Kim Jong Il
Erwin Rommel	Bernard Ebbers	Grand Ayatollah Sistani

An eclectic bunch, that. There are undoubtedly others worthy of consideration, but the point is that, love 'em or hate 'em, *somebody* considers each of them to be a "great" leader. If *that* isn't testimony to the lack of a standard definition of leadership, I don't know what is.

Even much of the literature purportedly written on the subject is vague. Consider Margaret Wheatley's *Leadership and the New Science*. [2] Leadership is 50 percent of the title but only mentioned in passing, relatively speaking. In a 197-page book, the index cites only ten pages where it's even mentioned, and nowhere is it defined. [2:189] Even Deming wasn't particularly clear on what leadership really was. The seventh of his famous fourteen points was "Institute leadership," though his elaboration on the topic didn't do much to define what leadership actually was. [3:54-59] He did say that leaders should be coaches rather than authoritarians, but beyond that, Deming was not particularly clear about the subject of leadership.

Manager or Leader?

One of the most common outcomes of the inability to define leadership is that many frequently mistake *management* for leadership. The two are distinctly different, though that distinction often escapes people. As a U.S. Marine once said to me, "*Things* are managed; leadership is about people." Interestingly enough, though, when observers look at organizations to determine whether they are well led, they tend to use *the same measures of merit*—things like profit or loss, cash flow, return on investment, and stock price—as are used to assess effective management, despite the substantial distinction between the two. Measure of merit such as these are, of course, only really relevant to for-profit businesses. Government and not-for-profit systems have even more difficulty assessing effective leadership.

All of which begs the question: Is it possible to be an effective leader without being a good manager? Or vice-versa? (That's a rhetorical question—I leave it to you to think about it!)

Our Definition

One advantage in the absence of consensus on a definition of leadership—for us, anyway!—is that we're at liberty to create our own...and who's to say we're wrong?! Okay, how do we go about this?

Let's start with some common elements that most people might agree on and see if we can fit them together in a logical way that "works" for a number of people in a variety of circumstances. The first of these would have to be...

Followers. Let's face it—it's tough to lead if there's nobody to follow! If we accept the Marine idea that leadership is about people rather than things, then the concept of a leader is pretty much meaningless with the "led."

Have you seen them? Which way did they go? I must be after them,
for I am their leader!

—Unknown

Action. Another element almost certainly is action. Leaders *do* things, they don't just talk about them. They're *proactive*. They may employ others to do the things they want done, but if they're making the decisions about what to do, applying the resources (e.g., people, time, energy, money, etc.), and keeping the pressure on, then for all intents and purposes they *are* acting. In addition, according to Bennis and Nanus, a leader "...is one who converts followers into leaders, and who may convert leaders into change agents." [1:3] So here we have the combination of followers *and* action.

Power. Bennis and Nanus defined power as "the basic energy to initiate and sustain action translating intention into reality. Without it, leaders cannot lead." [1:15] Power itself (as used in the leadership context) comes from influence, which has a few important components: credibility, inspiration, and compulsion.

Credibility comes from integrity—the believable expression of values, ethics, principles, and the follow-through on them. In other words, "walking the talk."

The only way leaders can make their values tangible and real to followers is through their behaviors and actions. Employees look to their leaders as role models of how they should behave. And when in doubt, they believe actions over words, without fail.

—John Gardner

As a leader, you need courage born of integrity in order to be capable of powerful leadership. To achieve this courage, you must search your heart, and make sure your conscience is clear and your behavior is beyond reproach.

—Konosuke Matsushita

Inspiration is the ability to get others to act willingly in ways that you want them to when they're not under any obligation to do so. And compulsion, of course, is the capacity of the leader to force followers to comply with his or her expectations.

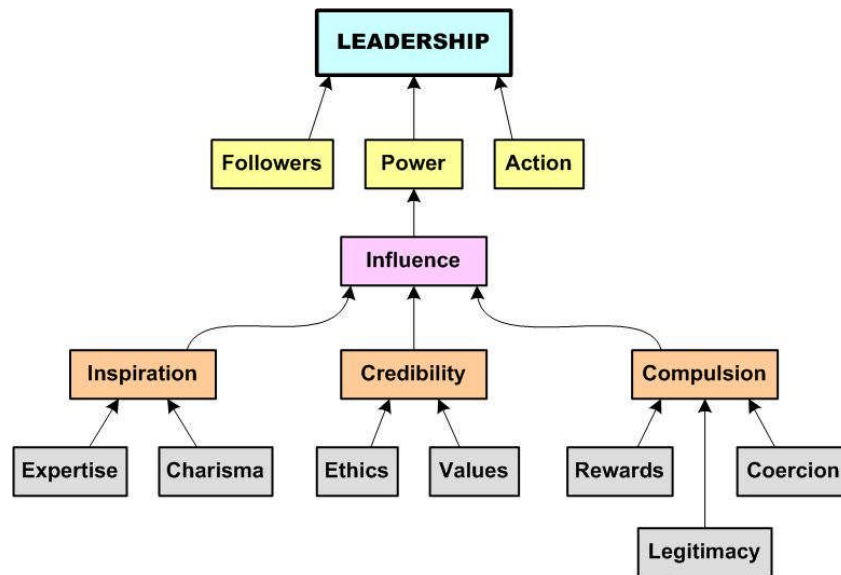


Figure 1. Elements of Leadership

French and Raven proposed five bases of interpersonal power that contribute to inspiration and compulsion. [4: 331-333] Expertise and charisma normally inspire people. Legitimacy formally conferred, rewards dispensed, and coercion applied (in the form of punishment) tend to compel expected behavior. **Figure 1** illustrates the necessary condition relationships among these elements.

So, now it's time to define leadership ourselves. For our purposes, we'll consider leadership *the exercise of power to influence people to do willingly, in a coordinated way, what they may not be under any obligation to do*. There's a subtle characteristic of this definition that warrants emphasis—it is completely neutral to value judgments about purposes, ends, or results. The determination of good versus bad leaders can only be made with reference to those purposes or results, not the activity of leading itself. But the interesting thing is that this definition applies to the activity of leadership at all levels of any system. Whether you're leading a team of volunteers or a country, leadership involves the art of motivating and focusing other people's efforts toward a desired end.

Leadership: Essential to Effective Systems

How does effective leadership contribute to the kind of systems approach we've been talking about throughout this series? Recall from the second installment, *Business and the Blitzkrieg*, that successful maneuver warfare requires agile, flexible forces. The speed of the blitzkrieg depends on initiative and decisive action from subordinate elements—both characteristics of leadership. This of course means that leadership is not confined to senior executive levels alone. In fact, the kind of confident, decisive

leadership required to capitalize on opportunities presented by rapidly changing situations can't exist in vertical hierarchies that depend on centralized authority. What's the alternative?

Senge, et. al., attribute the problems of overcoming resistance to change and maneuvering in new directions to the "love affair" most organizations have with what they call the *hero-CEO*. The hero-CEO is the exceptional leader who is preeminent because his or her "unique mix of skill, ambition, vision, charisma, and no small amount of hubris." [5:10-12] Rather than eliciting and developing leadership capacity throughout the organization, the hero-leader is brought in to inject new life into the organization, which in commercial companies usually means cutting costs (and people), boosting productivity and profit. And of course, hero-CEOs favor the tactics that put them where they are today—"been there, done that, got the T-shirt."

Consequently, the hero-CEO's tactics typically discourage risk-taking. Subordinates vie for the hero-CEO's attention and favor, often competing with one another instead of cooperating. The ultimate result is that people tend to depend on the hero-CEO to provide solutions to major problems and cling to habitual ways (that may be more comfortable during turbulent times) rather than risk bringing forth new ideas. Senge, et. al., maintain that leadership and initiative must be actively developed in three parts of the organization: the line, the internal "network" (support staff and front-line people whose jobs typically cross functional lines), and among executives. Bennis and Nanus, who saw leaders as developers of other leaders and change agents, would have approved of this. But the odds of this happening in an organization with a hero-CEO are likely to be low.

Moreover, as the guardian of the entire system, one of a leader's central responsibilities is to ensure that the system does not become suboptimized to any single factor. But hero-CEOs often suboptimize their systems to short-term performance, especially when they perceive that it may be important to those who appointed—and incentivized—them (i.e., the board of directors). More on this shortly.

Leadership and the Blitzkrieg

What should a leader's function be? If we remember our definition of leadership—the exercise of power to influence people to do willingly, in a coordinated way, what they may not be under any obligation to do—and if we accept the idea that organizations these must be agile, maneuverable, and flexible, then we're forced to conclude that:

1. *Centralized, top-down control is not going to be helpful.* We're going to have to nurture the development of leaders within the organization, as Senge, et. al., have suggested. [5:16-21] This intermediate leadership is then capable of assuming initiative in crucial situations when the unexpected happens.
2. *Authority, and the responsibility that goes with it, must be deployed to subordinate leaders.* The hero-CEO must give way to decentralized, subordinate decision making. This "letting go" is extremely uncomfortable to traditional bosses. Hero-CEOs, by definition, are almost incapable of doing it.
3. *Senior leaders must safeguard the positional security of their subordinates.* This is going to require leaders to institute two of the key elements of the *blitzkrieg*, as described by Richards (and discussed in the second installment) [6:51-57]: *einheit* (mutual trust) and *auftragstaktik* (a moral contract). Subordinate leaders must know they have the trust of their superiors. And they must intuitively know that their superiors will support them and safeguard their security when they take initiative in unexpected circumstances, and not punish them for making mistakes.
4. *Leaders must provide a clear, unequivocal vision of the goal and the general strategy for attaining it.* Richards refers to this as "leading by intent," rather than by direction. [6:78-79] The U.S. military even provides a formal element of operations planning to satisfy this need for clear direction without excessive specification: a document called the commander's intent. It affords the senior commander to describe for his subordinates his vision for what the coming operation should achieve and how it should unfold. Then, in the best tradition of the *blitzkrieg*, subordinate commanders (leaders) are free to innovate and initiate

on their own—if they've been developed and encouraged to do so by top leadership. By being "inside the boss's head," they're able to respond rapidly and confidently to unexpected developments without having to waste valuable time going back up-channel for guidance. They instinctively do what the commander would do if he were there, without having to ask—speed *and* continuity. No senior leader could ask for more than that.

The New Leadership Conflict

In many organizations, especially in the for-profit sector, a *blitzkrieg* leadership approach will pose a significant dilemma for the executive: doing what the system's owners expect versus doing what's required to support and reinforce the initiative of subordinates. (Figure 2)

Why is this a dilemma for the leader?

Clearly to succeed at leading, the leader must satisfy the objectives of the system's owners—the shareholders and their proxies, the board of directors who put the leader where he or she is. In most cases, that objective is financial success.

At the same time, in order to succeed in today's volatile, rapidly evolving external environment (with often earth-shaking events such as 9/11, or the bursting of the "dot-com" bubble), the leader must stand at the head of a well-coordinated, fast-reacting, agile organization—the kind of unit embodied in the *blitzkrieg* philosophy of *einheit*, *fingerspitzengefühl*, *auftragstaktik*, and *schwerpunkt*. [6:51-57]

But shareholders and board members are usually focused on short-term financial performance, and they are typically influenced heavily by Wall Street analysts. While these analysts occasionally think beyond the current or next quarter, their understanding (and application) of true systems thinking leaves much to be desired. Moreover, boards of directors typically motivate CEOs and other senior executives with lucrative reward and compensation packages tied to short-term financial performance. This "carrot-and-stick" combination sways even systems-thinking minded leaders toward short-term financial suboptimization of the system. While good for short-term financial performance, leaders are often pushed toward decisions that can shatter the trust of the employees upon whose performance the organization depends.

This then is the leader's conundrum: Establish and preserve the trust of the "organizational commandos" who really produce the agility and fast reaction, or sacrifice that trust to the gratification of shareholders' short-term financial objectives. What's the solution to this dilemma? Unfortunately, that's a subject for another day (and, not coincidentally, a forthcoming book on systems thinking).

Summary and Conclusion

"Leadership" is one of the most-used and most-abused words in the English language. Yet few people can agree on a common definition for it. Leadership is different from management, though the two words are often (erroneously) used interchangeably. Leadership is closely related to power—and power comes from sources other than just formal authority.

It's not sufficient to be a "systems thinker." The successful practice of a systems approach to managing complex organizations requires the kind of leadership that can cause people to willingly—even eagerly—do what the leader wants them to do, even though he or she may not be able to compel compliance. Such leadership is most effective when practiced through *intent*, rather than explicit direction, and it includes the freedom for teams and individuals to exercise *initiative* to cope rapidly with situations for which no explicit guidance has been given, which may not have been anticipated, and in which the opportunity for success may be lost in delays.

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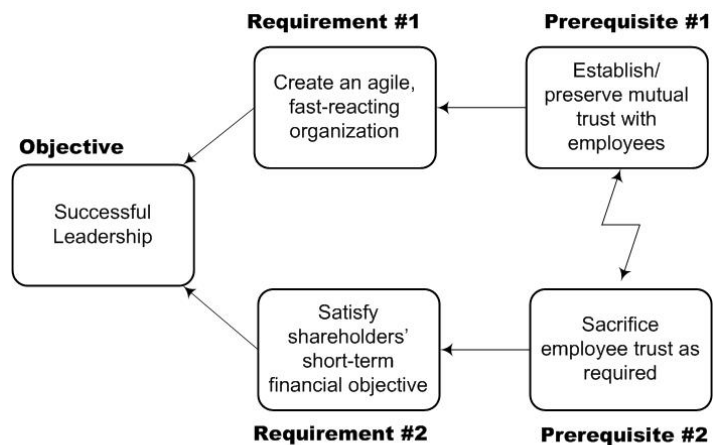


Figure 2. The Leadership Conundrum

Ultimately, the leader must resolve the basic leadership conundrum—balancing the pressures from above for short-term success with the need to create and sustain a responsive, agile organization. In our next installment, we'll examine another concept with roots in the military environment, specifically the Air Force: the wingman concept. This concept bears directly on the leadership conundrum and the fostering of *einheit* (mutual trust).

The trouble with being a leader today is that you can't be sure whether people are following you or chasing you.

—Unknown

The bureaucracy of any organization is very much like a septic tank—the really big chunks always rise to the top.

—Imhoff's Law

In order to be a leader, a man must have followers. And to have followers, a man must have their confidence. Hence the supreme quality for a leader is unquestionably integrity. Without it, no real success is possible, no matter whether it is on a section gang, on a football field, in an army, or in an office. If a man's associates find him guilty of phoniness, if they find that he lacks forthright integrity, he will fail. His teachings and actions must square with each other. The first great need, therefore, is integrity and high purpose.

—Dwight D. Eisenhower

Leadership is the ability to hide your panic from others.

—Unknown

Leadership cannot really be taught. It can only be learned.

—Harold Geneen

Endnotes

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