



Leadership in a contested space: A review of literature and research

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“We must find and create tensions... this is not just a performance issue but a survival issue.”

- Paul Polman, CEO of Unilever (Ref. 30)

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Executive summary

This paper builds on previous work published in 2012 by the Virtual Staff College which identified the changing requirements for leadership sitting at the nexus of multiple systems, as distinct from traditional models of leadership that have tended to focus on elite individual leaders in the most senior positions.

That previous work identified that the combined effects of volatility, uncertainty, complexity and ambiguity (VUCA) significantly influence leadership demands under exceptional circumstances. It has now become clear that these forces are not merely a feature of exceptional circumstances, but have become the new norm within English public services. This is particularly so, given the lengthy period of turbulence in the wake of the 2007 financial crisis, the slow recovery and the lasting need for policies of austerity to drive down the enormity of the current public sector debt – equivalent to 2 years average wage for every citizen of working age.

The last 25 years of the slow transformation towards New Public Management, can be characterised by the dominance of process targets reinforced with ever-expanding compliance and regulation. This has shaped public service leadership in a way that may have been appropriate at the height of the changes, but now proves to be ill-designed to respond effectively to VUCA. It is currently dominated by senior leaders with a pacesetter style of leadership, when evidence is very clear that collaborative leadership distributed widely and deeply is critical to the nimbleness and agility required to ride the storms of the VUCA world.

The public response to repeated systemic failures and continued imposition of austerity is to disengage and distrust mainstream politics. Fuelled by the new levers of social media, groups are increasingly finding that their combined but informal power is more effective than that vested in traditional organisations and structures. Traditional models of legitimacy that arose from position and democratic process can no longer be assumed as a natural and automatic right. Effort is required to understand and recreate a new authorising regime that can be secured on a sustainable basis. A crucial task of public sector leadership is to understand how to regenerate lasting legitimacy that acknowledges and is resilient against the dramatic effects of VUCA. This will be another permanent fixture of leadership, requiring constant engagement and reengagement with all interested parties.



Although VUCA poses substantial threats to traditional understanding, this paper shows that there are significant grounds for optimism, provided that it is adequately understood, confronted and met with appropriate styles of leadership that are nimble and agile. This cannot reside in the superhero leader, but must be distributed widely and deeply, not only within the organisation, but across the system of collaborators, partners and even in some instances, competitors.

“It is not complexity we should fear, but simplification.” - Robin Ryde (Ref. 68)

Distributed leadership can only be effective if it is aligned by total clarity of purpose that is both compelling and made relevant to everyone who is affected. Neither strategy nor culture are up to the job of identifying or communicating this purpose – this is the job for narrative, which, through illustration and story telling, has the power to combine strategy and culture in a way that can touch everyone meaningfully. Distributing responsibility for leadership and effective action can only work when a receptive audience is willing to take on this new mantle. At a time when public service staff, like citizens are becoming increasingly frustrated and disengaged, positive action is required that can mobilise, re-engage and even “activate” employees and public to want to get involved. The recent Scottish independence debate provides more cause for optimism that this is achievable when the circumstances are right.

Whilst a compelling narrative can be used to turn a burning platform for change into a burning ambition that can harness and direct the energies consistently, this is still not sufficient unless cynicism can be replaced by assurance and confidence. Virtues such as trust, integrity, and authenticity need to be rediscovered, placed centrally within leadership and visible to all. The demand for candour across public services can only be successful if driven politically as well as through the operational arms of government, demanding complete transparency regarding the severity of the challenges and the enormity of the VUCA forces in the public services sector. In turn, this calls for a realistic, fully open and honest appraisal of why tough decisions are urgent, combined with a willingness to engage with and guide communities and citizens through the process of shaping these decisions. Once decisions are made, success will depend on building trust and confidence in the mechanisms and accountability for delivery. Placing continued emphasis on the dominance of processes policed by a compliance-only mentality will continue to inhibit these successes. Instead, success will be eased by encouraging experience, judgement and a renewed appetite for risk, with processes and information being employed in a way that helps to build confidence that these are applied and regularly adjusted to achieve best value.

All these are critical elements in building a mass movement of informed and empowered people who will sustain the focus on the desired outcomes, despite the barriers created by turbulence, even in the absence of traditional, heroic, individual leaders.

“If you are not confused about current events, you are not paying attention” -

Bob Johansen, Institute for the Future (Ref. 22)





Introduction

This report considers the published literature related to both practical and theoretical aspects of leadership in the context of increasing complexity and turbulence that organisations face. Although the material covers a wide range of contexts, particular attention has been given to the challenges of leadership across public services in England.

This research builds from the study published by the Virtual Staff College in 2013 addressing the challenges of systems leadership, subtitled “exceptional leadership for exceptional times”. That work was the result of synthesis¹ between a literature review², the views of key system leaders across children’s services³, case studies conducted within the public sector in England⁴, and local studies conducted by experts in Australia⁵, Canada⁶, Denmark⁷ and USA⁸.

A key theme identified in that work was the influence of paradox and chaos that are associated with the increasingly turbulent times. This is characterised by the acronym VUCA, describing the combination of volatility, uncertainty, complexity and ambiguity facing leaders today. Since the publication of that work, it has become increasingly clear that rather than being exceptional times, this context of VUCA is rapidly becoming the new norm, especially in the broad area of public service provision in England. The coincidence of several extreme circumstances has led to adoption of the label “perfect storm”, and it appears that these conditions are continuing to intensify, creating effects that are becoming even more extreme.

This paper has been prepared to help those in leadership positions to be more adept at guiding their organisations and teams through the world described by these VUCA forces. It begins by seeking to dispel some of the misunderstanding and misinformation surrounding the key factors contributing to and prolonging the conditions of this perfect storm. The majority of this paper explores the theme of VUCA in greater depth, drawing on the relevant body of published literature covering both the practical experience and theoretical study, always seeking to interpret the consequences this has for leadership.

One of the clear messages emerging from this piece of work is that traditional models of authority are increasingly proving vulnerable to challenge. Assumptions that decisions and actions are automatically legitimised by virtue of position or historical precedent may no longer be relied upon. This is especially so for those in leadership positions across public services, where Moore’s concept of the authorising environment⁹ is perhaps best developed. This study suggests that the insight gained from Moore’s work has been inadequately considered in the context of the commercial sector, especially when it too is disrupted by VUCA forces. This apparent vulnerability to the questioning of authority places a renewed emphasis on those aspects of leadership, which focus on sense-making or organisational context analysis. In a VUCA world it is no longer sufficient to focus the sense-making internally

The conditions of VUCA can no longer be thought of as exceptional. This is rapidly becoming the new norm, especially for public service provision in England.

within an organisation. When a key goal from the sense-making process must be to increase the confidence in and resilience of the authorising environment, attention must be given to the interests of the wider ecosystem and all its stakeholders.

Amongst the many paradoxes exposed by VUCA forces, this duty of sense-making demands deeper levels of trust, greater transparency and a more explicitly ethical foundation. As is inevitably the way in the midst of the perfect VUCA storm, the need to strengthen confidence in these aspects coincides with a rise in systemic failures affecting precisely these characteristics. In this case, the damage has been done by the sudden and unprecedented explosion of what some have called “wilful blindness” across multiple, unconnected strands of public life^{10,11}. In this toxic environment, those attributes of systems leadership such as authenticity, integrity, humility and candour become even more pivotal than suggested in the previous work, because they are required not just for leadership within and across complex systems, but also for their contribution to sustaining legitimacy in an increasingly cynical society.

It has long been understood (though less well translated into practical actions) that “culture eats strategy for breakfast”,^{*} pointing to the regular failure of strategies that generally fail to address what really matters to people or, to use everyday language, to connect with them. Strategies that pay too little attention to these critical dynamics fail in implementation, whereas those that consider the cultural norms and behaviours of those who will bear the brunt of change are much more likely to succeed. In the VUCA world, where the unsettling and uncomfortable effects of turbulence tend to create anxiety, fear and suspicion, absolute clarity of purpose becomes even more essential to success. Faced with these deep-seated emotions and threats of instability, neither culture (the essence of stability!) nor strategy can provide an adequately compelling motivation to face the storm. In this context, evidence suggests that “narrative” is the powerful vehicle that can engage, mobilise and energise in a positive way despite the threatening environment. A strong narrative combines the strategic intentions and the desired cultural behaviours into a compelling story, vividly painting a picture of the experiences that are likely to be shared on the forthcoming journey of change, showing how individuals can contribute to, shape and influence its outcome.

A strong narrative creates a sense of purpose and continuity by weaving a thread through the turbulent changes against which individuals can use their judgement to make local decisions. At a time when people are bombarded by meaningless sound-bites isolated from their context, a powerful narrative stands out as a stark contrast. The compelling narrative becomes the vehicle through which the purpose is brought alive, creating greater affinity and loyalty amongst staff, thereby leading to a deeper and more positive engagement with the purpose of the organisation or wider ecosystem. Narrative succeeds where appeal to strategy and culture both fail, because the history of human development has story-telling at the very heart of civilisation. Long before writing or other technologies enabled formal records to be permanent; stories formed the backbone of the oral tradition by which communities were bound together, through a lasting record capable of transferring experience, knowledge and wisdom between generations. Our brains are wired to respond deeply to stories, and we are compelled to engage with narrative by the most basic primal neurological responses. Forster¹² provides a number of examples of the way in which story-telling reinforces a sense of purpose within organisations, demonstrating that leadership is not just vested in those with positional authority, but resides with those who ably use illustrations and questions to draw people back to the core purpose.

Those in leadership positions must invest time and energy to develop and maintain a clear and resilient basis for their continuing authority.

* “Culture eats strategy for breakfast” is generally attributed to Peter Drucker, though there is no firm evidence of him ever stating this. The phrase became popularised in 2006 by Mark Fields, President of Ford Motors, who adopted it as a motto pinned in their War Room to inspire their recovery.



There is a growing interest in the concept of followership as a natural adjunct to leadership, working on the premise that the test of great leadership lies in the collective response of those who are being “led”. The strength of this argument is easier to see in the case where leaders are seen as heroic figureheads, and followership is a response to the charisma and inspiration of those great individual leaders. Cruz¹³ explores the steps individual leaders can take to develop greater loyalty amongst followers. Roebuck¹⁴ provides a highly acclaimed practical guide to “Mach2 leadership” encouraging individual leaders to rediscover and emulate those who have been their source of inspiration along their personal development journey. But the essence of leadership in a VUCA-dominated world resides not in exceptional individuals, but in the ability to distribute the role of leadership broadly and deeply throughout organisations and across whole systems. In the absence of a figurehead, traditional understanding of followership becomes rather an abstruse concept. This does not negate the importance of its underlying implications provided that the meaning of followership is reinterpreted as following the common purpose, rather than the individual. Instead of the charisma of the individual leader being the source of inspiration, the compelling narrative and its role in helping to crystallise “purpose”, becomes the new focus. Roebuck’s method for personal reflection and improvement transfers neatly into this new approach if individuals seek to emulate the use of stories that powerfully illustrate and reinforce the sense of purpose. Use of the term “engagement” may become more appropriate than followership under these circumstances, as it is through engagement that people become actively focused on purpose. Gallup’s 2013 global workforce study¹⁵ across all industrial sectors is focused entirely on this increasingly important theme of engagement, repeatedly demonstrating correlation (if not causation) between engagement levels and the broad range of success measures.

The difficulties created by increased turbulence reinforced by the sense of powerlessness created by failure of traditional models of leadership appear to be creating growing levels of disengagement, whereas the evidence suggests that improving levels of engagement is an important way of improving resilience and sustainability. This is another example where the natural response to the effects of VUCA exacerbates the problem, demanding even greater effort to achieve positive impact.

Following further discussion of the conditions of the perfect storm, the succeeding sections of this paper seek to illuminate VUCA and its consequences; firstly, by exploring how this particularly impacts on English public services, before considering how the right style of leadership can strengthen the response to VUCA through attention to ethics, clarity of purpose, sense-making and effective engagement. All these are critical elements in building a mass movement of informed and empowered people who will sustain the focus on the desired outcomes, despite the barriers created by turbulence, even in the absence of traditional, heroic, individual leaders.

The perfect storm in English public services

The origins of what is often called the perfect storm can be traced to the global crisis in the financial services sector from 2007 onwards. This was triggered by a series of systemic failures of corporate governance that had lain undetected beneath the surface for a number of years. A helpful timeline of events is provided by the Federal Reserve Bank of St Louis¹⁶, showing how deterioration of confidence began in February 2007, when “Freddie Mac”, the American Federal Home Loan Mortgage Corporation, refused to buy some of the most risky sub-prime mortgages. By September 2007, the collapse of the interwoven house of cards had become inevitable as the extent of unmitigated risk became clear, exposing major institutions in Britain (beginning with the Building Society, Northern Rock) and France (BNP Paribas) as well as the USA (Lehman Brothers). A crisis of uncovered mortgage risk in early 2007 which led initially to high levels of foreclosure in the USA, blossomed into a few bankruptcies in notable stocks, became a growing crisis of bank liquidity over the 12 months

In a VUCA world, a strong consistent narrative is more important than either strategy or culture in engaging, mobilising and energising despite the threatening environment.

Ensuring people are engaged with the purpose is important when facing VUCA, but these conditions are more likely to lead to disengagement unless action is taken.

from September 2007 and by the end of 2008 had become a sovereign debt crisis engulfing Iceland, Ireland, Greece and threatening Portugal, Spain and Italy, and throwing the whole Eurozone into near catastrophe.

National governments responded first by seeking to create stability by underwriting the exposed risks, then by nationalising failing institutions and, finally, by injecting additional capital into the markets to improve liquidity. This process of printing new money, euphemistically described as quantitative easing to mask its true enormity was at the expense of unsustainable levels of public sector debt, triggering governments to impose varying degrees of austerity in an attempt to reduce debt to manageable levels. Individual circumstances were different in each of the affected economies, but in each case, the crisis was triggered when the extreme levels of unmitigated risk that had been allowed to build up were exposed by futile attempts to call-in the missing capital. Responses to the crisis varied, with Ireland voluntarily driving substantial budget cuts and tax rises, and Greece having these imposed by Europe's central bank, leading to severe civil unrest.

The UK government response was initially severely criticised by both the International Monetary Fund and the European Central Bank for the depth of austerity imposed, but has subsequently been exonerated by these institutions for the apparently successful economic recovery. However, the consequences of this recovery process have created a seismic shift in the basis on which it is founded, as evidenced by the trend in a number of key indicators clearly illustrated in graphics published by the Economic Research Council.[†]

Figure 1. Public sector debt in the UK

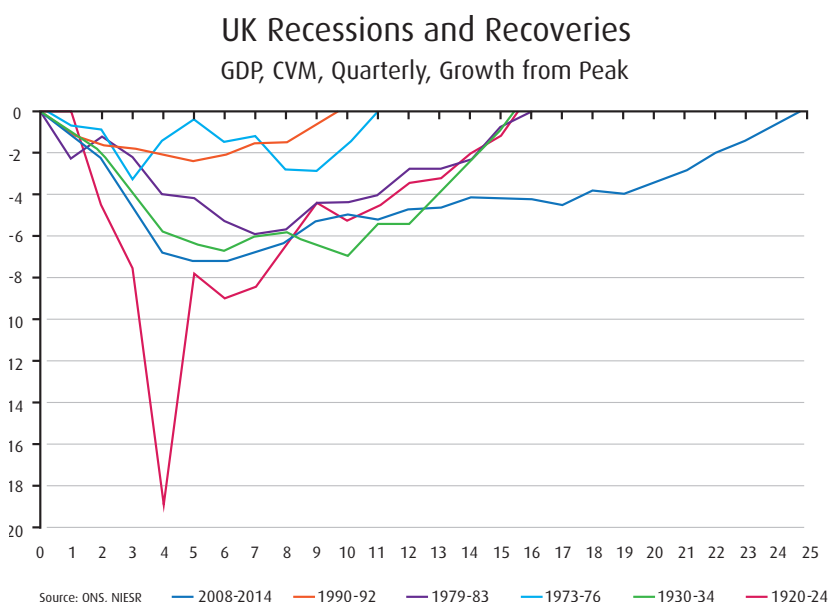


[†] The Economic Research Council produces a weekly series of key economic trends providing valuable commentary: <http://www.ercouncil.org/chart-of-the-week/>

At the beginning of the 21st century, the UK debt position was amongst the strongest in Europe, but the impact of the global financial crisis on UK debt was particularly severe, as the economy is so strongly tied to the financial services. Prior to the financial collapse, public sector debt in the UK was reducing year-on-year, falling to below 10% of GDP in 2007. By 2009, government's bailout of the UK banks this almost reached 50%, recovering to around 36% for the last three years. Interest on this debt is now 7% of public spending, the fifth largest element, behind only health, welfare, pensions and education. The total debt position is now amongst the worst, lying between Italy and Greece, although their membership of the Eurozone has given them fewer freedoms to respond to the consequence of these levels of debt. Figure 1 illustrates how the cumulative effect of this borrowing has given rise to total debt at the end of September 2014 of £1.556tn, equating to approximately £48 000 per working adult[‡]. This is twice the national average wage.

Figure 2 shows the depth and duration of each of the UK economic recessions since the 1920s post war recession. It shows that the combination of depth and duration of the recession following the 2007/8 crisis has exceeded any previous recession. Only the 1920s recession went deeper and none of them has come close to the 6 year duration.

Figure 2. Relative scale of major UK recessions



Despite the scale of this recession, the flexibility of the jobs market has enabled the UK to weather the recession more successfully than most European countries viewed from the perspective of employment. The UK's total levels of unemployment are amongst the lowest, though with somewhat higher levels amongst the under-25s than the best performing countries. Even here, the numbers remain below one third of the staggering level of 54% youth unemployment in Spain. The real impact of the recession on the UK jobs market manifests not in reduced levels of employment, but in the decline in average earnings – at no time in the last 150 years has a recession led to a sustained dip in earnings, but in 2014, the average earnings are some 10% below the peak in 2007, suggesting a permanent change in the underlying fabric. The contrast between the practical experience of this decline and the constant messages from central government claiming economic success contributes to public disengagement from mainstream politics.

[‡] based on ONS data for September 2014, using the debt figure calculated by the Maastricht and the midpoint between the labour survey and workforce jobs surveys.

The level of UK public sector debt is twice the average annual earnings per working age person. Interest on the public sector debt in UK is 7% of all public spending. Austerity will be a permanent feature of public services

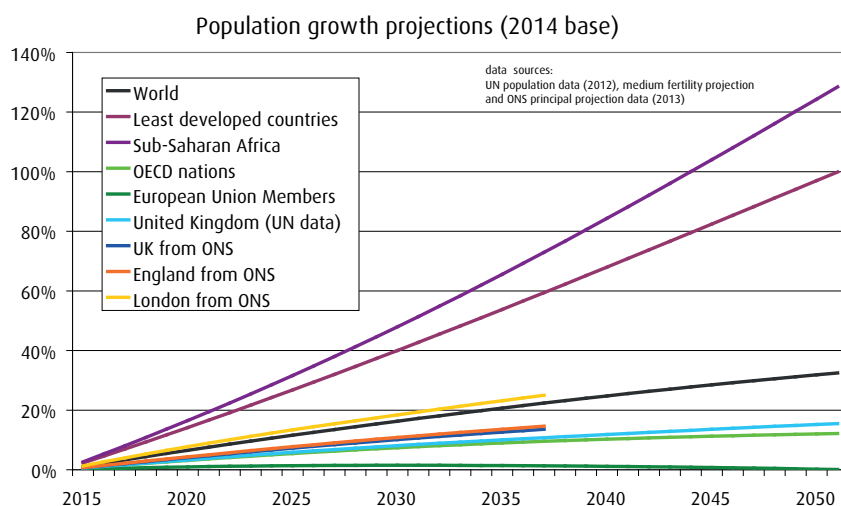


Subsequent sections of this paper will demonstrate that the effects of VUCA are different now from the impact of system complexity in previous generations, simply because of the combination of global interconnectedness, and the speed with which feedback mechanisms can force change. It is the combined effect of interconnection and feedback that fuelled the depth of the crisis from 2007 onwards. It continues to fuel the sustained high levels of unemployment in struggling economies, and has driven the changing employment patterns manifested by high numbers of zero hour and part time contracts. It is underemployment in these contracts that underpin the fall in UK average earnings, despite the introduction of a national minimum wage. Global changes in the jobs market and trends to “off-shoring” services are also enabled by the information revolution. In turn, this contributes to global population and migration trends, as the developing world embraces technology in order to demand faster progress in addressing the global workforce inequity.

One of the reactions to the continuing unfavourable economic conditions in most developed countries is a rise in protectionism, verging on xenophobia. There is growing dissatisfaction with people who are different, vested in an assumption that others are faring better than we are in addressing the financial challenges. This also manifests as a rejection of mainstream authority, reinforcing the growth in nationalism, visible across most member states in the 2014 elections to the European parliament. In the UK, this has become focused on the profile given to uncontrollable immigration, whereas the important contribution that diversity makes to society has gone largely unnoticed. Demands for increased regional democracy in England as a consequence of the referendum on Scottish Independence, and party politics is driven by the success of the UK Independence Party (UKIP) with its anti-immigration agenda. In the absence of meaningful debate or greater understanding, this attitude will continue to challenge cohesion and fuel further unrest which may well prove to be a significant factor in the 2015 UK general election.

Trends in population illustrated in Figure 3 are unlikely to reduce these stresses as they expose how atypical the UK trends are. The global population is predicted to reach 9 bn by 2040 and despite slowdown in the rate of growth, will still reach 10 bn by 2060 according to the United Nations data. This growth will predominantly occur amongst the least developed nations, whereas growth across the OECD nations is much more modest, and within the European Union is virtually unchanged for the next 40 years. With the fastest growth taking place in the least economically active countries, continuing rise in international tension is inevitable, even without considering the impact of climate change, energy consumption and access to other vital resources such as fresh water and food.

Figure 3. Long term population trends



The distribution of growth in global population will inevitably sustain high levels of international tensions.

No other OECD country is experiencing the levels of population growth of the UK.

In these figures, perhaps the most surprising aspects are the UK's own population figures. Estimates from the office of National Statistics predict faster growth than the UN's models, marking the UK out as the only member of the EU or OECD with substantial population growth in coming years. Worse still, internal migration shows that a disproportionate amount of this growth is in major cities like London, where the growth rate will exceed the global average.

The data provided by ERC collectively illustrate why there is an expectation in the UK that continuing rises in living standards are a natural right – no-one alive has experienced times in which growth has not been a reasonable assumption. The reality of sovereign debt, the imposition of austerity to address this and the growing alienation between citizen and politician is exacerbated by failure to engage in informed debate about these harsh realities. Furthermore, the growth in scale and severity of international tensions as terrorist groups harness new sources of power created by the plethora of social media makes it more likely that the perfect storm experienced since 2007 is here to stay. The global crisis is unlikely to be a temporary blip. It has the characteristics of a permanent adjustment to a new basis in which historical trends do not necessarily predict the future patterns.

It should be clear so far, that there is a need for leadership across public service provision in England which understands and is able to respond to the ongoing volatility, uncertainty, complexity and ambiguity which are the natural consequence of the current trends outlined above. This will demand new approaches to engagement between citizen and state, with the candour and trust required to have meaningful debate about the range of equally unpalatable decisions that need to be taken when seeking to reduce public sector expenditure. It will require a renewed effort by those charged with leading public services to secure lasting legitimacy, and they will almost certainly be forced to make meaningful inroads into the equity imbalance. Recent exposé of examples of wilful blindness based on misplaced respect for celebrity, fear of racial tensions, failure to understand how to balance quality and value, the hubris of “too big to fail”, and lack of respect for privacy demonstrate the scale of challenge to rediscover trust, integrity and a firm ethical basis on which to proceed. Amidst all the confusion and pressure of austerity targets, arguably one of the biggest casualties has been loss of clarity of core purpose. Over-reliance on quantifiable process targets has meant that core purpose has become diffuse and confused losing the powerful vision of a healthier and just society. It is incumbent upon the leadership of all public services to rediscover the narrative to engage, excite and potentially empower the communities they serve, and force the step change towards meaningful and sustainable, enriching services designed by and for the citizens and their communities.

Understanding the world of VUCA

Use of the term VUCA to describe the combined forces of volatility, uncertainty, complexity and ambiguity originates in the US military in the 1990s, but since the global financial crisis, the term has been widely adopted in relation to the pressures facing organisations as they have sought to respond to these perfect storm conditions.

It is easy to see how the term became popular amongst the military, as they had to reconsider their tactics to respond to the challenges of modern warfare against rebel and insurgent forces operating without the traditional centralised command hierarchy. General McChrystal, the former commander of the International Security Assistance Force in Afghanistan, described the lessons that had to be learnt quickly¹⁷:

“We had to change our structure to become a network. We were required to act more quickly. Instead of decisions being made by people who were more senior – the assumption that senior means wiser – we found that the wisest decisions were usually made by those closest to the problem.”

The global crisis has the characteristics of a permanent adjustment to a new basis in which historical trends do not necessarily predict the future patterns.

It is incumbent upon the leadership of all public services to rediscover the narrative to engage, excite and potentially empower the communities they serve, and force the step change towards meaningful and sustainable, enriching services designed by and for the citizens and their communities.

“Instead of decisions being made by people who were more senior ...we found that the wisest decisions were usually made by those closest to the problem”.

Paparone¹⁸ an assistant professor at the US military training college in Fort Lee, also reverts to the original military context, providing a compelling account, likening the challenges of VUCA to a military campaign aimed at moving from the swamp to the high ground. Unlike many authors who use the term VUCA rather loosely, Paparone carefully differentiates between the four elements:

- volatility describes the degree of turbulence and the countless often conflicting dynamics at work in the situation;
- uncertainty points to the fact that the past is no longer an accurate predictor of the future in this world and therefore there is less scope for confidence and certainty, especially in relation to the magnitude and scale of possible impact;
- complexity arises from the number of interconnected events and apparent randomness of results, likening it to an anarchic system where cause and effect relationships are indiscernible;
- ambiguity is experienced as the reality of the combined impact of volatility, uncertainty and complexity – a state in which even the experts are not able to make sense of what is happening and are unable to bring clarity.

Paparone warns that within a world subject to these four sources of tension, gaining additional information might simply increase rather than narrow the range of response possibilities, deepening the confusion. In a world that seeks answers to almost every challenge in the promise of “big data”, there is perhaps an important caveat in his suggestion. Despite the difficulty of making any choices or even choosing a general direction, the analogy of the swamp points to the urgency of making decisions and taking some action, even if that later proves to be the wrong course.

Bennett¹⁹, another business school academic working at the Robinson College of Business, Georgia State University, argues that the term VUCA is in danger of becoming another meaningless buzz phrase which is robbed of its meaning, simply because many of its users appear not to differentiate between the four elements with this clarity. He offers similar definitions to Paparone, but takes it further by suggesting that in specific situations, each of the four ingredients can be separated and prioritised. Free²⁰ also adopts clear and distinct definitions for each of the elements, as he demonstrates that the VUCA model can be applied to gain understanding in a very different industry – in this case; precision engineering.

Roger Martin, dean of the Rotman School of Management was interviewed by Strategic Direction magazine about the challenges of creating a meaningful strategy in a VUCA world²¹. He disagrees that VUCA is anything new; suggesting that the real problems with VUCA lie in the gap between our expectation of what should be achievable, (when armed with ever-sophisticated models and rich data), and the realities of all the confounding factors that prevent these expectations being achieved. In responding to the interviewer, he provides a helpful understanding of the distinction between complication and complexity, defining complicated as something that can be described within a single model, albeit operated at the edge of sophistication; whereas, a complex situation cannot necessarily be understood by a single model alone. In practice, the solution may lie by thinking about it multi-dimensionally ie, this way, or that way, or both at the same time.

Johansen, a former President of the Institute for the Future (IFF)[§] is widely recognised as one of the greatest commentators about the impact of operating in a VUCA world. Having spent three decades supporting organisations to develop their ten-year strategic roadmaps, he is accustomed to the challenges of trying to make sense of the possible scenarios against which the future will

§ see <http://www.iff.org/home/>



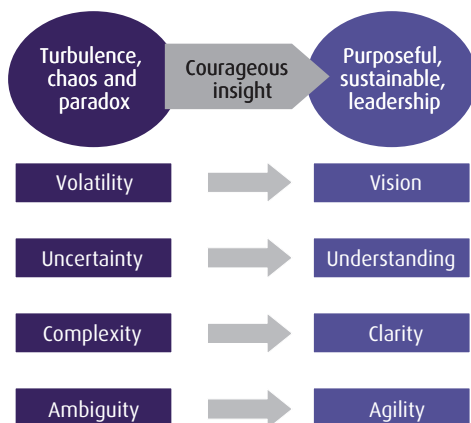
unfold. His depth of understanding of the world of VUCA is clearly illustrated in a published interview with him²². Amongst his provocative comments he illustrates how important it is not to become complacent in the face of so many unknowns:

“If you are not confused about current events, you are not paying attention”.

He continues by explaining that confusion is an integral part of the world of VUCA, and it is essential for leaders to become adept at handling the confusion and creating some clarity within which to operate. Expanding further on the need to engage with both the confusion and the fear that are features of a VUCA world, he suggests that the challenge is to re-write the acronym, by turning volatility into vision, uncertainty into understanding, complexity into clarity and ambiguity into agility. In so doing, he neatly characterises the fundamental leadership characteristics that are widely acknowledged as the core style demanded for success in this turbulent world. In his interview, he describes the need for leaders to produce a level of clarity that is “biting” and capable of creating real traction.

Figure 4 illustrates the importance of heeding Johansen in order to bring courage and insight to the VUCA world, and, as a result, transform the fear of turbulence, chaos and paradox into the positive energy of purposeful and sustainable leadership.

Figure 4. Turning the fear of VUCA into positive energy (after Johansen)



The previous study of systems leadership published by VSC¹⁻⁸, explored those characteristics of leadership which are particularly important when leading across extended ecosystems, where authority does not arise simply by dint of organisational position. In particular, this work suggested that leadership is a mindset not a technical approach, and stretched this concept further by suggesting that there is an emotional or spiritual dimension that can be described as a “heartset”, and that leadership involves feeling, perceiving, thinking, relating, doing and being. This is in stark contrast to the dominant expectation created by the target culture in English public services, that leadership is entirely measured by “doing”. That work remains entirely relevant to the world of VUCA extremes, concentrating as it did on the paradox and chaos arising when multiple systems intersect. This section considers these ideas further in the light of a deeper consideration of the contributing elements of the perfect storm.

It is important to distinguish between complicated and complex.

Complicated can be described by a single model, albeit at the edge of sophistication.

Complex situations require multiple models and solutions may lie by thinking about it this way, or that way, or both at the same time

“If you are not confused about current events, you are not paying attention”

Be courageous and turn the four threatening elements of VUCA into four positive attributes:

- Vision
- Understanding
- Clarity
- Agility



Like many other authors, Bouée²³, the Chief Operating Officer of a firm of strategy consultants, is attracted to the term VUCA because of the accuracy with which it described the world as he experienced it. However, he was frustrated that it didn't seem to offer any solutions, but was struck by the similarity with both Chinese approaches to management and an approach that he encountered working with the army – which they called Light Footprint. Collectively these appeared to offer some answers. The Chinese concepts in particular reflect the tensions expressed in VUCA. They value speed but are “aggressively patient” – taking the long term view whilst treating it as a permanent state of flux, whereas western models tend to seek stability as the end goal. In his analysis, he reminds the reader that the root of the word strategy lies in the relationship between an army and its leader – it only later became more closely linked to the concept of the plan. He encourages us to rediscover the original meaning that strategy is dictated by all aspects of the relationship between the leader and those who are led, although he doesn't comment on how this understanding needs to be developed further in the context of distributed leadership. Based on this historical meaning of strategy, he stresses the important ingredients found in both the Light Footprint and the Chinese model of management – leadership that is dynamic, flexible and consensual. These are all aspects that occur repeatedly in the study of systems leadership.

Along with other writers, he describes the paradoxes involved in leadership, but he introduces the rather controversial concept that the tension between secrecy and openness is an important ingredient in the mix of paradoxes. This message seems to contradict the frequent assertion that openness is crucial to the organisational agility that is built on strong engagement and distributed leadership united behind total clarity of purpose and transparency. It is however notable that the essence of a VUCA world lies in the anomalies and the unexpected contradictions, so this reasoning cannot be dismissed.

Lavine²⁴ focuses further on this relationship between leadership and paradox, indicating the need to embrace paradox at the heart of organisational theory, a direct conflict with traditional approaches that have sought to emphasise reductionism and the need for self-consistency. He claims that this revised approach embracing paradox is much more consistent with the practical experience of a VUCA world, offering a provocative challenge to accepted norms:

“Yet, in today's complex organizations, models based on linear and rational problem-solving do managers a tremendous disservice. Managers need to recognize, become comfortable with, and even profit from tensions and the anxieties they provoke, for the contribution of paradox to management thinking is the recognition of its power to generate creative insight and change.”

Lavine uses the Competing Values Framework¹¹ as a tool to assess leaders' ability to handle the many paradoxes that are inherent in the new model of leadership required by the VUCA environment. His work draws on that of Lewis²⁵⁻²⁹ who has been exploring this theme over many years, both from a theoretical and practical perspective. Her most recently published³⁰ study offers a particularly helpful review of how paradox lies at the heart of the leadership challenge itself. As part of her exploration, Lewis prefers the term strategic agility to describe the core leadership challenge, embracing just one of the paradoxes she explores so well – that strategy generally involves some form of stability, whereas agility implies the nimbleness to change tack as required. Several case studies are used to show how leadership is critical to harnessing

Rediscover the root of the word “strategy” – it defines all aspects of the relationship between the leader and those who are led.

“the contribution of paradox ... is its power to generate creative insight and change”

¹¹ The competing values framework emerged in the early 1980s as a vehicle for assessing organisational effectiveness. It assumes that there are two principle dimensions of effectiveness – the first relates to the degree and consistency of focus on the core purpose, and the second reflects the contrast between stability/control and flexibility/change. This second element clearly reflects the paradoxical nature of leadership, in the inherent tension between certainty (stability/control) and agility (flexibility/change).

strategic agility and responding to the turbulence. Lewis identifies three specific clusters of paradoxical contradictions: strategic sensitivity; leadership unity; and, resource fluidity.

Strategic sensitivity relates closely to what we have elsewhere described as curiosity or foresight - being alert to possibilities and capable of synthesising these new possibilities into an integrated understanding - capable of learning from and letting go of experience - building on corporate memories without creating a crippling inertia locked in the past.

Leadership unity again reflects the need to hold onto the uniqueness of individual identity within a corporate team - benefiting from the strength and challenge of diversity, yet leading to collective convergent thinking.

Resource fluidity reflects the tension between stability and adaptability. Lewis argues that when faced with the multitude of tensions, paradox can be a more powerful alternative to the power-plays that lead either to trade-off (which has winners and losers) or compromise that generally trades the available high-point in seeking to avoid the other extreme of the deepest low. Choosing paradox as a third way, recognises that it is possible to work simultaneously with the conflicting demands, drawing on the energy that is in the tension in much the same way as the metaphor of cooking the conflict so eloquently argued by Heifetz^{106, 107}.

Lewis cites a rather pointed statement from the Chief Executive of Unilever: about the importance of paradox as a tool, not simply a way of characterising modern reality:

"We must find and create tensions—force people into different space for thinking...This is not just a performance issue but a survival issue, because managing paradox helps foster creativity and high performance." - (Ref. 30)

Lindborg³¹ describes using the VUCA construct as a means of assessing threats both at individual and organisational level, but is equally applicable across whole systems. Although he uses the tool mainly to help individuals take stock of their options in difficult times, the approach he suggests could be adapted to involve the whole team in the process of evaluating alternative ways forward, creating strong engagement and ownership despite the adversity. What this creates is a powerful vehicle that could be used to develop a shared understanding of the turbulence being faced, which in turn, should reduce the levels of anxiety and create a stronger coherence.

Johansen³² identifies a number of new skills that are in the ascendancy in responding to the VUCA world. He offers a number of tools and techniques to help with this although, arguably, his most important message isn't new emphasising that leadership is about influence not control and the leadership imperative is to produce clarity out of the chaos. Probably the most important response is what he has describes as "dilemma flipping", where he suggests looking through the other end of the telescope and changing the paradigm within which the problem is viewed. He suggests that this allows the problem to be turned into an opportunity. In this way, he translates the negative view of reductions in job stability and security into the more positive prospect of increased flexibility and more ways of making a living. Other techniques in his armoury build strongly on using new media to effect social or business change in new ways, especially by building transient teams (he describes them as Smart Mobs), and by drawing on one of the fruits of greater networking interconnectivity - the rise of co-opetition or commons creating - working for mutual benefit by sharing assets for the common good. Like many other writers on leadership of systems, he exhorts those in leadership positions to sympathize with the principles of nature and adapt to these principles in the ways teams and resources are organised for the common good - essentially learning to lead and work with ecosystems, recognising the value of harnessing the interest in, and the contribution from, community.

Important paradoxes:

- building on corporate memories without creating a crippling inertia locked in the past
- benefit from diversity, whilst building collective convergent thinking
- manage the tension between stability and adaptability
- We must find and create tensions...this is not just a performance issue but a survival issue

Working together to understand the turbulent forces, should reduce the levels of anxiety and create a stronger coherence.

Learning from case studies of leadership in a VUCA world

As previously mentioned²¹, Martin does not agree that VUCA is new, only that the pace involved is new. In particular, he refutes those who suggest that, in the teeth of all the turmoil caused by VUCA, a strategy must be emergent and focused on collaboration not competition. In an excellent case study³⁴, he describes how Procter and Gamble (P&G), having discovered what appeared to be two great new winning products, explored a range of strategies before settling on a strategy that would historically have been anathema to them. Traditionally, they would have launched their two new products into head-on competition with strongly dominant incumbents. Despite the theoretical product advantage, and their own organisational strength, much of the value and competitive edge would have been eroded in the ensuing battle. All their knowledge of strategy would have led them on a wrong path. Instead, they developed a new style of mutually beneficial partnership in this market segment. Reflecting on this, Alan Lafley, P&G's CEO commented:

"The firms with the greatest capacity to win, will be those whose strategic choices extend out to networked stakeholders, suppliers and even competitors in the right circumstances." - (Ref. 34)

The firms with the greatest capacity to win, will be those whose strategic choices extend out to networked stakeholders, suppliers and even competitors in the right circumstances.

An open approach

Cangemi³⁵, writing in 2001, provides a number of case studies where organisations faced a climate of uncertainty and turbulence. He pinpoints the key to success as leaders willing to share an honest and direct account of the challenges facing them, and then involving the employees in finding the solution. This theme of facing the truth head on is a recurrent one. It is particularly relevant to leadership of public services, where there is a history of failure even to explain to communities why uncomfortable decisions must be taken, let alone actively involving them in the difficult choices. Other examples of the importance of openness and honesty are provided by Macarthy³⁶ and Lewis³⁷. Macarthy conducted 1200 interviews whilst evaluating the impact of austerity measures in the Irish public sector in 2010. Just five favourable traits accounted for 75% of the feedback. First of these was open communication, with character and integrity, personal energy, delivering results and engaging the organisation as the other characteristics. Lewis provides a helpful, detailed account, focusing on the way a single leader overcame organisational dysfunction through open and honest engagement.

"Telling it the way it is" provides an essential starting point, but it is also important that team members have confidence that resulting decisions and actions will have a foundation of fairness and justice. Strom³⁸ stresses that the way leaders practice these in their dealings with their team members becomes more important during times of crisis, and that leaders are judged on the time spent directly interacting with their team members.

When facing VUCA, openly and honestly "telling it the way it is", is a key contributor to success.

Strom is not alone in identifying the importance of those in senior leadership positions demonstrating that "we are all in this together". Betof³⁹ develops the metaphor of leaders becoming teachers, taking on the role of ensuring that the organisation develops and embeds the learning necessary to become adaptive and nimble. In a series of case studies, namely: Merck Pharmaceuticals, Boeing Aeronautics, Becton Dickinson medical technology and Hewlett Packard, he identifies examples where leaders have targeted the area where enhancing learning was most critical to success, and then become teachers around critical characteristics. He demonstrates by example that the technique is widely applicable. For Merck, the critical challenge was to contextualise the value of new ideas to increase the translation of innovation into realised value. For Boeing it was to build a learning environment championed by the most senior managers, but in which shared learning took place through story-telling, active dialogue and enquiry. For Becton Dickinson the emphasis was on trying to

capture, understand and gain “first-mover” advantage to respond to weak signals in the market place. In the world of chaos, the long-term trends arise in the weak margins, not by following the Pareto** principle in the core of the business. For Hewlett Packard, the emphasis of the technique was to identify and address learning gaps in individuals and teams and, through this, grow the company capacity to innovate.

Inspiring a new breed of innovative and creative thought leaders who are actively inventing the future of business is a declared core purpose of The Fast Company††. Its published thought leadership articles repeatedly focus on the themes associated with VUCA, and they describe those who are at ease navigating this paradoxical and confusing world as “the flux generation”¹⁷. Leaders interviewed consistently share their enthusiasm for this “edgy” new world.

“We’re in a new era, and that better get you excited. Being scared by change doesn’t help.” (CEO and founder, Atom Factory) - (Ref. 17)

“Leadership is about ambiguity. You need a balance between command and control and bottom-up. It’s not one or the other.” (Padmasree Warrior, Chief Strategy & Technology Officer, Cisco) - (Ref. 17)

“A smarter organisation needs multiple, different kinds of brains, of intelligence, rather than specialists.” (John Landgraf, President of FX networks) - (Ref. 17)

Distributing leadership

It has long been understood that leadership and decision making need to be distributed through the organisation - perhaps best exemplified by the revolution in the automobile industry in “the Toyota Way”⁴⁰. In the systems world, this collaborative leadership may well extend throughout the extended enterprise or ecosystem. As exemplified in Landgraf’s quote above, this distributed leadership needs to embrace the widest possible diversity to bring different insights, experiences and thought processes into joint working.

Tilley⁴¹ focuses specifically on the need to deploy a wider range of skills and styles in a VUCA world to ensure the agility and adaptability required, suggesting that the solution lies in moving away from the concept of the single leader. She makes the interesting observation that the most senior leaders have always surrounded themselves with advisors able to bring the diversity of views and challenge of ideas, though historically, these advisors have remained behind the scenes. In making the case to progress towards a leadership team concept, where the teams must be made up of diverse leadership styles and skills, she is simply bringing these advisors out into the open and enabling them to share visibly in the leadership responsibility. In approaching the importance of distributed leadership from this different perspective, she offers additional insight to the power of diversity, as well as the growing challenge for leaders who try to hold onto the aura of the heroic and powerful leader. It is important to stretch her analogy still further, to ensure these advisors are not simply brought out into the open, but also drawn from a wider cross section than the traditional corporate team. Ideally, this will break through the conventional hierarchical structures as well as bridging beyond organisational and team boundaries into the wider eco system. It is not sufficient simply to distribute leadership from the heroic individual to the corporate team of traditional advisors – the distribution needs to breach hierarchical and organisational boundaries.

“Leadership is about ambiguity. You need a balance between command and control and bottom-up. It’s not one or the other.”

It is not sufficient to distribute leadership from the heroic individual to the corporate team of traditional advisors – the distribution needs to breach hierarchical and organisational boundaries.

** the Pareto principle provides empirical guidance that 80% of the effects come from just 20% of the causes. It has some grounds for justification in typical statistical distributions, but the presence of adaptive complex behaviours undermines this basis.

†† see www.fastcompany.com

As the breadth and richness of information continues to explode, it is impossible for individuals either to frame all the right questions or to have all the answers. Although the leadership team suggested by Tilley covers a broader scope, the concept of locating leadership in one particular subgroup places a constraint on the options and possibilities for leadership action. Rather than suggest that responsibility to make decisions or solve problems should be restricted in this way, Ohanian⁴² suggests that the role of leadership is to enable employees to find the answers for themselves. In contrast to the mantra that information is the new source of power, he suggests that there is now so much information, much of it free, that it can no longer be seen as the source of power. Only the right information, understood and used in the right way brings power or influence, so the challenge of leadership becomes one of sifting the information, making the right connections, whilst also being prepared to act on judgement when information is incomplete or potentially contradictory. Perhaps this echoes the work of Gladwell⁴³ who identified three important roles in innovation – the mavens, the connectors and the salesmen, respectively tasked with sourcing the key intelligence, putting it into the right hands to capitalise on it, and enthusing the wider stakeholders with the attractive benefits. In a possible echo of Bouée’s paradox²³ of the open secret, Ohanian also draws attention to the differentiating value contained in the information only available to those inside the company, and how in the right hands, this value can be enhanced by linking with the relevant publicly available information. In this model, a key requirement for leadership is to ensure a strong grasp of information quality and integrity, and to maintain openness and curiosity towards the possibility of what it might reveal when properly linked, matched with the ability to channel it into the hands of the right people in the organisation who have the right freedoms and insight to know how to make best use of it.

In this context, it becomes much more important to know whom to approach for access to the right information, either directly, or as the gateway to a network, locating and making the right introductions to new connections. Relationships assume pre-eminent importance under these circumstances and Lane⁴⁴ stresses how these relationships must be built with a strong focus on the kind of constructive dialogue that reinforces the formulation of a compelling narrative as a way of strengthening engagement.

Despite the wealth of evidence pointing to the importance of distributing leadership, deepening engagement and empowering individuals, the natural instinct of many policy and decision makers, especially those charged with public accountability, is to respond to adverse pressures by tightening controls, reverting to centralisation, and monitoring compliance with process. Instead of defending against the pressure, such a rigid response is counter-productive, increasing vulnerability and reducing resilience. Amar⁴⁵ demonstrates the weakness of this instinctive response, providing a case study of how this fails. He contrasts this with the appropriate response of diffusing leadership throughout the organisation, supported by appropriate clarity of purpose and values yields a stronger and more resilient organisation. A number of short thought-pieces echo this.⁴¹

The importance of confronting reality

As outlined in the introduction, and explored in greater detail later, effective leadership amidst the potential for chaos and confusion can only be built on a series of principles or values that engender positive responses such as trust and respect. Following a number of well-publicised instances of institutional “wilful blindness” in the public sector, attempts at covering up or failure to respond effectively to scandals, candour has become a key value at the heart of demands for changing attitudes in public services in England. In a VUCA world, candour translates simply into the urgent need to drop all pretence that the chaos, turbulence and paradoxes do not exist. Acknowledging and confronting the realities of volatility, uncertainty, complexity and ambiguity is a precursor to effective leadership that is neither overwhelmed nor ossified by the challenges.

Strong leadership demands a curiosity towards information and what it reveals when linked with other intelligence and channelled into the hands of those who have the right freedoms and insight to know how to mine it for value.

The instinctive response to growing pressure is often to revert to centralised and tighter controls. This has the opposite effect of increasing vulnerability and weakening resilience.

Several authors reflect this, whilst seeking to offer insight about the changes necessary to increase resilience or effectiveness. Buried in a rather complicated theoretical analysis uniting theories of Mintzberg and Heidegger, Segal⁴⁷ manages to produce a single clear message emphasising the importance of facing up to uncertainty as a sign of engagement, rather than disengaging with reality through denial. Those in senior leadership positions need to beware those who seize the opportunity to allow their indecisiveness to masquerade as an appropriate response to chaos.

Davis⁴⁸ advises leaders to make sure they are ready to lead themselves in an appropriately disciplined way, in order to tell it the way it really is, and then motivate the team by offering positive inspiration and remaining focused on the value proposition and customers, whilst valuing agility and intuition when logic fails. Mosley⁴⁹ recommends a starting point of adopting a new mindset, rather than seeking a new strategy in response to the pressures. That new mindset must be the precursor to setting the right culture as a stepping stone towards revising strategy, before considering any form of redesign.

Cicero⁵⁰ explores the behavioural psychology of groups facing considerable uncertainty, suggesting that individuals are more likely to become dependent on the group for their comfort, when they are individually less self confident. He proposes that, under these circumstances, a key role for the most senior leaders is to act as role model or prototype on whom team members can mirror behaviours. The reported findings substantiate this theory by demonstrating that effective leadership in this way contributes to increased job satisfaction, and reduced staff turnover even when ambiguity of the role is high.

Public leadership and managing risks arising from VUCA

There is considerable and repeated anecdote suggesting that there are marked deficiencies amongst public sector leaders when compared with their counterparts in the private sector. These tend to be in areas where the weaknesses will be exacerbated by VUCA. However, the evidence suggests a much smaller gap than popular belief. Gill⁵⁶ for example, explores a number of these popular beliefs and finds that a big difference might lie in the attitude to, and appetite for risk.

Given the strong views suggesting that the public sector needs to lose some of its aversion to risk this is a plausible explanation for the perception of poor leadership. When linked with Amar's⁴⁵ findings that the natural reaction to increasing adversity tends to be one of tightening controls, despite the evidence that appears to run counter to intuition, this finding points to an important area for the development of leadership in public services. This aversion to risk is reinforced by growth in a blame-culture that appears much more willing to forgive lack of ambition, than it is to forgive those mistakes that arise through perfectly appropriate innovations. The paradox for leadership is to balance the need to demonstrate continued accountability, whilst creating the freedom and space for effective ownership and innovation to take place. Gill also reports that a leaders' attitude to risk can play an important part in motivating team members. When linked with studies on the importance of strong engagement to raise overall organisational performance in difficult circumstances, this too points to the important need for leadership development to be focused in such a way as to encourage a healthier attitude to risk, reinforced by stronger tools with which to manage risk and a more robust approach to engaging people in conversations about risk. This is particularly challenging when working in the public domain as the fear of public scrutiny by the media is a powerful incentive to remain risk averse.

Senior leaders who consciously act as role models reduce the impact of uncertainty and ambiguity.

Those involved in leadership of public services need to develop a healthier and more balanced attitude to risk.

A more robust approach is required to engaging people in meaningful conversations about risk.

The “values question”

It is widely accepted that public services are characterised by the distinction of being underpinned by a strong ethos or values-base. In the UK, these are formalised and enshrined in the duties of the most senior leaders in the Nolan principles⁵⁷: a set of mandatory standards to which board members in any public service must comply. Basically these reflect a code defining acceptable behaviours that are ethical and beyond reproach in all aspects of selflessness and fairness.

According to Busch⁵⁸ these values play an important part in reinforcing organisational identity. He ranks a number of values according to their importance, the difficulty of living up to them and the trend towards greater or lesser importance over recent past. The results place ethical awareness as the most important, whilst also reinforcing Gill’s findings that the willingness to take risks is ranked lowest importance by those working in public services. The next least important quality reported was awareness of the economic consequences of their services – a result open to several interpretations, but one that perhaps reflects the growing tensions between the public and leaders of public services. The results also offer some interesting trends, including a growing emphasis on loyalty to political decisions and a reduced accountability to society at large, though this research pre-dates the significant rejection of mainstream politics seen in the recent European elections. Further consideration of values and ethics in leadership will be addressed later in this paper.

The combination of the perfect storm conditions and the public’s frustration with mainstream politics suggest that the challenges of public leadership will continue to intensify. Lustig⁵⁹ provides an evidenced appraisal of these trends and their implications for leadership. He confirms that this challenge is driven by the unprecedented scale of the debt crisis facing developed nations, coupled to the changing geopolitical landscape that is gradually shifting power towards emerging economies. He draws on various published sources to contrast both the styles and demands of public versus private sector leadership. He suggests that public services tend to work towards longer time horizons and are therefore less agile or adaptable, whilst also placing greater reliance on compliance, rather than professional judgement. This focus on compliance is perhaps mistaken for a means of justifying actions in line with the Nolan principles, when in reality it exposes a lack of confidence and trust in others and the urgency with which the appetite for risk needs to be re-set. Lustig suggests that those involved in leadership in the private sector are more open to trust. The governance principle of “trust and verify” is often a source of tension amongst boards, because the concept is generally underdeveloped amongst the most senior leaders. The tendency for verification and challenge to be more intense and robust in public services perhaps acts to undermine levels of trust, in the absence of a mature understanding of this element of governance.

Lustig also demonstrates that the public sector has a deficit of younger leaders in public services compared with other sectors. He identifies common characteristics of leaders in the most successful private sector organisations and undertakes a gap analysis with public sector characteristics to recommend key areas for attention:

- ensure that the organisation has a realistic, externally focused view of alternative future scenarios
- strengthen insight in linking policy to its practical impact on front line and services for citizens
- seek out innovative ways of working and new technologies that can act to constantly refresh the organisation
- enhance capability to co-operate with partners to manage change

The strong emphasis on “compliance” in public services exposes a lack of confidence and trust, and reduces appetite for risk.



- ensure the whole cycle of analysis, decision and implementation is strongly connected
- ensure that influence is managed upwards, downwards and sideways including across organisational boundaries.

The correlation between this list and recommendations in other studies of exceptional leadership is high. It is also remarkable that each of these recommendations identifies areas with which younger generations have grown up in their permanently connected, technology-literate generations.

Strong leadership demands enhanced abilities in each of these areas employing them with energy and focus, to establish absolute clarity of purpose. This requires extraordinary competence, timely and inclusive decision making ability, a focus on developing the right cadre of leaders and an emphasis on achieving more with less. Experience suggests that the latter needs to be achieved with a strong emphasis on initiatives that are driven from the perspective of generating greater public value, rather than those dominated by cost reduction alone.

In the 4 years since Lustig published this work, when the emphasis was rightly on the need to achieve more with less, the challenges have intensified to such a critical level that this is no longer sufficient. The more important challenge for leadership in public services is to deliver less for less, whilst ensuring that the reductions are made in the least critical areas. For those intimately involved in the dilemma this presents, even these less critical areas have been abandoned and only the critical responses remain in some areas of public service. Finding the way to continue reducing by choosing between equally critical needs lies at the heart of new styles of leadership demanding trust, engagement, innovation and risk, working in partnership with all those who have a vested interest in the outcomes.

According to Tizard⁶⁰ this dilemma makes different demands of leadership in each of the key relationship areas: leading the organisation, the staff, the collaborations, beyond the public sector into wider partners, the political leaders and the public themselves.

There is a positive association between public sector values and motivation, with common use of phrases such as a sense of fulfilment, higher purpose and altruism. Giauque⁶¹ is concerned about the levels of stress associated with the rising pressures, and investigates whether these values affect the ability to handle stress, with mixed findings. Some of these results lead to guidance on which managers can act, helping to alleviate stresses by ensuring effective support mechanisms are in place and understanding that bureaucracy is a significant source of increased stress levels. Perhaps contrary to initial expectation, the findings show that high levels of public service motivation enhance the impact of stress, possibly because workers are increasingly unable to meet the high ambitions that have for those they are seeking to help. This is thought to lead to personal distress and a growing frustration and sense of failure. This will only worsen as public sector resources continue to be reduced. Even without a definitive understanding of why this occurs, managers of public services need to be especially mindful of the impact that VUCA conditions have on their workforce and that organisational support structures and other engagement initiatives are particularly important.

Public leadership and the legacy of New Public Management

The organisation of public services has been in the process of a relatively slow transformation for nearly 25 years. This so-called New Public Management (NPM) is characterised by increased focus on process management and subject to the driving influence of performance targets¹⁰⁸. Arguably, over this period, this has achieved considerable successes in driving efficiency into public

High performing private sector organisations have a much higher number of young people in senior positions than those in public service.

To mirror the characteristics of high performing organisations, public service leadership needs more innovation, better use of technology and analysis, stronger co-operation and networking outside boundaries – all characteristics of younger generations.

The new challenge for public service leadership is to move from “more for less” to “less for less” when only critical needs remain.

Managers need to be aware that workers with high levels of public service values are more vulnerable to work-related stress in difficult times.



services and has increased accountabilities. However, it has also created a culture focused more on command and control than empowerment, influenced more by fear than aspiration. Seddon⁶² is particularly critical about the way NPM has failed to achieve its aims in a sustainable way, suggesting that it has paid too little attention to systems thinking. Reflecting on the impact of this revolution, in the light of the current VUCA dominated climate, one of the unintended consequences of NPM has been to increase the vulnerability to the turbulence of the perfect storm. One reason why the VUCA environment is so difficult for those involved in leadership across public services, is that the “pacesetter” characteristics of leadership favoured by NPM are those least likely to be successful when agility, empowerment and collaborative styles are the most important attributes.

According to a longitudinal study by Cunningham⁶³ and colleagues, commissioners of public services have tended to respond to the continuing bite of austerity by changing the way they have managed contracts. They conclude that the pressures has been transferred through the contracting arrangements using more robust performance management against tough process targets in a way that has adversely impacted on all the key elements of relationship and agility that VUCA demands. This reinforces the thinking that, in many cases, the instinctive reaction to turbulence of control and entrenchment can act counter to the intended aims of increasing value and resilience.

A number of studies into the way in which lessons from industrial operations management have been adopted in the public sector, lead Radnor⁶⁴ to conclude that the focus has been overly narrow – seeking to encapsulate lessons from lean thinking¹⁰⁹ and other aspects of production management, whilst underplaying lessons from equivalent studies from service management. He argues that the consequence of this is an overemphasis on efficiency at the expense of effectiveness. This is arguably linked to the perception that the pressure on cost reduction dominates the drive for quality improvement, or the shift to measuring outcomes.

In contrast to this over-emphasis on process in many “efficiency drives”, a number of successful improvements can be traced to styles of leadership where the motivation behind decisions has been more driven by values and relationships than by processes and efficiency. Maddock⁶⁵ equates these with services in which people matter more than transactions, and she alludes to the fact that transformation is not just about changing the shape, structures or even cultures of organisations, but about recognising that the value and purpose, especially in public services is about outcomes for people and relationships, not about transactions and processes.

In the politically charged world of public services, the complex political and economic pressures are often driven by the need for short-term visible impact – well within political cycles. Karp⁶⁶ suggests that this encourages structural change as a tangible demonstration of “doing” something, irrespective of whether this translates into the right kind of successes. He echoes Maddock’s message that it is much more important and productive to focus the design principles of activity on patterns of human interaction. Similar studies by Tarplett⁶⁷ focus specifically on the challenges facing UK local government leaders, repeating all the previous findings that the greatest understanding in the current climate draws heavily on lessons from systems thinking. He does however offer a very useful set of questions on which leaders could helpfully reflect in self-assessment. Summarising these, he invites those in leadership positions to consider:

- are you having the right conversations to be effective?
- are you able to create the right mix of space and environment to enable these conversations?
- are you and your collaborators confident in the variety of views and mental models you draw on?

Studies suggest that the tendency to apply lean thinking from manufacturing industries needs to be balanced with equivalent lessons from the service sector.

Transformation needs to be driven by outcomes for people and their relationships, rather than focused on transactions and processes.

- are you deploying the right range of influencing and leadership styles?
- are you working with the right people to influence the wider system effectively?
- how are you ensuring that the relevant abilities for tough times are being developed and refined?

In a unique study of senior leaders across the four Westminster government regimes (Australia, Canada, New Zealand and UK), Ryde⁶⁸ also highlights the relevance of systems and complexity thinking, noting especially that many of the issues requiring solutions are interdependent leading to high risk of unintended consequences if the problem is oversimplified. He warns that:

“it is not complexity we should fear, but simplification.” - Robin Ryde (Ref. 68)

Like Tarplett, he notes the importance of the right conversations suggesting that they key lies in framing the right questions. These questions need to facilitate broader citizen engagement. He notes the importance of authenticity in ensuring that this engagement avoids tokenism, the need for relevance and empathy in the framing, and the goal of empowering citizens to find their own solutions where possible.

Ethical leadership

Following a number of moral crises across all sectors in the UK, there is a renewed desire to re-establish a sound ethical underpinning to both business and leadership at all levels of society. The public sector cannot be complacent that it is all covered because the Nolan Principles are well understood. The demand for change is not confined to the public sector; it is palpable and needs to reach much wider and deeper than the part played by public sector values. The Chartered Institute of Management^{69,70} amongst others has chosen this theme for key white papers in 2014, publishing new reports demonstrating that organisations where those in leadership positions operate on an ethical or principled basis, achieve high performance across all key indicators of finance, quality and service. Similar findings are repeated elsewhere: Eisenbeiss⁷¹ shows a correlation between the ethical culture and operational performance, pointing out the important role that the Chief Executive plays in expressing the desired personal and organisational values. She also reports that improvements in both the financial and quality performance are enhanced further when the organisations’ development programme integrates the importance of the company values with its goals.

Given the previous comments on the impact NPM has had in changing the nature of public services in England, there is a particular interest in how it relates to ethical leadership. Heywood⁷² offers some particular insight into the relationship between the UK’s public service culture under the influence of the New Public Management (NPM). He identifies a dissonance between the continued reference to public sector values, founded as they were in trust-based integrity, and NPM’s emphasis on often, mechanistic compliance where traditional understanding of trust counts for little. He identifies this dissonance as a shift from expectations being described qualitatively to the over-reliance on quantitative targets that may add precision, but lack the value of narrative. This shift to a quantitative accounting methodology has been accompanied by a plethora of new regulatory bodies and the rise of a compliance culture. Heywood goes so far as to suggest that this contrast points to such inconsistency that it lacks the very honesty on which it is meant to be founded, calling for a new definition of both the meaning and expectation of acceptable standards of public life. The recent revision of these standards by the Committee of Standards in Public Life⁷³ remains grounded in the seven Nolan principles, but focuses afresh on ethics as part of the drive to recover wider levels of trust, but fails to address this dissonance.

Make changes by influencing the right behaviours, not by structural change.

Reflect on your personal effectiveness by looking at how you enable the right conversations.

It is not complexity we should fear, but simplification.

Frame the right questions to facilitate broader citizen engagement.

There is a dissonance between NPM’s explicit emphasis on compliance with quantitative goals and the expectations implicit in public-sector values.

This contrast between a compliance-based and values-based approach to maintaining standards is picked up by Schuh⁷⁴ as he considers the leadership of transformational (as distinct from transactional) change. Schuh differentiates between leadership that is authoritarian^{‡‡} and that which is moral. He reports that moral leadership behaviours have a strong positive impact on team member performance, becoming more important as levels of transformation increase. In contrast, high authoritarian leadership has a similar effect when levels of transformation are low, but turns into a negative influence when the need for transformation is high. This finding perhaps justifies some of the widely expressed concern about aspects of over-reliance on targets and compliance.

Different terms are preferred to “ethical” in different contexts. Heywood⁷² prefers integrity management, whereas Hollingworth⁷⁵, writing about the US military context refers to “character” that he seems to equate with the holistic concept of values that are lived and breathed whereas Coates⁷⁶ calls for a return to the nobility of leadership. Hollingworth believes that the public sector is well positioned to lead the way out of crisis by setting an appropriate example. His formula begins with executives taking responsibility to set the tone at the top, being explicit about the ethical codes and then ensuring that these are both operationalised and reflected throughout internal processes. His additional contribution is to demand that the whole concept of character is brought fully out into the open, rather than treated as a personal matter, and that this should be fully embraced in the open accountability at all levels. In choosing the term “nobility of leadership”, Coates⁷⁶ links the need for authenticity, honesty and the courage to confront both pretence and wilful ignorance. She stresses the importance of differentiating between what is genuinely real, and that which is merely a simulacrum of reality in which an image is conjured up that masquerades as a false expression reality. This analogy mirrors Wheatley’s⁷⁷ notion that one of the important duties of leadership amidst the wild storms is being to create what she terms “islands of sanity”. Whatever precise language is chosen, each of these authors links the ethics of leadership to the importance of authentically telling it the way it is, however unwelcome that is, and using that as the basis from which to work forwards.

Like Wheatley⁷⁸, Coates ascribes spiritual elements of leadership in a search for understanding about ethical leadership, offering the helpful suggestion that leaders should see themselves as trustees so that the organisation is always placed first. This echoes the view of sustainable governance articulated by Mervyn King⁷⁹, the author of three eponymous reports on corporate governance that are internationally regarded with the highly esteem.

Other studies have explored the practical impact of leadership that has an explicitly ethical basis. Hassan⁸⁰ reports a number of positive benefits to public services, claiming for the first time to show direct evidence that absenteeism is markedly reduced in the presence of strong ethical leadership. He also reports that workers exhibit a much stronger commitment and are more likely to identify and expose failure of practice integrity when the culture is openly guided by strong ethical values.

Greene⁸¹ provides a case study in which public service workers in Canada working in an environment of trust in the organisation’s ethical leadership and confidence in being treated fairly, were willing to contribute to finding difficult solutions to complex problems even where that involved future job uncertainty – their fear of the uncertainty was ameliorated by the confidence they had in being dealt with fairly and respectfully.

In a large multinational and multicultural study, Eisenbeiss⁸² identified that honesty, fairness, high levels of integrity a strong interest in their people and,

‡‡ authoritarian leadership should not be confused with authoritative leadership that Goleman highlights as the style with greatest impact. Authoritarian leadership is egotistically imposed, whereas authoritative is earned through respect

Ethical leadership demands authenticity and the willingness to tell it the way it is, to create “islands of sanity” as part of the foundation from which to work together a way forwards.



visibly leading by example, were all common traits in success. She noted that these common traits were deeply rooted in personal moral values that underpinned all the results of success, and from which came concern for responsibility and sustainability, and a personal commitment to inspire and empower their teams to achieve the best. She challenged previous studies that, in her view, had been overly influenced by concentration on transactional characteristics, treating ethical leadership as synonymous with compliance to regulatory, professional and organisational standards. This echoes points made previously in relation to Heywood's work. Ethical leadership has been shown to have an equally important role to play in the wider context of whole systems that is of particular concern to public service leadership in the VUCA world. In this wider context, as Frisch⁸³ noted, it is crucial that the ethical content is palpable to all those with a vested interest, none more so than the community being served. If the strategy is communicated in a way that does not draw attention to the ethical principles that have shaped the content, then the community will understandably be less inclined to trust the intentions. If the employees are not positively encouraged to reflect the desired ethical behaviours in their dealings with external stakeholders, then the demand for candour will be treated as rhetoric.

In a theoretical study, Brown⁸⁴ seeks to understand what has influenced and shaped the ethical stance that individuals adopt, especially in the context of their leadership role. He locates three sources – those role models during formative childhood years, those role model influences arising within one's career, and those arising from senior executives. Neither the childhood nor the executive influences appear to play a significant part in the way individuals incorporate ethical considerations into their own leadership style within the working environment. The failure of executive role models to have a strong influence on an individual's expressed characteristics of ethical leadership is perhaps the biggest surprise – contradicting as it does other work, but this may simply reflect a reality that the foundations are set in early career, when organisational hierarchies block the reach of executive influence, and the most memorable learning is gained from close contact. These findings point to the important role of middle managers both in sense-making and mirroring of desired values, and also illustrate the need for appropriate training in leadership in the very early career, combined with effective approaches to talent management.

Engagement

There is a growing interest in the concept of followership as a natural adjunct to leadership, working on the premise that the test of great leadership lies in the collective response. The strength of this argument is easier to see in the case where leaders are seen as heroic figureheads, and followership is a response to the charisma and inspiration of those great individual leaders. It should be clear from the foregoing that heroic leadership offers little response to the perfect storm of the VUCA forces – instead a distribution of leadership deep and wide is required. In this context, the term followership becomes redundant, but the concept implied by the term assumes greater importance. "Engagement" becomes the appropriate and important concept for the VUCA world, with particular attention to active engagement. In the context of healthcare for instance, the imperative of active engagement is becoming so important that the term "activation" is beginning to dominate in some quarters⁸⁵.

It is clear from the studies of leadership in a VUCA context that the necessary agility and resilience to respond effectively to its unpredictable nature is best built on communicating total clarity of purpose and then distributing the role of leadership widely and deeply across empowered staff throughout the organisation. Simple though this is to articulate, there is a much greater challenge in creating such an environment.

In the same way that the public's disenchantment with politics creates levels of suspicion that act to impede the changes that are required in public service

The ethical basis on which strategic decisions and operational actions are taken needs to be transparent to all interested parties.

The strongest influence on ethical behaviours in the workplace appears to be that of co-workers in early career.

design and delivery to strengthen resilience against VUCA forces, similar levels of frustration and distrust exist in the workforce. The severity with which austerity has been imposed on public services in the UK, combined with an apparent political indifference when communication and implementation have been poorly aligned to the public sector values have undermined both morale and levels of trust amongst the workforce and, arguably, citizens. The simple recipe of distributing leadership and sharing power throughout the organisation is entirely predicated on the readiness of middle managers and their teams to accept these responsibilities, and their ability to strengthen organisational resilience is predicated on the extent to which they have understood and committed themselves to the purpose of the organisation. Much of the focus in leadership studies focuses on whether the most senior leaders are genuinely willing to let go of their power and whether their articulation of purpose is clear and compelling. Too little attention has been given to the view from the other end of the telescope, but there is a growing corpus of studies looking at the challenges of employee engagement.

This too is fuelled by the realisation that an engaged workforce will contribute to far greater corporate performance. Gallup¹⁵ has produced a major global study encompassing 25m employees worldwide, showing that only around 1 in 8 of the workforce are actively engaged in the companies' purpose. Its analysis shows that companies in the top quartile of engagement achieve nearly 50% extra earnings per share compared with the average, whilst those with weak engagement under-perform the market. It is not just financial returns that benefit, but also customer measures and even safety incidents are improved. Overall the report suggests that actively disengaged employees cost the UK £50-70bn in lower GDP. The research demonstrates that engagement needs to become a key part of everyday language and culture, led at the local front-line level, but inspired by the tone set by the executive leadership. This is best supported by strong levels of coaching integrated with practical and regular measurement of engagement. A similar study by Rice⁸⁶ conducted across 7500 employees demonstrates that employees who are actively engaged are three times more likely to stay, suggesting that "engaged employees stay for what they can give, but disengaged stay for what they can get".

Edinger⁸⁷ reports a study in the financial services sector showing that active engagement is associated with more efficient processes, lower costs, less waste and rework and better response to the changing regulatory demands. He suggests that the key role of leaders in strengthening engagement begins with a genuine concern for the people that reflects their personal not just work needs. Effective leaders will use this knowledge to align personal goals with those of the organisation and create greater meaning as a result. By investing time in team members, they will create stronger trust and more resilience to stressful times. Van Dierendonck⁸⁸ studies the roles of both transformational and servant leadership in strengthening engagement and concludes that both styles are successful because they focus on the needs of the followers first rather than the need of the task. Delivery of the task becomes a natural outcome of this approach. Munro's⁸⁹ review of safeguarding in English children's services highlighted the reality that the multiple layers of process added at each preceding review had created such a protective barrier between the social worker and their clients, that the value of professional ownership had been replaced by institutional reliance on compliance with associated mechanistic processes. Munro called for the value of professional judgement and purposeful engagement to be reinstated. Walker⁹⁰ made similar comments and demands for change in the financial service sector following the collapse of financial institutions. Despite their strongly made cases, the focus on engagement and the importance of professional judgement to complement compliance have largely gone unheeded in favour of continuing reliance on compliance. There are significant parallels with Schuh's⁷⁴ findings that leadership based on moral values achieves better engagement than that based on compliance.

Achieving the desired aims of distributed leadership and empowerment relies on workers being sufficiently engaged to accept that responsibility.

Organisational and personal performance correlates strongly with measured levels of engagement

"engaged employees stay for what they can give, but disengaged stay for what they can get."

Effective engagement can only happen when professional judgement is valued as a complement to process compliance.

Developing the workforce

Ferguson⁹¹ views these challenges of strengthening engagement from the perspective of recruiting those who are more likely to buy-in to the values and purpose of the organisation and who are therefore well disposed to being engaged. For obvious reasons, he focuses specifically on the organisation, but in the context of the need for whole system working and systems leadership, this principle needs to be extended to address the importance of those who are capable of, and disposed towards, forging alliances and extending the informal as well as the formal networks outside as well as inside the organisation. He suggests that it is crucial to ensure that the recruitment team themselves are fully engaged, so that they too will go the extra mile to find the right people. Just like other engaged workers, they will have bought into what success means, and not only will they model the organisational culture, but they will also be more attuned to the authenticity and commitment of the applicants. He suggests 6 characteristics to look for as part of the engagement process, namely: authenticity, consistency, imagination, flexibility, combined with being service-orientated and openly communicative.

Kaufman⁹² cites a number of specific examples in which organisations have benefited from the steps they have taken to develop high levels of engagement. Amongst the examples of good practice, they specifically recommend the adoption of the employee-led promoter surveys, but stress that the value lies in the discussion of the results by cross-functional teams organised against customers. He argues that the engagement process is too often mistakenly delegated to corporate functions such as HR and treated as a support function, rather than a core part of a team leader's role, echoing others' findings that local supervisors play a key role and must be empowered rather than simply acting under direction from the head office. When they are fully empowered and engaged themselves, then they can engage in two way communication, close feedback loops and build respect, trust and engagement at local level. Interestingly, he reports that levels of engagement naturally decline with length of tenure, unless actively managed, so those theoretically best placed to be the ambassadors from a knowledge and experience stance, may not be best placed emotionally. These findings should act as a wake-up call to all professional bodies as well as organisational development teams to ensure that continuing professional development (CPD) embraces the need to revitalise and stimulate commitment to, and engagement with, meaningful purpose (of the profession and the employing organisation and towards the clients/citizens served).

On a cautionary note, Li⁹³ recognises that leaders invariably have different levels of interaction with members of their teams, and although this can be beneficial to those individuals, it can also be a disadvantage to the effectiveness of the whole team. Leaders should be aware of how their own behaviours impact on levels of engagement across the team.

Sensemaking: weaving a compelling narrative

Since preparing the review of systems leadership for the Virtual Staff College^{1,2} Welbourn⁹⁴ has become increasingly aware that the expression of purpose and its translation throughout the organisation and wider system of alliances and partner is the pre-eminent challenge confronting leaders. Translation of that purpose through accessible and compelling narrative requires congruence of both strategy and culture. Kempster⁹⁵ echoes this understanding as he suggests that Grint's^{96,97} analysis of the four dimensions of leadership (person, results, position, process) need to be updated to incorporate Leadership of Purpose as a fifth element^{§§}. Kempster questions whether purpose provides a meta-

Willingness to engage should be a key criterion in selection processes for the future workforce.

Regular monitoring of staff engagement using net-promoter type indicators is a critical measure of organisational strength and mood.

CPD and other forms of personal and organisational development and learning need to revitalise the sense of engagement with core purpose

§§ Grint's four elements of leadership have been summarised as the who (person), the what (results), the where (position) and the how (process). Adding Kempster's fifth suggestion of "Purpose" neatly adds the why dimension. Following Kipling, we might be tempted in a VUCA world to add "Agility" to the mix, neatly completing Kipling's six friends with the when!

level descriptor that sits above the terms mission, vision, goals, objectives, and whether it includes some construct of social value. This would seem sensible given the foregoing discussion of both the ethical and the staff engagement dimensions of leadership.

The term sensemaking is widely used to describe the bridging process, usually conducted in middle management, in which the strategic purpose articulated by the most senior leaders meets the practical operational realities. Arguably, with the rising understanding of the importance of narrative, there may be unnecessary duplication here – and it might be beneficial to adopt a term reflecting the vital role played by narrative weaving¹¹¹. This process of sensemaking involves translation between the strategic and operational, and will have a major impact on the extent to which the purpose is clearly communicated so that the workforce understand and can embrace it fully to become actively engaged. True sensemaking also includes the upward communication that enables the executives to remain in touch with the interplay between their strategic decisions and the operational realities. Much is made of the weakness in this middle area of many organisations, and this focus on sensemaking highlights the importance of strong middle management. It is the role of middle management to build and maintain that essential bridge to ensure that the purpose remains clear as it is translated from strategy into operations, and that the senior leaders can retain meaningful accountability as they delegate responsibility to the front line teams. If this bridge is too narrow or blocked, it constricts the flow of information, ideas and meanings, then the organisation and wider system is at risk of failure.

Sharma⁹⁸ develops a model for this process of sensemaking, describing the complexities involved in integrating and rationalising competing goals, and the importance of then reframing the purpose from the strategic domain into the operational experience of those involved in implementation. Without expressly drawing on the language of VUCA, Sharma proposes a model of interpretation, translation and onward communication that addresses the various paradoxes and needs to be comfortable in managing the complexities and ambiguities. This work is set in the context of an organisation that is seeking to combine both profit motive with corporate social benefit, but this resonates with the core challenges of New Public Management model in which there is the dual aim of maximising value for the taxpayer whilst maximising social benefit to the community or citizen being served. In the specific example cited, the social aim might be to provide service to a rural community, and in so doing support the profit goal of reaching new markets – but at the operational level, the social goal would focus on the most rural areas to deliver the best social advantage, whereas the profit goal would focus on ease of access to minimise implementation cost. The initial strategic aim is congruent but these come into tension operationally. It is in middle management that these tensions will always play out – aligning the broad strategy with the operational requirements. Sharma suggests that the capacity to deal with the tensions created stems from reflexivity and the ability to understand the conflicts, then to be comfortable with the complexity arising as the ideas, motives and the purpose are integrated so that the manager can then make personal sense of the conflicts, and begin to reframe the problems into a narrative that can be shared which is both energizing and engages others. At all stages of this process, the middle managers need to embrace the complexity of behaviour, emotions and concepts – bringing together both their own sensemaking and their ability to convey that sense to others.

Teulier⁹⁹ considers the more complex case where multiple organisations are working jointly in an extended enterprise or alliance. Here, middle managers are not just required to build the vertical bridges between strategic intent and practical implementation, but must also build horizontal bridges with

A strong narrative will help middle managers to be the sensemakers who create and maintain the bridge between strategy and operations both within and beyond the organisation.

Strong middle management is essential to maintain effective flow of meaning and purpose.

¹¹¹ The idea of weaving the narrative provides an evocative symbolism of the process. Threads from a variety of distinct backgrounds are woven together, when the shuttle of the loom draws the weft through the neatly prepared warp to create a strong and serviceable cloth in which all the ideas have been imprinted for all to see.

peers into other organisations and cultures, where additional translations and alternative interpretations may be required. Where neighbouring local authorities retain discrete local accountabilities but work in collaborative alliances even, in a growing number of instances, sharing leadership teams, this role of sensemaking must produce context specific translation for each community.

However, an overly dominant and abiding narrative can become the problem rather than the intended enabler. Naslund¹⁰⁰ suggests that it can become such a strong element of the meaning and culture, that it acts to create organisational inertia, rejecting any narrative for change that does not resonate with the essence of that original story. In the presence of a dominant story-line, only those change narratives that are in sympathy with the common understanding will tend to be believed and followed. Under these circumstances, leaders will need to take extra steps to force a new interpretation, or to deliberately create alternative cultural symbols that will actively support the intended change. The cultural web analysis tool^{***} offers a well established method to get under the skin of those aspects of behaviours, unwritten codes, implicit ways of thinking and behaving that simultaneously give a culture its strength, and act as barriers to change. By exposing these anchors and enabling relevant conversations, the necessary steps can be pinpointed to begin realigning culture with the new purpose and narrative.

The role of sensemaking is vulnerable to distortion by internal organisational politics. Filstad¹⁰² and Hope¹⁰³ both explore direct and indirect methods whereby translation of the narrative can be distorted by exerting undue influence on the resources involved in the change process, or directly in the decision making processes or by controlling the way in which it is communicated. They cite examples where middle managers in the role of sensemaker have been able to block change or reframe the way in which it progresses, essentially thwarting the original strategy. Kacmar¹⁰⁴ specifically sees one of the important roles of ethics in leadership being the ability to recognise and prevent such internal politics acting to distort intentions.

Maclean¹⁰⁵ offers a further perspective on the importance of both narrative and the role that sense-making plays. She reports a study into the way high profile top leaders – she describes them as elite leaders – adopt the narrative and sensemaking around their own career stories. They weave a narrative around their career story that makes sense of the key elements that they believe form part of the elite reputation on which their current and future success will be built. This self-legitimising acts in part to create their mystique, but also to reinforce this elite reputation, creating a legitimising regime (see Moore⁹) that reinforces their own value proposition as a high profile leader. Arguably, this dimension of sensemaking is just another dimension to which Kacmar¹⁰⁴ alludes when demanding that ethical leadership reduces the potential for politics to interfere with the process of sense-making, though, in this instance, the politics in question is the power vested in the aura of the elite. There is a clear risk of this approach fostering a tendency to both hubris, and a lack of authenticity, unless this narrative is openly subject to verification and challenge.

When working across and within multiple systems, including alliances, sensemaking must involve translation of the narrative in a contextually sensitive way for each community or part of the system

Ethical leadership can help prevent the role of sensemaking being manipulated by internal politics.

*** Numerous business consultancy web sites describe the cultural web tool – a full description and guide is found in Johnson and Scholes classic book on corporate strategy¹⁰¹

Conclusion

All contemporary leadership studies reflect in some way the growing challenges confronting those involved in leadership – expressed at an extreme by the volatility, uncertainty, complexity and ambiguity (VUCA), ie the point where the combined levels of chaotic forces create both turbulence and paradox. For senior public service leaders at the hub of complex systems, the effects of VUCA are magnified by the growing levels of public mistrust in the political response to these forces. The approach and legacy of the new public management approach has created a culture in which process performance has come to dominate, with compliance and regulation as its central drivers. This emphasis has concentrated leadership in the few, rather than the many, and has favoured a pacesetter style that is much more likely to command than to consult or collaborate. The net result of this orthodoxy is a growing gap between the styles most likely to succeed against the threats generated by intensifying VUCA forces, and those that currently dominate. The effect of this gap is to increase the levels of anxiety, discomfort and fear felt across public service leadership in England, and to diminish both the individual and organisational ability to respond to significant challenges.

In the context of Moore's strategic triangle, one dimension of the chaos is the ease with which the legitimacy of the authorising regime can be undermined by the power of public opinion assembled through social media channels. It is not clear to which of the four VUCA dimensions to assign this rapid realignment of practical legitimacy constitutes – its impact could be felt in any or all of them. However it is described, it is the dynamic nature of this formal authorising regime that points to the need to convert both strategy and cultural implications into a practical articulation of purpose in the form of a compelling narrative deployed with levels of authenticity to build a more resilient legitimacy on the basis of public and community engagement.

The body of evidence explored in this paper demonstrates that there is reason to be optimistic in the face of the threats, provided that the important messages of courage, agility, engagement and empowerment and, above all, the centrality of purpose in narrative form, are accepted and implemented with urgency. Notably, given the right attitude, it is possible as Johansen suggests, to turn the lack of stability caused by volatility, into vision, the disarming nature of uncertainty into the confidence of understanding; the overwhelming sense of complexity with the clarity of conviction, and the unknowable ambiguity into the agility of distributed authority.

Nimbleness and agility is universally identified as the only viable way to achieve sustainability in a VUCA world, and this also demands active staff engagement accompanied by meaningful levels of delegation of power by the most senior leaders. However, in keeping with the paradox of this complex world, public trust demands that this delegation of power is also supported by total and transparent accountability. Here lies a further paradox, as evidence also suggests that over-reliance on compliance-based approaches to performance and accountability, are likely to be counterproductive, pointing to the need to reset the balance by including elements of values-based measures rounded in trust.

The evidence suggests that the power of this narrative will be enhanced if ethical considerations – (a public service ethos) form a golden thread within the narrative, and if the most senior leaders exhibit clear and personal ownership of these values. Under the stresses of austerity in the UK, it is clear that the application of the Nolan principles to the relationships with employees has taken a back seat to the application of these principles to the services themselves but the growing evidence that strong employee engagement is essential for success should be a wake-up call to invest in active nurture and management of levels of staff engagement.

Public services in UK are experiencing the effects of VUCA as the new norm.

The impact of New Public Management has shaped public service leadership in a way that is ill-designed to respond effectively to VUCA

The legitimacy created by the authorising regime can no longer be assumed as a consequence of position – it has to be worked on and secured on a sustainable basis

Although VUCA poses substantial threats to traditional understanding, there are significant grounds for optimism, provided that it is adequately understood, confronted and met with appropriate styles of leadership.

Leadership must be nimble and agile, for which it needs to be distributed widely and deeply.

Distributed leadership can only be effective if aligned by total clarity of purpose that is both compelling and made relevant to everyone who is affected.

Virtues such as trust, integrity, authenticity need to be at the centre of leadership and visible to all.

This literature research suggests that authenticity in leadership complemented by ethical leadership behaviour is the key to providing the basis upon which the individual and collective response to VUCA can be galvanised.

As Roosevelt once said *“Nobody cares how much you know until they know how much you care”*.



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