

Chaos Leadership and Polyarchy – countering leadership stress?

by **Nick Obolensky**

EXTENDED ESSAY SERIES

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We are inviting strong opinions for these essays. While the views expressed by authors may not be those of everyone at the Centre we hope the series will generate debate, and in this spirit we would encourage responses from readers.

A handwritten signature in black ink that reads "Jonathan Gosling". The signature is written in a cursive, flowing style.

Prof. Jonathan Gosling
Director, Centre for Leadership Studies

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INTRODUCTION

This essay's title might suggest an intriguing oxymoron chilling out on a hitherto unheard of Greek island. It may also afford a false dream: "At last - a way to lead out of chaos!" This is not about how to avoid chaos – it's about how to use it. And, yes, this essay might help some to "chill out" and reduce stress. It offers insight for leaders facing increasing complexities, showing how an appreciation of chaos theory, and maybe a different view of reality, can help. And it could challenge some deeply held beliefs about what leadership actually is. . . .

First, some definitions:

Chaos has various meanings:

- Chaos ('keios) n. 1. (usu. app.) Complete disorder, utter confusion.*
- 2. (Cosmology) The disordered formless matter supposed to have existed before the ordered universe.*
- 3. (Science) Behaviour so unpredictable as to appear random, owing to great sensitivity to small changes to initial conditions.*
- 4. (Mathematics) The stochastic* behaviour occurring in a deterministic system.¹*

(* "Stochastic" comes from the Greek word *stochastikos* "skilful in aiming" and infers complexity).

This essay uses scientific and mathematical definitions. Chaos and complexity have underlying principles which enable a deeper and more appreciative understanding of reality. Such principles can be applied to organisational leadership in a new and powerful way.

Leadership – "Leadership" assumes something done by "leaders"².

When we talk about "strong leadership", role models like Churchill spring to mind. When we talk about a "lack of leadership", what we seem to bemoan is the need for someone to take control in a decisive way. So the persistent underlying assumption is oligarchical (i.e. "a small group of people having control"³). We assume leadership is something done by the (we hope) talented few, exercised over the (presumably not so talented) many. Such an assumption is not unreasonable and has been fairly constant for thousands of years – but it's becoming strained. This essay considers leadership in a very different way. It does not see leadership as something done solely by leaders but as a seemingly chaotic dynamic involving all. Leadership does not have to be, nor perhaps should it be, the function of someone specifically designated as holding formal office.

Polyarchy is not a word you come across often⁴. You will need a large dictionary to find it. It is something fast emerging, and a relatively new phenomenon, although it is an old word. It is a very different assumption for leadership. It means leadership done by the many. It sees leadership as a *dynamic* rather than a desirable attribute or role only for the few. Polyarchy does not assume an overthrow of leaders, or an eradication of oligarchy. It is an evolutionary step on from oligarchy, even though it may seem revolutionary. If we assume oligarchy (traditional leadership) has been around for thousands of years, and this was preceded by anarchy (chaos), then polyarchy can be seen as an evolutionary synthesis of the two; hence the term "Chaos Leadership". There are also links to chaos theory, some explored in this extended essay which is in 3 main parts:

- Part 1 – **Context:** considers why polyarchy is an emerging trend;
- Part 2 – **Implications:** explores how leadership stress results from such a context;
- Part 3 – **Ideas:** looks at some ideas for more effective, less stressful, leadership.

PART I – THE CONTEXT

If we take a snapshot timeline of the past 4,000 years, we see in the last 150 years (4% of the timeline) there have been dramatic changes. These have mainly been driven by technology. Huge changes in social attitudes and general human awareness have resulted. However, our assumptions about leadership have remained relatively static. We still see it, as the Egyptians did 4,000 years ago, in oligarchical terms. So there is divergence, or bifurcation⁵, between the radically changed context within which leadership is practised, and the assumption of what leadership actually is. If this trend is illustratively mapped, the picture in Figure 1 emerges. This bifurcation causes tension as leaders often continue to operate in a way fast becoming anachronistic.

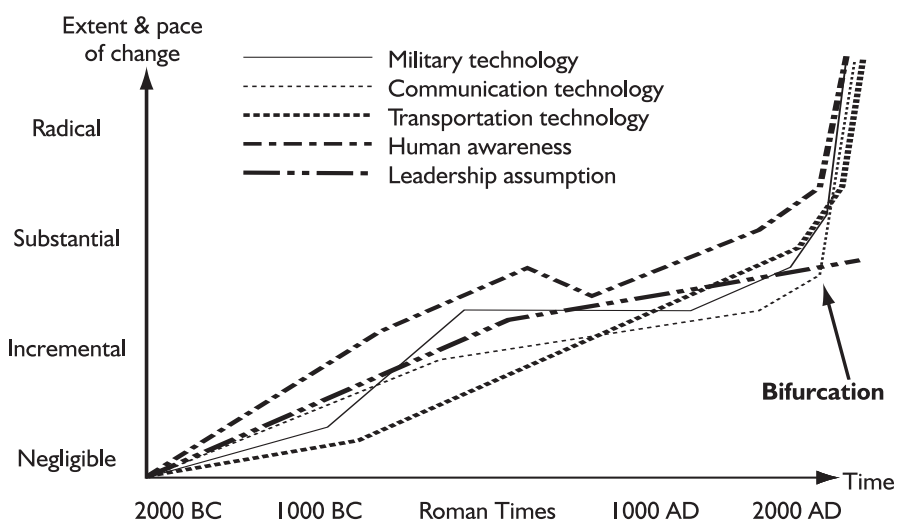


Figure 1: A recent bifurcation

Such a trend in technology and human awareness has had a radical effect on many things, not least the way we typically organise. Most organisations are traditionally organised on two themes: specialism/function (i.e. what we do) and hierarchy/rank (i.e. how we control it). But for many years now we have realised the traditional company “organigram” reflects reality less and less. Hirschhorn and Gilmore, from Wharton, recognised this over a decade ago when they wrote “*The traditional organisational map describes a world that no longer exists.*”⁶ And even a decade before that Mintzberg wrote “*Organisations don’t have ‘tops’ and ‘bottoms’. These are inaccurate metaphors.*”⁷ The trend is away from functionally divided, hierarchical, layers towards more cross-functional dynamic flatter levels. Informality and enablement are fast replacing formality and control.

A simplified view of this evolution is in Figure 2. Many organisations have evolved from functionally divided/hierarchically sliced “type 1” into a flatter matrixed “type 2”. The re-engineering efforts of the 80’s helped this. This changed the traditional leadership dynamic, with many people having two bosses and more “empowerment”. To help cope, language such as “dotted line” and “solid line” reporting emerged. As the constraints of the matrix bite, with the inevitable swings and debates between centralised functions and decentralised autonomy, the next step seems to be towards a very fluid Complex Adaptive System (“CAS”) organisation. This is where dynamic changing teams operate, using self-organising methods within common unifying strategy, technology and people systems. The organisation works in a complex and adaptive way, using what has been called a “sense-and-respond” approach⁸.

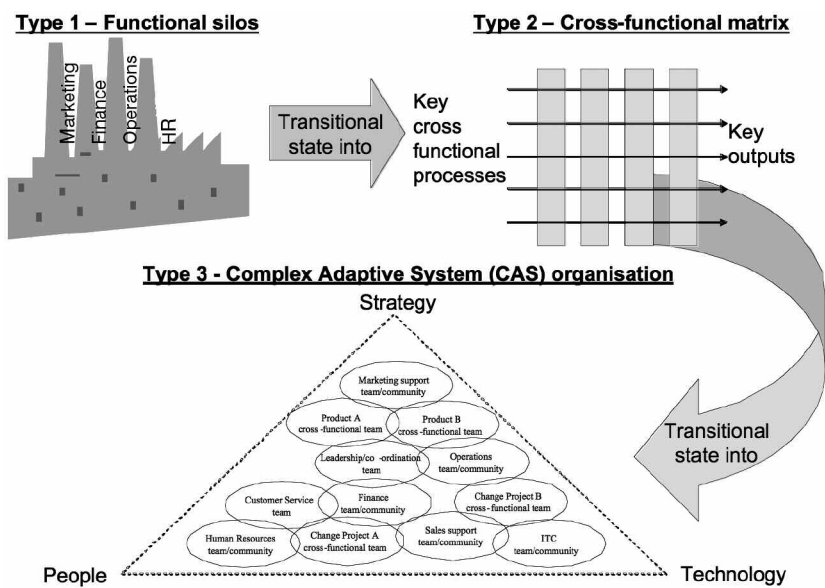


Figure 2: Organisational evolution in modern times

Examples of this “type 3” CAS organisation exist. One of the more famous is Oticon in Denmark⁹. A world leading hearing aid manufacturer, Oticon dispensed with typical hierarchy and matrix type organisation some years ago, becoming very dynamic in its approach. The Head Office in Copenhagen is made up of teams whose members work in a fluid flexible way. One day a person could be a part-time leader of a team, the next following a team leader led the previous day. Self-organising employees are assisted by IT systems which enable full transparency. They set their own salaries in an open way, and self-management is very much the ethos. Semco in Brazil is another famous example¹⁰. Semco is an engineering firm whose diversification (via a number of employee-owned companies) has seen solid growth and performance within an economy and context where many others failed. It should be stressed CAS organisations display such polyarchical tendencies in differing ways, and such organisations still have elements of oligarchy.

So there seems to be signs of a development away from the traditional oligarchical way of leading to the more complex dynamic of polyarchy. This trend from a deterministic way of doing things to a more non-deterministic

complex adaptive approach is not unique to leadership and can be found in other areas. Science, for example, has witnessed a similar evolution.

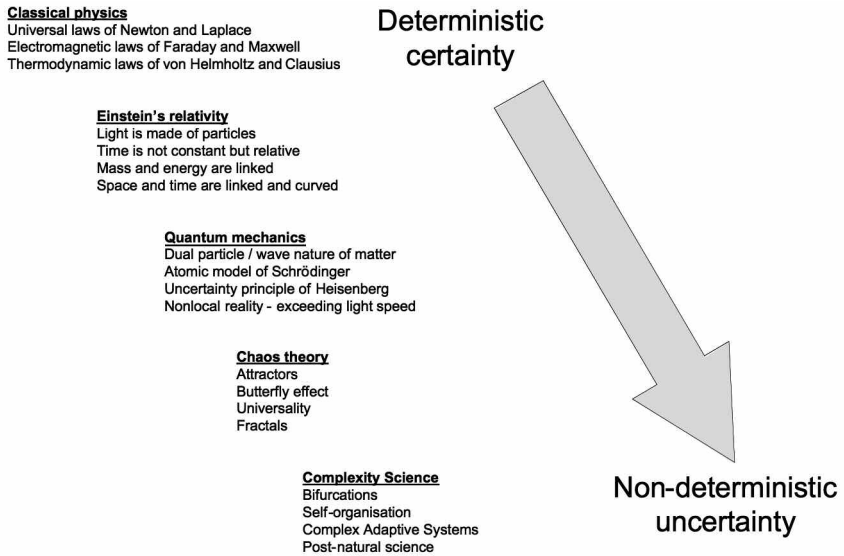


Figure 3: An underlying scientific trend away from determinism

The lesson from science is that this is not a case of “Either/Or” but “Both/And”. For example, although the laws of Newton and Einstein contradict each other, *both* work and exist. Furthermore, such deterministic “laws” coexist within the contradictory uncertainty of quantum theory. Similarly in leadership, it is not a case of *either* oligarchy *or* polyarchy – *both* exist. The ability to hold sometimes conflicting points of view is becoming more important for leaders today. We can relax a bit with the paradoxes and complexities of modern leadership and seeming chaos – they are natural. Relax? Easier said than done... but this essay will go on to show how a different view of reality, coupled with some simple actions, can have a disproportionately positive effect.

Let’s summarise so far. The context within which leadership is practised has seen radical change in a relatively short period of time. The world is now more complex than ever before, people have higher expectations, followers often have knowledge superior to their leaders, and organisational structures are becoming more dynamic and fluid. This trend towards complexity is perhaps part of a wider tendency, as is apparent in spheres such as science. However, our assumptions about leadership have become relatively stuck. The implications are challenging.

PART 2 - THE IMPLICATIONS

Although it may be obvious that the context of leadership “ain’t what it used to be”, we still cling onto comfortable anachronistic assumptions of oligarchy. That such leadership assumptions have become strained is a clear conclusion from many other studies. Consider, for example, just a sample of quotations which are, in their different ways, saying the same thing:

- “A charismatic visionary leader is absolutely not required for a visionary company, and in fact can be detrimental...”¹¹. Built to Last.
- “The more power you give a single individual in the face of complexity and uncertainty, the more likely it is that bad decisions will be made. As a result there are good reasons for companies to try to think past hierarchy...”¹². Wisdom of Crowds.
- “Subordinates need to challenge in order to follow, and superiors must listen in order to lead”¹³ The Boundaryless Company
- “Leading from Good to Great does not mean coming up with the answers and then motivating everyone to follow your messianic vision. It means having the humility to grasp the fact that you do not yet understand enough to have the answers and then to ask the right questions...”¹⁴ Good to Great.

There is a divergence from conventional wisdom, and this creates stress. This stress is fuelled by three typical manifestations picked up in the research of, and work with, a number of executives from all over the world¹⁵:



Figure 4: Stress inducers

- *Fear of letting go* – Most struggle with complexity. The result is often to seek more information, trying to maintain even more control.
- *Working too hard* – The fear of letting go leads to working longer hours, having issues such as “work-life” balance, and sacrificing family harmony for career progression.
- *Playing a charade* – Many unconsciously play a charade of trying to appear knowledgeable and in control, whilst at the same time barely hanging on.

These three clearly reinforce each other to produce stress. And, as will be seen, much of this tension is in fact unnecessary. So let’s consider each in more detail.

Fear of letting go

If you ask a group of leaders to fill in the Hersey/Blanchard self-assessment Situational Leadership model, more often than not a typical trend will emerge. This classic model has generally withstood the test of time. It assumes leadership has two axis of effort - developing relationships and structuring tasks - with four resultant styles: S1, Telling; S2, Selling; S3, Consulting; S4, Delegating¹⁷. Each style is used depending on the situation (mainly the level of independence of the follower to act without guidance). A perfect distribution of scores would assume equal scores for each four styles (i.e. 25% of score). However, over a decade of research has found a typical distribution which shows that the S4 Delegating style scores much the least (Figure 5).

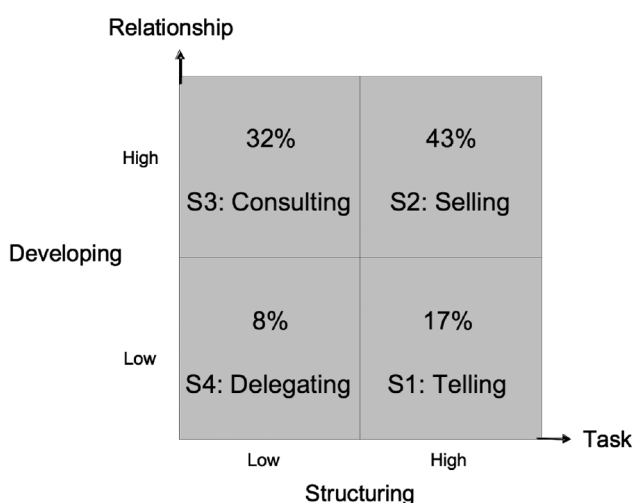


Figure 5: Typical score distribution for Situational Leadership model

Our research shows the main reason why the “S4 Delegating” style typically receives such a low score is due to the fear of letting go. There is an engrained and traditional belief that leaders should lead rather than follow. When faced with complex uncertainty, the natural reaction of leaders is to clarify and attempt tighter control. There is also a fear of blame/sense of responsibility if things go wrong, which too drives a desire for more control. To lead more than follow is also suggested by the S1 and S2 scores together being higher than the S3 and S4 scores. Similarly the S2 and S3 scores together will typically be larger than the S1 and S4 scores. Such distribution also indicates the next stress inducer – leaders are working too hard.

Working too hard

Our research finds a large amount of executive time is spent on unimportant things. This was discovered using the Eisenhower (sometime called the Covey) matrix¹⁸. This considers time spent on things which are urgent vs. not urgent, and important vs. not important. Using this model, time can be divided into four types of activities:

- **Urgent and Important.** These are the *crisis* issues, things that need attention and are important. Examples include an unwelcome hostile bid, a vital but angry client etc.
- **Not Urgent and Important.** This is often referred to as *quality* time. It includes, for example, taking time out to keep in touch with

valued friends and colleagues, doing a strategic away-day to discuss long term issues, taking a break, keeping fit etc.

- **Urgent and Not Important.** This is *delusion*, either self-delusion or being deluded by others, mostly unintentionally. It includes those e mails to which if there had been no response the problem would have solved itself, or the meetings you attend and leave wondering why you went in the first place (familiar?). These are the things which if you stop you would be surprised (and perhaps disappointed) no-one would really notice or care.
- **Not Urgent and Not Important.** This is *waste*, time spent that one knows is squandered such as junk e mail, mindless web surfing etc.

The typical executive spends some 60% on unimportant things, mainly in “delusion” (Figure 6). Why is this? The main reason given by executives is a mix of being driven by other people’s expectations (and not being able to say “No”), and the need to try and stay ahead of what is going on (trying to know everything that is happening). It is the Red Queen effect: running hard just to keep up, but getting nowhere fast!⁹.

	<u>Urgent</u>	<u>Not urgent</u>
<u>Important</u>	25% “Crisis”	15% “Quality”
<u>Not Important</u>	55% “Delusion”	5% “Waste”

Figure 6: Eisenhower matrix – typical time profile for executives

Part of the pressure to work so hard is caused by the mistaken conviction that a leader should know the detail of what is happening in the organisation being led, so as better to know the solutions. Our research suggests this creates a charade...

Playing a charade

The research asked the following question:

“We’ve all been involved in organisational change. Consider an organisation that has implemented large scale radical change whilst facing pressure so to do. The organisation would need to implement numerous solutions. In your experience, what % proportion of such solutions would originate from (originally be thought of by) the top (i.e. the top few levels)?”

The old oligarchical assumption of leadership would assume the leaders of the organisation would say what needs to be done and how, whilst the followers would get on and implement. The top proposes, the bottom disposes.

This was entirely reasonable, as the top were traditionally the educated and knowledgeable elite, more capable than those they led. However, as has been seen, such an assumption has become strained. So it is perhaps not surprising the average % number executives come up with (in answer to the question above) is less than 10%.

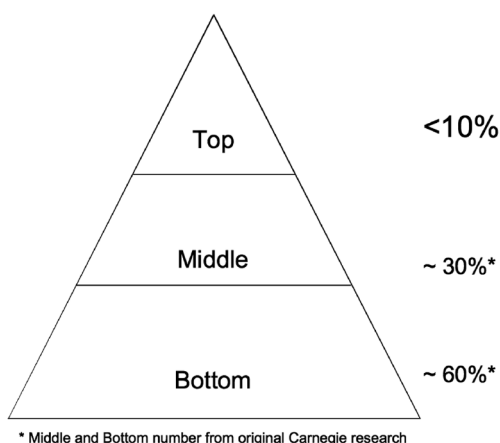


Figure 7: Where are the solutions?

In other words it seems those at the top do not know the solutions to the problems faced by the organisations they lead. And generally speaking they *know* that they do not know. However, they cannot really *say* that they do not know – when was the last AGM or Senior Management Workshop you went to where the CEO stood up and said “Sure beats me – any suggestions?” This is because there is an expectation (both by themselves and others) they should know. So they often have to pretend to know. In the old days they turned to God, nowadays they turn to Management Consultants. And what do the consultants actually do? They go to the people who know the solutions (those closest to the action, usually at the bottom) and ask them.

Meanwhile those at the bottom play a similar charade. They (more often than not) know the solutions. And they know the people at the top do not know the solutions. But they *expect* the top to know – they too are trapped by old oligarchical assumptions. In the old days the top *did* know – but not anymore. Meanwhile, it is far more convenient for those at the bottom to expect people at the top to know as it releases the bottom from any culpability for the unsolved ills of the organisation. After all, they say, it is the job of the people at the top to know! So those at the bottom gather around the water coolers and complain: “Management should...”, “The Company should...” Having complained, they feel absolved of responsibility and then go back to work.

The charade is complete. Those at the top pretend to know, those at the bottom pretend not to know, and the organisation waltzes towards disaster. Meanwhile those in the middle have nothing to do except pull their hair out. In reality they do their best to hold the organisation together as they see the top become increasingly cut off from reality and the bottom becoming increasingly uncaring about the strategic issues facing the company.

Such a sad state of affairs may explain the typical feeling when the top management team do a “road show” to an organisation facing the need for change. The top team arrive and show those at the bottom a fancy PowerPoint show: “Problem this...”, “Quandary that...”, “Strategy this...”, “Solution that...”

And what is the characteristic reaction from the serried ranks of workers, often expressed in the coffee breaks? “Bull***” is a typical comment. Indeed, at a recent senior management conference of a FTSE 100 company, an executive complained conversations in the coffee break were far more attuned to reality than those in the plenary sessions. Such a state of affairs may explain the frequent half-hearted feeling often sensed in the subsequent “Question and Answer” session. However, the way such sessions are run can help to overcome such tension, and this is one of the ideas which now follow to address the stresses identified.

PART 3 – SOME IDEAS

Chaos theory and complexity science show there are some powerful underlying dynamics at play. This section will propose just three ideas which seek to exploit such dynamics in order to achieve more effective leadership and reduced stress. Attractor theory²⁰ will be the main dynamic used in this essay. Attractor theory looks at dynamic behaviour by plotting movement. A “point attractor” is where the movement is attracted to a particular point (such as a ball bearing rolled around a basin – sooner or later it will be “attracted” to a single point at the bottom). A “periodic attractor” has a more circular plot, such as, for example, a windmill. And a “strange attractor” is a dynamic which, when plotted, describes an unusual shape (such as a butterfly).

The ideas using attractor theory are:

- Point attractor of leadership – delegating more (to help overcome the fear of letting go);
- Strange attractor of the butterfly effect and use of catalytic mechanisms (to help overcome working too hard);
- Periodic attractor of a dynamic question and answer session (to help stop the charade).

Delegating more

One way of characterising good leadership is it should aim to let people get on with it when they are capable (high skill) and motivated (high will). So, using again as an example the Situational Leadership model, that would suggest leaders should ultimately aim for the “S4 Delegate” style, which can serve as a point attractor.

The actions of Ken Sinfield, the Managing Director of National Vulcan in the early 1990s, provide a good example²¹. National Vulcan was the engineering inspections and insurance subsidiary of the Sun Alliance group. The company was struggling to survive in an increasingly competitive market, and was rooted firmly in the past with huge hierarchy and antiquated systems. Ken Sinfield was put in charge to turn their fortunes around. He first spent time learning about the company. He spent time selling the need for change (S2 Sell), explaining downwards the cost of not changing and upwards the benefits changes can bring. When change was accepted and investment from the group secured, he spent the first year directing the change in a top down way (S1 Tell), ensuring necessary systems were introduced in a rapid way with new processes. Some processes that took 3 months were cut down to 24 hours in a classic reengineering effort. He put together cross-functional teams working aside from

their normal managers in a self-organised way. 35 levels of staff were cut to 4. As the organisation grew in confidence, he widened the involvement of the workforce to help define the future vision and strategy for the company (S3 Consult). Further changes were thus enabled and led to the stage where Ken could hand over his role, having achieved a major turnaround and culture change with a more polyarchical approach to leadership (S4 Delegate). Such a point attractor is superimposed on the Situational Leadership model in Figure 8 (see endnote 17).

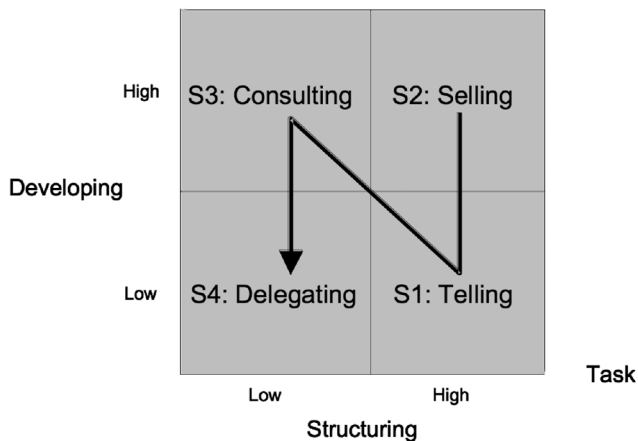


Figure 8: A point attractor in Situational Leadership

So the stages towards letting go seem to be:

1. Sell the “why” - build the motivation (and thus high will) for change;
2. Tell the “what” – once the will is high, people are ready to be told the “what”;
3. Involve for the “how” – keep motivation and learning going through involvement;
4. Delegate the implementation – once the skill and will are sustainably high, let go!

Paradoxical as it may seem, the role for leadership nowadays is to enable followers to take the lead, and for leaders to learn how to follow.

The Butterfly Effect and Catalytic Mechanisms

Chaos theory emerged from a variety of scientific and mathematical disciplines. A significant piece of work was done by a mathematical meteorologist, Edward Lorenz²², 12 years before the term “chaos” was first used in mathematics²³. He accidentally discovered that an infinitesimal change in a complex environment (the example he gave was the flap of a butterfly’s wing in a weather system) can over time influence a huge change (for example a tornado). When such effect of minute changes are plotted, it becomes clearer why it is known as the butterfly effect (Figure 9²⁴).

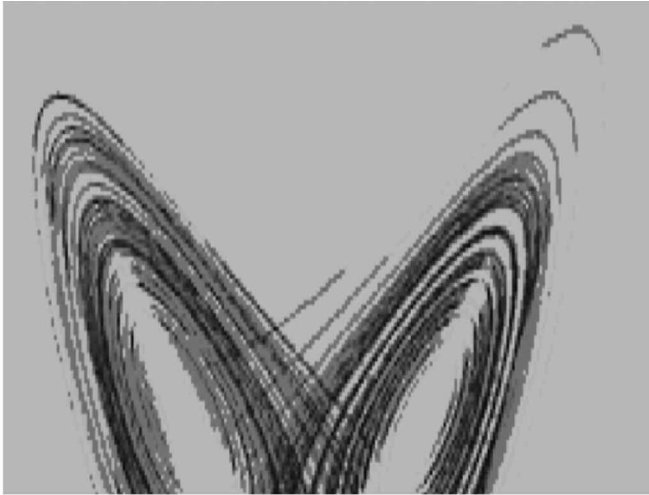


Figure 9: The Butterfly Effect and Lorenz's strange attractor

The butterfly effect is significant as it seems to go against the traditional wisdom that "The effort you put in determines what you get out"²⁵. It shows that within a complex system a *small* change can yield a *large* difference. So a small effort in fact can get a big result. This is significant for leadership. We are conditioned to believe hard work and serious effort alone gain results. This gives rise to a work ethic that says to get results out of an organisation you must put in long hours. Sadly many a marriage and home has been broken by such an assumption. The butterfly effect shows this assumption does not necessarily have to be true.

Can the butterfly effect be *applied* to leadership? Experience would suggest yes. "Catalytic mechanisms" are an example²⁶. These are small changes to company policy that yield large results. A famous illustration is the 3M policy of allowing employees to use 15% of their time and resource on pet projects known as "bootleg time". This small policy led to a big product: the Post-It™ note, invented by accident by an employee and then developed by him as a pet project. This was within the context of wanting 25% of revenue from products less than 5 years old, itself the desire to remain innovative. Another example is the inclusion by Mike Jackson, then CEO of financial services company Birmingham Midshires in the UK²⁷, of his personal phone number on complaint forms. These stated if the complaints were not dealt with in a quick and polite way, the customer could phone him personally. The company was struggling to survive, and it identified customer service as a critical opportunity. The number of calls the CEO actually received was negligible but such a small change had a large and beneficial effect on staff handling complaints, as well as on customer perceptions. The company's poor situation was turned around and it became an award winner for customer service. Again this initiative was but one of a variety of efforts taken, and shows how a relatively simple thing can help achieve a larger effect. A similar approach was taken by Granite Rock, an aggregates company in the USA²⁸. They too wanted to be the market leader in customer service, so they decided to allow customers to "short pay". At the bottom of each invoice they put the following: "*If you are not satisfied for any reason, don't pay us for it. Simply scratch out the line item, write a brief note*

about the problem, and return a copy of this invoice along with your check for the balance.” Granite Rock became the market leader for customer service and enjoys a price premium over its competitors. Yet another example of a catalytic mechanism is where National Vulcan, in order to enable a more team based self-organising culture, removed without warning the time punch machines used by staff to clock-in. This small move had a huge effect on changing the culture in the desired direction.

Moving people in an organisation towards accepting more of a leadership role is not easy, but even here catalytic mechanisms can be employed. For example Ralph Stayer, the CEO of Johnsonville Foods Inc. in the US, tried for over two years to get people in his organisation to take more initiative and spent much time trying to get his direct reports and below to take the lead. After some abject failure and much effort he simply stopped attending some of the things he ran, such as the food tasting and quality control meetings. He let it be known the meetings still had to happen. By absenting himself he showed he expected others to take the lead and to stop relying on him²⁹.

This is not to say a single catalytic mechanism is all it takes to solve problems. They are not a panacea. It is more complex than that. However, leadership can learn from chaos theory and employ the butterfly effect to good effect.

The question remains: how to identify such catalytic mechanisms? Firstly, they must be within a wider context and ambition. Secondly, the simplest way to start is perhaps to introduce the theory to a group of executives focused on a particular issue and ask them to identify such mechanisms. Experience shows such an approach inevitably comes up with an abundance of ideas. Finally, these ideas should be ironed out, prioritised and then tried. After initial piloting and (hopefully) success, catalytic mechanisms need some care and attention and often evolve more powerfully if they are tendered and looked after. For example, 3M’s 15% “bootleg time” has gone through at least three make-overs.

Such tending is needed because the butterfly effect is essentially a non-linear mechanism – in other words the outcome is probabilistic rather than deterministic. So be prepared for seeming “chaos” - the overall resultant flow has a fractal³⁰ “helix effect” of getting better, then worse, then better etc.

A more dynamic question and answer session

In a typical question and answer session the leader (who is traditionally assumed to know the solutions) stands and answers the questions of the followers. It is often a rather static affair with questions going to the leader, and answers coming back. In an oligarchy that is how leadership works and has worked for thousand of years. And, as has been discussed above, such sessions can now feel less than satisfactory. A more dynamic approach is dialogue, where the leader asks as many questions as are answered. This is not to say a leader should just ask questions. It suggests the leader could, in giving answers, also question and challenge his followers – after all they often know the solutions. This more dynamic approach sometimes looks chaotic and takes a fair degree of self-confidence to do, not least to admit the leader often does not know the answers.

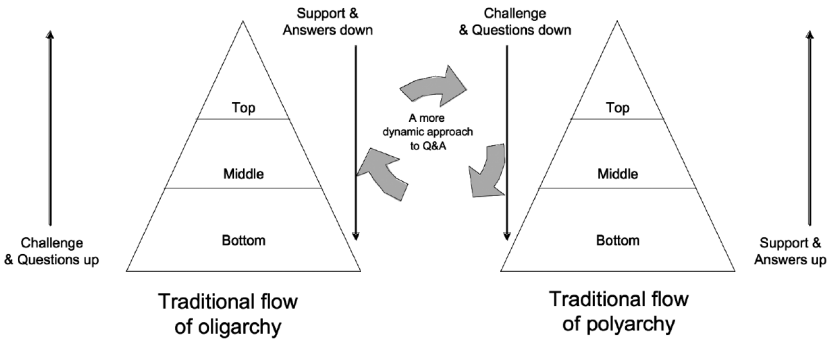


Figure 10: A periodic attractor in a more dynamic “Question and Answer” (Q&A) session

The skills needed for each approach differ (Figure 11). The leader needs to listen nowadays more than just speaking confidently.

Oligarchical assumption		Polyarchical assumption	
Questions and issues flowing up	Answers and solutions sent down	Questions and issues flowing down	Answers and solutions coming up
Ability to: <ul style="list-style-type: none"> Analyse Prioritise Link/connect to strategy 	Ability to: <ul style="list-style-type: none"> Talk/present Simplify Inspire and persuade 	Ability to: <ul style="list-style-type: none"> Question Coach Challenge Explore 	Ability to: <ul style="list-style-type: none"> Listen Summarise Support Understand

Figure 11: Differing skills needed for Q&A under oligarchy and polyarchy

Such a dynamic approach to a question and answer session begins to break the organisation free of its constraining and stress-inducing oligarchical assumptions. It shows followers there is an expectation for them also to take the lead and challenge, for them also to think through problems and generate solutions, and for them also to take responsibility for the future of the organisation rather than just expecting others so to do. It encourages a more collective and dynamic polyarchical approach to problem solving which, as numerous independent studies show, often result in solutions better than those imposed/suggested by individuals from above³¹.

SUMMARY

We have seen how the context within which leadership is practised has witnessed radical and fast moving change. This has led the traditional oligarchical assumptions about leadership to become strained as underlying polyarchical realities emerge. This in turn has resulted in an increase of leadership stress. Such stress is fuelled by: the fear of letting go; working unnecessarily hard; and playing a charade of pretending to know solutions because of expectations (themselves unrealistic). A way to break out of this is to have a deeper appreciation of chaos theory and complexity science. Some ideas for this were explored. These were based on attractor theory and included: moving towards letting go by setting up the context to delegate; using catalytic mechanisms to get better results for less effort; and using a more dynamic question and answer approach for increased follower engagement.

The emergence of polyarchy is positive and, if honestly appreciated, reduces the pressure on leaders. Leaders who understand this listen well, spot the solutions, and support those who propose them. In so doing, they realise the ability to follow is as important as to lead, and followers recognise their role is to lead as much as follow. The result is a dynamic rather than attribute-driven approach to leadership. This means leaders need to let go, work less manically and be realistic. Knowing when not to act is as important as knowing when to act. This challenge is not new. Ghandi said "I must follow my people for I am their leader". General Lafayette of the Continental Army of America said over a century before Ghandi "I am their leader, therefore I must follow them". The emergence of polyarchy shows why such an approach has become increasingly relevant; Chaos Leadership gives an understanding of how it can be applied.

If you have any examples to either support or challenge the theories/suggestions in this essay please assist the author to further his research and e mail to: Nick@ChaosLeadership.com.

Thank you!

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REFERENCES:

- 1 "Does God play dice?" Stewart I., Penguin, 1997.
- 2 Oxford English Dictionary defines leadership from "leader" ("the person who leads, commands or precedes a group, organisation, or country").
- 3 Oxford English Dictionary, from *oligio* (few) and *archein* (to rule). "-archy" is a Greek root e.g. oligarchy, monarchy (itself another form of oligarchy), anarchy (no ruler – hence chaos), polyarchy etc. The word "rule" has largely been superseded by "lead".
- 4 Polyarchy has hitherto mainly been used in political science. Robert Dahl is its main proponent. "Polyarchy: participation and opposition", Yale University Press, 1971.
- 5 Bifurcation is a term often used in complexity science and chaos theory. It was first used by Australian mathematical ecologist Robert May who found populations were driven by non-linear mechanisms which can result in a sudden and major change.
- 6 Hirschhorn L. Gilmore T. "The boundaryless company" Harvard Business Review May-June 1992.
- 7 Mintzberg, H. "Power in and around organisations", Prentice Hall, 1983.
- 8 "The Adaptive Organisation", Haeckel S. H., Harvard Business School Press, 1999.
- 9 "Practical Business Re-engineering – Tools and techniques for achieving effective change", Obolensky N., Kogan Page 1993.
- 10 The story of Semco's evolution is told by its CEO, Ricardo Semler, in his book "Maverick" 1980. The polyarchical approach of his company was more recently described by his article "How we went digital without a strategy", Harvard Business Review, May-June 2000.
- 11 Collins & Porras, "Built to last", Random House paperback version, 2000.
- 12 Surowiecki, "Wisdom of crowds", Doubleday, 2004.
- 13 Hirschhorn and Gilmore, *ibid*.
- 14 Collins "Good to great", Harper Business, 2001.
- 15 Work by the author with some 1,500 international executives of over 40 different nationalities and 100 different companies/organisations, during a 12 year period within the context of leadership/strategy development workshops in small groups. Groups typically numbered 10 to 30, usually organized in roundtable format to enable discussion and feedback. These groups were drawn both from "in-company" workshops/programmes for mainly multi-national companies as well as "open courses" in leading business schools. In-company workshops/programmes included work in the following countries: Australia, Denmark, Germany, Hungary, India, Indonesia, Ireland, Italy, Kuwait, Netherlands, Poland, Saudi Arabia, South Africa, Switzerland, UAE, UK, and USA. Business school work included multi-national groups at: EHL (Switzerland), INSEAD (France), Nyenrode (Netherlands), and London Business School (UK).
- 16 The questionnaire was based on 1960's work at Ohio State University by Paul Hersey and Ken Blanchard.
- 17 Hersey, P. and Blanchard, K.H. (1969) "Life Cycle theory of Leadership", Training and Development Journal, 23, 26-33.
- 18 The matrix was used by Eisenhower's staff for rebuilding post-war Germany, where it is still known as the Eisenhower matrix. It was popularised by Stephen Covey.
- 19 The term "Red Queen effect", used in complexity science, was first employed by paleontologist Lee Van Valen to describe persistent co-evolution. It comes from Lewis Carroll's "Through the Looking Glass" where Alice joins the Red Queen running, but they do not get anywhere – this is due to the scenery moving and them running just to stay still.
- 20 Developed by the mathematical physicist David Reulle in the 1970's studying turbulence, building on the work of the 19th century mathematical physicist Henri Poincaré who anticipated chaos theory.
- 21 Obolensky, N. 1993 *ibid*.
- 22 "Deterministic non – periodic flow" Journal of Atmospheric Sciences, volume 20 pages 130-141, 1963 by Edward Lorenz.
- 23 "Period three implies chaos" University of Maryland, 1975 by Tien Yien and James Yorke.
- 24 Illustration from "Chaos Theory", Microsoft ® Encarta ® Online Encyclopedia 2007 <http://encarta.msn.com©1997-2007 Microsoft Corporation>
- 25 This is the first law of thermodynamics, the Conservation of Energy, summarised in lay terms.
- 26 "Turning Goals into Results: the power of catalytic mechanisms" Harvard Business Review July-August 1999, Collins, J. This was part of Collins' "Good to Great" study. Strangely, "catalytic mechanisms" never made it into his final book even though the examples did.
- 27 Obolensky, N. 1993 *ibid*.
- 28 Collins, J., 1999, 2001, *ibid*.
- 29 "How I learned to let my workers lead" Harvard Business Review, Nov-Dec 1990, Ralph Stayer.
- 30 Fractal is a term and theory developed by Benoit Mandelbrot (see his "Fractal Geometry of Nature", 1975). Simply put a fractal is a complex repeating pattern manifested at differing levels. An example in the plant world is a cauliflower, and in the organisational dynamic world, leadership culture.
- 31 For example see "Collective problem solving: Functionality beyond the individual" Johnson N. L., 1998, Los Alamos National Laboratory paper LA-UR-98-2227 (for a scientific/mathematical view), and Surowiecki, 2004, *ibid* (for a sociological/philosophical view).

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Nick Obolensky's background includes being: a cavalry Major in his late twenties; a mountain expedition leader; a senior strategy consultant for a big 4 firm; an Associate Director co-ordinating the turnaround of a 45,000 employee retailer; and CEO of a charity's commercial subsidiary. His academic experience includes: Associate Professor at Nyenrode University, the Netherlands Business School; Fellow at London Business School's Centre for Management Development; Visiting Professor for Leadership at INSEAD in France; and Fellow of the Centre for Leadership Studies at the University of Exeter. He has consulted for a variety of multi-national and national organisations around the world on strategy and leadership issues. He is currently working on his new book "Complex Adaptive Leadership – Chaos and the Tao of Polyarchy".



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