

# 'Face the Future'

Leadership skills for the Next Generation

Prof Dr Freek Peters<sup>1</sup> Professor Contextual Leadership Tilburg University

# Introduction: the world is changing

The world has changed tremendously over the last fifty years, but when it comes to leadership and governing organizations, many structures and habits originate from the old, industrial era. No wonder established executives often fall short in the new reality, resulting in both professional blunders as well as societal scandals. Is the 'classic leader' still suitable for the modern era? Moreover, what is the profile of the future's leaders?

We live in a fascinating time. A time of significant developments and disruptions. Not only a transition from an economy dominated by production and service to a knowledge and innovation economy but also to, in the words of sociologist Zygmunt Bauman<sup>II</sup>, a liquid society in which old pillars, institutions and securities have evaporated and humans search for their individual paths. 'Resources are global; experiences are personalized' according to C.K. Prahalad<sup>III</sup>. To quote Jan Rotmans<sup>IV</sup> 'Not an era of change, but a change of era'.

## Megatrends

The world has changed fundamentally, and the impact of societal trends on the economy and business is inevitable. In arrangement of a large number of futuristic studies concerning leadership, Vielmetter and Sell<sup>v</sup> (2014) have formulated six megatrends that define the context of contemporary and oncoming organizations.

- . *Globalization 2.0*: the growth of the economic field to a worldwide, but a strongly localized scope, with former developing regions as equal business partners, consumers and owners of many of our classic brands.
- . *Individualization*: the growing impact of personal needs and divergent norms, leading to differentiation, customization, diversity and casual loyalties.
- . *Digitization:* the increased volume, transparency and distribution of information; new relationships between suppliers and customers, and the digital generations as consumer, employee and stakeholder.
- . *Demography*: population growth and mobility, leading to pressure on social structures and relationships, generation gaps and diversity issues.
- . Environment & Sustainability: a growing focus on regeneration, reduction and circularity; transformation of processes and business models, and societal responsibility (CSR) as a vital market issue.
- . *Technology*: bundling of knowledge and techniques that force product, market and distribution renewal; a knowledge-driven economy, focus on R&D and knowledge intensive organizing.

"The Cloud was in the sky, Twitter was a bird sound, 4G a parking place, LinkedIn a prison, Big Data a rap star."

Thomas Friedman <sup>VI</sup>from The New York Times about the world of 2005

#### **Consequences for organizations**

We find the implications of these megatrends in all kinds of aspects of our society, our economy and our organizations. They lead to turbulence, rapid changes and disruptions that bring about uncertainty regarding the continuity and viability of nearly any company and institution: is the current business model tenable and for how long, can you attract or retain the right people, are you embedded in the right networks? To illustrate, Netflix turned around the world of television, Whatsapp changed telecom, Spotify the world of music, Uber the taxi branch, Booking.com and Airbnb the world of travel.

However, these megatrends simultaneously offer promising perspectives, innovations that become possible through the creative use of new opportunities, by redesigning processes and combining technologies, collaborating and exchanging knowledge. Think of artificial intelligence, blockchain, robotization, blended learning, e-health and e-governance, 3D, Big Data and the internet of things. At the same time, we see the boundaries between businesses opening up and many organizations collaborating in alliances and networks. Traditionally closed institutes transform into 'open houses' where people walk in and out, but also into 'glass houses' where everybody can watch along with the information available. New communication platforms offer virtual connections, with grand opportunities, but also with stronger volatility. New forms of working and collaborating arise, even with people far away, whom you do not or barely know. Partly because of this, diversity of cooperation partners is increasing, not only in society and the market but also within the organizations themselves, which can put some delicate social-societal and ethical issues in a different light (think about the annual 'Zwarte Piet' discussion and the naming of the 'Coentunnel').

In this article, we explore the consequences of these developments for the leadership and governance of organizations and institutions. Also, for the personal qualities this demands for leaders of the Next Generation.

## 1. Trends in thinking about leadership

'Understanding of the future is determined in the past'. In The Sage Handbook of Leadership (2011), Keith Grint<sup>VII</sup> provides an overview of the history of leadership research. Although the phenomenon 'leadership' itself probably existed since the beginning of humanity, when our ancestors already lived in certain organizational and societal connections, our knowledge of historical leadership is limited to that which has been put into written sources and handed down through the generations. So this knowledge points not the beginning of leadership, but the beginning of its capturing. Furthermore, history is almost always written by the victors; we know much more about Julius Caesar and Alexander the Great than about someone like Spartacus. According to Grint, the modern era of leadership studies begins with the historian Thomas Carlyle and his studies about 'heroic leadership' around 1840. The concept of individual heroism remained dominant in the leadership thinking of the Victorian era. It was not until the end of the 19<sup>th</sup> century when under the influence of the second industrial revolution, the size of organizations substantially increased. With that came an interest in rationalizing systems and processes, and Scientific Management arose, with the American mechanical engineer Frederick Taylor<sup>VIII</sup> as a vital representative (*Principles of Scientific Management*, 1911). This publication is viewed by many as the initiation of contemporary leadership science.

Over the last hundred years that leadership is recognized as a distinct scientific theme, our thinking has changed radically a couple of times. In the underlying conceptions with which we look at leadership, some different clusters of thought can be distinguished that serve as a paradigm<sup>IX</sup>: a coherent scheme of theories and models that together form a conceptual framework within which 'the reality' is discovered and understood.

Many authors speak of a 'transactional paradigm' and a 'transformational paradigm'. The transactional paradigm originates from the scientific management theorizing in the late 19<sup>th</sup> century and assumes from the traditional image of more or less stable organizations in defined environments, in which the leadership featured an almost self-explanatory authority. At the basis is the pragmatic, transactional relationship between leaders and followers: the exchange between a (fitting) reward for carrying out (good and sound) work. In the research on leadership, the person of the leader is central. Until the late 1940s, the so-called trait approach was dominant, in which leadership is mainly seen as a congenital skill and a couple of psychological or biological characteristics like extraversion, eloquence and self-esteem, that were seen as determinants for someone's suitability as a leader. This was followed by a more style-oriented approach, in which the effectiveness of different leadership styles was examined, in relation to the characteristics of the situation. Well-known and widely used leadership concepts from that era are the Managerial Grid by Blake & Mouton (1964), the Contingencymodel by Fiedler (1967) and the Situational Leadership Theory by Hersey & Blanchard (1969).

The transformational paradigm came to being during the economic turbulence of the 70s and 80s of the previous century, founded on the need of change and adjustment to new circumstances (Van Muijen 2003, Stoker 2005, Ten Have 2009). Here, not only business relationships but especially the social-emotional and motivational relationships between leaders and employees were considered to be important. According to Burns (1978): "Transformational leadership has a moral dimension. It may be said to occur when one or more persons engage with each other in such a way that leaders and followers raise one another to higher levels of motivation and morality". In the leadership concepts from this paradigm, notions such as vision, charisma, ideological values and inspirational ability are essential, leading to approaches like transformational leadership, charismatic leadership, visionary leadership, inspirational leadership and spiritual leadership. Other than the traditional leader, the transformational leader does not strive for conformity per se, but pays attention to talents and tolerates differences, with which energy and trust are created that inspires to extraordinary performance and innovative value development. The book In Search of Excellence by Peters & Waterman (1982) was famous and influential in this area. In here, forty-three American institutions are described that deserve the predicate of 'excellent' due to their ability to quickly and firmly respond to customer changes with the market, driven by leadership with a transformational 'hands-on, value-driven' character. However, a third of these companies turned out to have gotten into financial problems just five years later; so excellence, as viewed in this paradigm, seemed to be an utmost temporary phenomenon.

Since the turn of the century, the 'contextual paradigm' has been recognized, in which an organization is no longer seen as a clear and limited entity, but mostly as an open system that continuously interacts with its environment. In this paradigm, the boundaries between organization and outside world have largely disappeared, and leadership takes place in a dynamic and multi-layered field with many actors in changing positions. Again, a new approach came to exist, 'complexity leadership', in which leadership takes place in an open, interactive system with dynamic and autonomous actors, interacting in adaptive networks (Marion, 2001, Osborn et al., 2002, Uhl-Bien & Marion, 2008). This approach is primarily relevant for those sectors and organizations in which developments are fast and unpredictable, and where the success is determined by the adaptive capacity of the professionals and innovative collaboration with many different parties. However, the more traditional institutions also have to deal with more contextual influence because of a growing variety of external factors that impact their business operations: the market, the chain, the technology, the legislature, the supervisors, the customers, the media, and so on.

An important question from practice towards science concerns the impact of these influences on the management and governance of organizations. In short, what does contextuality mean for leaders and leadership?

# 2. Leadership in a complex world

#### **Complicated versus complex**

The formerly described developments and megatrends lead to a substantial increase in the variety of stimuli that influence organizations and in a variety of responses with which they can respond. In that way, during the last couple of years, the context of organizations has significantly been enlarged and has become more multiform.

Furthermore, the new terrains know a broad diversity of forms and connections, including many underlying relationships. The market, technology, chain cooperation, the media, social and legal influences, all those contextual aspects influence each other in often unpredictable ways. Therefore, the playing field for organizations not only becomes more extensive, but also more diffuse, mobile, multiplex and capricious. In this respect, we speak of the *complexity* of context. A system is complex when it meets three fundamental characteristics: the components in the system interact mutually, these relationships are dynamic, and the whole is adaptive, so irreversible changes are created (Brown, 2010). Mary Uhl-Bien (2017) describes complexity as *'rich interconnectivity'*, whereby the different system components change each other in unexpected, irreversible ways. As a telling example at the global level, she mentions the Global Financial Crisis in which, from 2007 onwards, a variety of interconnected factors led to a chain reaction of huge, barely manageable effects with a new economic reality as a result. This dynamic is also called VUCA<sup>X</sup>: volatile, uncertain, complex or connected, ambiguous.

Otto Sharmer (2009) speaks in his Theory U of '*social complexity*', a complexity that arises because the involved have different interests and views. Complexity increases as there are more stakeholders with diverging ideas and perspectives. The stronger the social complexity, the less we can rely on content-related experts who have 'the right answer'.

Relevant for organizations is that this not only asks for acting in a so-called 'complicated context', a difficult yet known and -for the initiated- predictable environment, in which you have to function as a controlled and well-managed machinery, but also in a 'complex context', an insecure and rapidly changing external world, where you have to act as a flexible constellation that adaptively reacts to the dynamic reality around it, finding solutions for often diffused issues in close collaboration with the environment.

This -subtle- distinction between complicated and complex is crucial because, in complicated contexts, leadership is about the organization being 'in control'. Like a pocket watch, in which gears well-secluded from the outside world turn together with each other and still show the right time, despite the circumstances. And that's a good thing – if, for example, the organization concerns an aircraft or a nuclear power plant. In complex contexts, on the other hand, the organization is part of the outside world and gets its value in the interaction and adaptation from which new patterns and solutions develop. This process is less controllable; leadership here is more about letting it happen and moving along with it adaptively.

Moreover, organizations can react in different ways to radical events. Mary Uhl-Bien (2017) speaks of an 'order response' or an 'adaptive response'. The order response is aimed at risk-reduction through the recovery of the previous situation before the event took place. The adaptive response reacts to the new circumstances to obtain a position in it, for instance by participating in the development of novel opportunities. Here, we also find the difference between complicated and complex contexts.

For leadership, the distinction between complicated and complex has essential consequences: systems in a complicated context can be managed with control, aimed at a predictable and manageable reality. If that reality becomes unruly, the order-response style designed towards staying 'in control' will be reinforced. However, systems that act in a complex context, a reality that is changeable and asks for a continuous adaptation, instead become paralyzed by such an order response, because the space and the energy of the vital components and their interaction gets restricted. Here, on sudden new circumstances, an adaptive response will be more appropriate (Uhl-Bien & Arena, 2017).

#### **Complexity and organizations**

In this regard, it can be helpful to learn from the complexity sciences: the study of the behaviour of interacting entities in mobile, ambiguous and insecure circumstances, whereby the prevailing issues are characterized by unpredictability and uncontrollability, which means that such a situation needs to be looked at and reacted to in an alert and adaptive way (Mitchell, 2009).<sup>XI</sup>

A key concept in the complexity approach is the notion of a complex adaptive system CAS, the 'network' that forms the backbone of many modern organizations. Larger organizations consist out of numerous of those complex adaptive systems; networks that that work together in a common direction, influence each other mutually and achieve results, often in the form of innovative solutions to new issues that would not have been developed based on previous routines.

Complex adaptivity means that the behaviour of such a system is not really predictable, but it can be explained in retrospect (non-linear causality); that its elements are interconnected and influence each other (circularity); that there is always movement (dynamics - the network is evolving); that the system continually adapts (adaptivity); that change can occur from within, by learning and renewal (reflexivity), with which new output and results can be created (emergence); that patterns get formed with a certain stability and extensibility (resilience), but also that the system can end up outside its existing order or get into chaos (entropy). As Nobel Prize winner Gell-Mann<sup>XII</sup> (1994) puts it: *'The elements in a complex adaptive system react to the pattern the elements together create*'. In that way, a complex adaptive system resembles a swarm of insects or birds (Miller 2003).

Examples of organizations that mainly consist of complex adaptive systems are numerous: think of Google, Spotify, Airbnb, Uber, networks of independent professionals, cooperatives such as Buurtzorg, the Wind Union and the Network School. An unusual, but telling example can be found in a recent AIVD report on the current organization of jihadist movement in the Netherlands, entitled *Swarm Dynamics and New Strike Capability*<sup>XIII</sup>.

"The jihadist movement in the Netherlands has taken on the character of a swarm. This means that the movement has a strong decentralized character, with many different components, all of which are to a large extent self-directed. Together, however, they move as a whole, maintaining cohesion and direction, despite the sometimes apparent capriciousness and unpredictability. The preservation of coherence and direction of the whole is not so much dependent on a few leading figures, but the collective self-direction from the local level is much more important for this. This means, among other things, that there is only a limited degree of leadership and hierarchical structures and that it is mainly about horizontal influence by friends, family, neighbours or kindred spirits, both from the online and offline world.".

This analysis makes clear that combating the phenomenon of jihadism, calls for a whole different approach than that of the traditional security methods. I.e., eliminating a leader will probably not dissolve the entire operation.

#### **Complexity and leadership**

Within these frameworks, it is evident that the classic leadership theories, which have their origins in the industrial era, are set within a complicated context. Underlying, they are aimed at managing and influencing employees in well-defined organizations and departments to achieve predetermined goals, with matching performance indicators such as output, efficiency, return on investment, KPI's and process goals. In this way, the complicated paradigm teaches us how leaders, through formal structures, can influence, motivate and steer others in the direction of the hierarchically established goals.

However, for the current context, a dynamic and less predictable world with a much more knowledge-driven economy, other requirements are becoming important: learning, adapting, innovating; dealing with speed and dynamics, plurality, uncertainty. These are a prerequisite for being able to handle the complexity of the modern world, which requires a different leadership paradigm, an approach that fits an organization performing in a complex context.

The core of such an approach, 'complexity leadership', is that the strength and quality of informal networks are not 'aligned', suppressed or fitted into the desired structure, but are given plenty of room and that cross-

organizational interaction and dynamics are stimulated. This approach should enable the organization to unlock the power, expertise and innovative and problem-solving capacity of all system components. All this means that the leadership of modern organizations needs to change fundamentally in many aspects. We see leadership evolving from a personal task to a system function, with a management focus shifting from steering to enabling, and from exercising authority using power and hierarchy to cooperation by horizontal interaction and reciprocity (Uhl-Bien & Marion, 2008; Brown, 2010). Additionally, leaders will have to insert complex adaptive systems into the larger institutions and ensure the connection with complicated systems (the administration, the laboratory, the factory) and formal contexts, such as legislation and regulations.

#### Leadership qualities for a new era

Each time reflects its image on the qualities of leaders. Each generation also has its heroes. In the traditional era, these were often patriarchal industrialists such as Anton Dreesmann and Albert Heijn, and ditto governors such as Churchill, Colijn and Drees. In the transformational era, the autonomous types of entrepreneurs were the new heroes: successful leaders such as Lee Iacocca<sup>XIV</sup>, Richard Branson<sup>XV</sup> and Steve Jobs<sup>XVI</sup>, but also - in retrospect - less successful ones, such as Kenneth Lay and Jeffrey Skilling (Enron)<sup>XVII</sup> and, in The Netherlands, Dirk Scheringa<sup>XVIII</sup> and Victor Muller<sup>XIX</sup>. In the current contextual era, the leaders are less visible and somewhat reluctant to promote themselves individually, but we do see many inspiring examples in people who, from a socially involved entrepreneurial spirit, work for organizations and institutions that are meaningful to them.

An important research theme concerns the changes that this new leadership paradigm brings on for the personal and interpersonal qualities of people with a leading role and position -in whatever form-, in comparison with the 'classic' leadership qualities from the transactional and transformational paradigm. Our explorative research on this topic is founded on the scientific literature on complexity and contextual leadership by, among others, Marion (2001), Hazy (2005, 2006), Uhl-Bien, Marion & McKelvey (2007, 2008), Brown (2010) and Uhl-Bien & Arena (2017). A review has been made with recent reports on future leadership from McKinsey & Company (2018) and Korn Ferry (2019).

For the arrangement, we use the Leadership Competency Framework of Bolden et.al. (2003), with the factor's intellectual leadership, work management, communication, interpersonal management, people management and self-management<sup>XX</sup>. In this framework, the concerning changes in leadership qualities can be described as follows (Peters, 2016).

#### Intellectual leadership factor: from Vision to Contextual Outlook

From an intellectual point of view, leaders must act with a solid understanding of the context. Leaders no longer move only in their own domain, but are, consciously and unconsciously, part of all kinds of larger systems too. In addition to their own knowledge and vision, it is crucial to have a receptive view of the environmental factors, to understand issues in plurality and multi-perspective, with a broad scope and an open mind, and to be able to make this complexity operational and manageable again. We call this: contextual outlook (see Morgan, 1986, 'Organizations as open systems'). This factor is scientifically linked to concepts such as complexity leadership and contextual leadership.

#### Work management factor: from Steadiness to Equifinality

In the contextual paradigm, work management is going through a significant change compared to the traditional leadership models. It is not only about creating order but also about effectively dealing with a lack of it. In a complex context, control is limited, as are the possibilities to individually determine the direction of an organization. Leaders are strongly dependent on external system factors, on which their influence is at most indirect. It is essential to be able to deal with this plurality pragmatically, releasing the individual control and to have confidence in the system of which you are part. We call this: equifinality, the principle that in an open system a result can be achieved in many different ways (see Katz & Kahn, 1978). This factor is scientifically linked to concepts such as adaptive leadership and agile leadership.

#### Communication factor: from Charisma to Altrocentrism

Communication skills have always been essential to leaders, but now they are seen from a different perspective: no longer directed at managing from authority or charisma, but rather addressed to support others, to let them flourish, together and individually. Personal exposure happens at the service of the system and therefore usually takes place in the background, in a complementary way. This requires from the leader a flexible ego, with self-knowledge, reflective power and the ability to put things into perspective, especially when it comes to positioning oneself. We call this: altrocentrism (see Vielmetter & Sell, 2014 'Altrocentrism as the opposite of egocentrism'). Scientific connections can be found with servant leadership and leader-member exchange (LMX) concepts.

#### Interpersonal factor: from Autonomy to Connectivity

System awareness is of great importance for building and maintaining future interpersonal relationships. In the past, leaders used to act mainly from their - formal or societal - position, sometimes with a lot of competitive autonomy ('how many takeovers have you already done?'). In future, the emphasis will be much more on connecting qualities, understanding and utilizing social networks, focusing on cooperation and building up personal goodwill, founded on loyalty and reliability. We call this: connectivity (see Senge, 1990, 'Systemic thinking'). Scientific connections exist with scientific concepts such as connective leadership and network leadership.

#### People management factor: from Steering to Interplay

In the management of people, many of the traditional and transactional foundations no longer apply. In a modern network setting, 'hero management' by one or more supervisors is increasingly less functional. Future leadership will mainly be a system factor that you regulate together, not a function of an individual. So 'dismanaging', according to Verheggen (2015). Subsequently, in modern organizations the people management will become much more systemic, focusing on employee development and the vitality of the teamwork, stimulating movement, innovation and networking, and building on a sense of community and shared meaning. We call this: interplay (see Pearce & Conger, 2003, 'Shared Leadership'). This factor is scientifically linked to concepts such as shared leadership and team leadership.

#### Self-management factor: from Power to Antifragility

Due to the hectic and complexity of the contextual era, a strong appeal is made on the stability and extensibility of leaders with a key position in the system. In addition to classic leadership qualities such as drive and mental strength, considerable pragmatic agility is vital to move along and stay afloat in the inevitable system turbulences. This agility requires entrepreneurial spirit, being comfortable with ambiguity and having pleasure in new, unexpected perspectives. For the future, leaders will need a personal resilience that grows under pressure. We call this: antifragility (see Taleb, 2013, 'Antifragility - things that gain from disorder'). Scientific connections exist with scientific concepts such as resilient leadership and the antifragile organization.

Leadership competence factor	Theme	Classic leadership quality	Leadership of the future
Intellectual leadership	'Outlook'	Vision	Contextual view
Work management factor	'Route'	Steadiness	Equifinality
Communication factor	'Other'	Charisma	Altrocentrism
Interpersonal factor	'Connection'	Autonomy	Connectivity
People management factor	'Together'	Steering	Interplay
Self-management factor	'Self'	Power	Antifragility

# 3. The contextual leadership paradigm in science

The central theme of the contextual leadership paradigm is the growing influence of the context on the leadership of organizations. We live in exciting times, in which difficult issues present themselves, but we also see numerous new opportunities and perspectives. Many developments are taking place in a short time. Rush hour!<sup>XXI</sup>

The growing influence of the context on organizations affects the scientific view on leadership and the domain in which leadership takes place. The classic scientific model on leadership during the twentieth century assumes a field existing out of three central entities: leader, follower and situation. Herein, leadership is described as "a dynamic process between the person of the leader, the characteristics of the followers and those of the situation" (Jaap van Muijen, 2003)<sup>XXII</sup>.

However, currently this model is under pressure. Due to the technological, social and economic developments of recent decades, the seemingly linear relationships between leaders, followers and situations have become much more diffused. Between leaders and situation, we see contextual influences such as open boundaries between organizations and their outside world, the globalized scale of markets, the multiplicity of demands, desires and requirements from stakeholders. Between leaders and followers, we see the individualization and flexibilization of the labour market: new generations of professionals with different needs and expectations of their work, horizontal dependencies instead of vertical labour relations, less employee loyalty and greater physical distances between leaders and followers, partly due to digital communication. Between followers and situation, we see open and transparent connections in chain cooperation, the emergence of partner alliances, flexible and temporary forms of working together in network organizations. This is why the domain in which leadership takes place develops from a closed triangle of leader-follower-situation to an open system, that acts and interacts in a broader context.

These developments also have their repercussions on leadership science. In the authoritative journal The Leadership Quarterly 2013, a review was published about the trends in the research and theory formation about leadership since the turn of the century in the top-10 journals<sup>XXIII</sup>. A thorough study of 752 (!) articles named the following top three upcoming themes:

- a. Strategic leadership "Strategic leadership is the most prolific of the emerging leadership theories."
- b. Team leadership

"....leadership researchers are beginning to appreciate the social context in which the leader operates and his or her effect on the team as a whole, addressing a global shortcoming of leadership research that often operates at the dyadic (1-to-1) level."

## c. The context of leadership

"The fact that this thematic category is the third most prolific of the emerging leadership categories (110 instances, 15% of the articles coded), might indicate that context of leadership is no longer 'the neglected side of leadership'....."

Nevertheless, the vast majority of leadership research still took place in the classical dyadic leader-follower concept and within a confined situation such as a single company or department.

Three years later, The Leadership Quarterly 2016 dedicated a special themed issue to 'collective and network approaches to leadership<sup>1XXIV</sup>: *"these views identify leadership as collective behaviour resulting from a number of interdependent entities interacting with one another, typically in a non-linear way, and have the characteristics of emergence and self-organization over time."*. Herein, leadership is no longer seen as a characteristic of an individual, but as a characteristic of a collective, which can be examined with a variety of quantitative and qualitative methods: survey, interview, network analysis, agent-based simulation, experimental scenario-based design, experimental policy-capturing design and so on. (The Leadership Quarterly, 2016). From a methodological point of view, Dooley and Lichtenstein (2007)<sup>XXV</sup> defined leadership processes as temporary patterns of action and interaction with an effect on the group performance. They made a distinction between several time scales, with the most appropriate research methodology for each time scale: real-time observation for micro-scale dynamics, social network analysis for meso-scale dynamics,

historical case analysis for macro-scale dynamics. Also, we see the rise of computer techniques as agent-based modelling (ABM), for simulating and investigating the effects of leadership action and interaction in complex adaptive systems.

# 4. Contextual leadership as a connection between theory and practice

What does this contextual era mean for practice, for the here and now? For existing leaders who want to function effectively in these new circumstances, for young people with leadership ambitions, for all those who are professionally involved in detecting, developing and modifying leader quality? We must be aware that, wherever we are, we are at a turning point in time in which a leader will no longer simply be 'the boss'. The diversity of contexts, processes and organizational forms is increasing, and so is the variety in governance and the bandwidth of the effective leadership repertoire. This requires a mental and behavioural agility that is not a given for many traditional leaders.

In consequence, the contextual era requires different forms of leadership than that in which the previous management generations were formed and trained. Future leaders will need a different mindset and a broader range of competencies to deal with the conditions of the new era effectively. They will often be labelled and differentiated less explicitly as 'leaders', but are expected to be stimulating and supportive as a natural part of dynamic networks ('adaptive' and 'enabling'<sup>XXVI</sup>, Uhl- Bien & Marion, 2008). There no longer seems to be much room for large egos.

Organizations will increasingly be dependent on and connected with their environment in the future, in -formal and informal- networks, with a society watching much more critically than before (Boland, 2016). While their key-professionals are acting rather autonomously in their own systems, internally, but often across organizational boundaries. So, managers and supervisors have to learn to deal with the complex and ambiguous conditions of the modern world. Where the old norm was that you have to 'be in control', the new reality is that you can no longer be in control anymore and that you have to deal with that effectively and intelligently ('from control to anticipation', Heemskerk & Wats, 2013<sup>XXVII</sup>).

For the individual leader, these changes mean working actively on the crucial aspects of contextual organizing: the development of networks, encouraging agility and innovation, building on connections and shared meaning and integrating the complex adaptive systems into the larger - often more bureaucratic - parts of the institution or concern.

The old generation will herein have to 'unlearn to play the boss' and to serve the system in its broader context, albeit in a much more exciting and diverse world. They will need a different mind and motivation than the classic MBA schooled managers from the previous generations (Mintzberg, 2004)<sup>XXVIII</sup>. This requires established leaders to look in the mirror to ask themselves whether they can cope with this transition.

The young generation will have to find its own way and not be distracted by outdated knowledge and examples from the past, but rather work on the development of their skills and personality in their areas of expertise and networks: 'learning near the job'.

Additionally, the HR-leadership professionals need to be aware that a new context has significant consequences for how we define leadership quality, spot talent, train young people and redevelop the experienced ones. That requires a major reappraisal of our management programs and talent pools. How do we prevent our new leaders from being selected and trained according to outdated standards and methodologies? These new leaders may perhaps no longer be the ambitious MBA students at the business schools, but enthusiastic entrepreneurs with a social mission. No longer the frat boys with a network from their student days, but broadly interested young people with an adventurous outlook on life<sup>XXIX</sup>.

It is time for a new way of thinking about leadership: 'We don't need another hero'XXX.

## 5. Personal reflection

Over the years, I have built up a passion for leadership. The foundation of that interest dates back to a long time ago. For decades I have been actively involved in the management and governance of organizations. I am convinced that many companies and institutions - or parts of them - are being run sub-optimally because of a leadership mismatch. If you are, like me, able to look around in several organizations for a longer period, you realize that it can make a big difference who is in charge. Managers can actually make or break an organization if they are in a dominant position.

My fascination with this subject stem from thirty years of practical experience in, with and between organizations. In all kinds of roles, from low to high up the corporate ladder, participating and observing. As an employee, consultant, partner, director and supervisor. My profession as a psychologist and management consultant means that I have been allowed to look behind the scenes, experience the exciting moments, celebrate successes, but also had to handle many failures. Over the years, I have always strived for considerable differences between the organizations I assisted. Enthusiastic pioneering start-ups within science and the cultural sector, ambitiously streamlined international businesses and consultancies, large-scale bureaucracies -public and private - and noble houses of state, slightly in decay.

During my career, I have been on assembly lines and have welcomed foreign presidents. All that time I was fascinated by the similarities between the differences; the underlying patterns and laws that you encounter in every organization when you have learned to look through the first appearances.

When I entered The Galan Group in 1987, I was greatly touched by a story of Willem de Galan<sup>XXXI</sup> about the life cycle of organizations. The model was based on the thoughts of Greiner<sup>XXXII</sup> and Lievegoed<sup>XXXIII</sup>, on the influence of a company's life stage on its behaviour and strategic perspective. It showed how a company could move from the ambition and energy of a pioneering phase to an over-organized business filled with bureaucracy and to a snake pit of political and defensive 'office behaviour'. This made a lot of pieces from my own experience fell into place and made me understood the patterns that I had never realized before. For me, this was the discovery of the benefits of scientific thinking in practical business situations. 'There's nothing more practical than a good theory', Lewin says (1952)<sup>XXXIV</sup>. How insight into organizational culture can significantly enhance the effectiveness of your interventions, but also how easily you can miss the point if you overlook the underlying processes. Later on, I applied the concept of the life cycle in my consultancy work and enriched it with the experiences and inspiration of my clients and professional colleagues.

With my personal and professional development in the following years, my interest in the phenomenon of leadership and in the impact that you can have from a key position in an organization grew. In addition to the cumulating knowledge from my advisory practice, my own experience as a manager, director and supervisor once again required reflection: 'what do you stand for, how do you approach your leadership tasks and when are you actually doing it well? And secondly: 'based on which assumptions do you ask these questions, how do you give meaning to what happens, and can you perhaps look at this in a completely different way?'

This led to my PhD-thesis *Leadership & Strategic Assignment*<sup>XXXV</sup> and subsequently, a professor's appointment with a chair in Contextual Leadership at Tilburg University. Inspired by my love for my profession in combination with the need for reflection. By wanting to do something with all those experiences and insights from my professional practice. With a wish to deepen this wealth with scientific knowledge and to enter into discussion with the professional field. Theory and practice: combining, confronting, bridging. An honourable task at the end of my career, and an exciting and inspiring one too.

Will you still need me Will you still feed me, When I'm sixty-four?

Lennon & McCartney (1967)XXXVI

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#### Footnotes

<sup>II</sup> Zygmunt Bauman (1925-2017) was a Polish-British sociologist and philosopher, professor at the University of Warschau, Tel Aviv and Leeds and guest-professor at several American Universities. From his work on postmodernism, he describes the contemporary, 'liquid' society in his book *Liquid Modernity* (2000).

<sup>III</sup> Prahalad, C.K. & M.S. Krishnan (2008). *The New Age of Innovation*.

<sup>IV</sup> Jan Rotmans (1961) is a professor of Transition Studies and Sustainability at Erasmus University Rotterdam. In his book *Change of Era – Our World in Transition* (2017), he argues that the world will transform into a new global community with a new economy, where power relations that are familiar to us today are radically overturned, sometimes expecting violent clashes between the established order and the forthcoming, new order.

<sup>v</sup> Georg Vielmetter en Yvonne Sell, associated with the Hay Group, assemble in their book *Leadership 2030: Six Megatrends You Need to Understand to Lead Your Company into the Future* The (2014) a large number of futurological studies and bring them together into six major megatrends: developments with a time horizon of ten to thirty years, in which also the societal norms and values undergo major changes.

<sup>VI</sup> Thomas L. Friedman (1953) is an American journalist of The New York Times. In his book *That Used to be Us* (Friedman & Mandelbaum, 2011), he looks back to the world of 2005 and describes the consequences of the rapid growth of social media and the worldwide connectivity to the social and economic position of the United States.

<sup>VII</sup> Keith Grint is professor of Public Leadership & Management at Warwick University and a specialist in leadership research from a historical perspective. His article *The History of Leadership* is published in the Sage Handbook of Leadership (2011).

<sup>&</sup>lt;sup>1</sup> Freek Peters (1955) is professor Contextual Leadership at Tilburg University. He started studying economics in 1974 at the Katholieke Hogeschool Tilburg, graduated in 1982 as an organizational psychologist at the Katholieke Universiteit Brabant, and was promoted to PhD in Humanities at the Universiteit van Tilburg, with the thesis *Leadership & Strategic Assignment (2011)*, about leadership effectiveness related to the strategic ambitions of an organization. A popularized version of his dissertation was published with the title *Rush Hour Leadership* (Stili Novi 2015). As an organizational psychologist and leadership consultant, Freek has been active for more than thirty years in many different organizations and contexts. He is a Certified Psychologist by the Dutch Psychological Society (NIP).

<sup>VIII</sup> Frederick W. Taylor (1856-1915) was an American mechanical engineer who sought to improve industrial efficiency and became famous by his work on scientific management, which became important during the Second Industrial Revolution, when large factories and mass production were coming up. The Taylor system ('Taylorism') has proved great value in rationalizing production and enhancing productivity. Though, it also provoked resentment and opposition from labour when carried to extremes, leading to dehumanization and alienation, as shown in the movie *Modern Times* by Charlie Chaplin (1936).

<sup>IX</sup> In science and philosophy, a paradigm is a distinct set of concepts or thought patterns, including theories, research methods, postulates, and standards for what constitutes legitimate contributions to a field. A paradigm shift, a concept identified by the American physicist and philosopher Thomas Kuhn, is a fundamental change in the basic concepts and experimental practices of a scientific discipline. Kuhn presented his notion of a paradigm shift in his influential book *The Structure of Scientific Revolutions* (1962).

<sup>x</sup> VUCA is an acronym, first used in 1987 drawing on the leadership theories of Warren Bennis and Burt Nanus, to describe or to reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situations. The U.S. Army War College introduced the concept of VUCA to describe the more volatile, uncertain, complex and ambiguous multilateral world perceived as resulting from the end of the Cold War. More frequent use and discussion of the term "VUCA" has subsequently taken root in emerging ideas in strategic leadership that apply in a wide range of organizations,

The deeper meaning of each element is as follows: V=Volatility: the nature and the dynamics of change, and the nature and speed of change forces and change catalysts. U=Uncertainty: the lack of predictability, the prospects for surprise, and the sense of awareness and understanding of issues and events. C=Complexity: the multiplex of forces, the confounding of issues, no cause-and-effect chain and confusion that surrounds an organization. A=Ambiguity: the haziness of reality, the potential for misreads, and the mixed meanings of conditions.

<sup>XI</sup> Santa Fe Institute, Melanie Mitchell, (2009), *Complexity, a Guided Tour*.

<sup>XII</sup> Murray Gell-Mann (1929-2019) was an American physicist who received the 1969 Nobel Prize in Physics for his work on elementary particles. He is one of the co-founders and former president of the Santa Fe Institute, an independent research institute, dedicated to the multidisciplinary study of complex adaptive systems.

<sup>XIII</sup> Algemene Inlichtingen- en Veiligheidsdienst (AIVD) rapport, *Transformation of the Dutch Jihadsim, Swarm dynamics and new strike capability. (Transformatie van het jihadisme in Nederland; Zwermdynamiek en nieuwe slagkracht (2014).* 

<sup>XIV</sup> Lee lacocca was president and CEO of Chrysler Corporation between 1978 and 1992. He revitalized the company with the introduction of the Chrysler Voyager. His book *I Lee lacocca* was one of the first managers' biographies becoming a bestseller.

<sup>XV</sup> Richard Branson (born 18 July 1950) is a British business magnate, investor, author and philanthropist.[4] He founded the Virgin Group in the 1970s, which controls more than 400 companies in various fields.

<sup>XVI</sup> Steve Jobs was president and co-founder of Apple, and one of the most successful pioneers of the American computer industry.

<sup>XVII</sup> Kenneth Lay en Jeffrey Skilling, were respectively founder and CEO van Enron, one of the largest energy companies of the USA, of which the enormous success turned out to be based on financial quicksand.

<sup>XVIII</sup> Dirk Scheringa was the founder and CEO of the DSB-Bank, a fast-growing and seemingly successful Dutch financial cooperation, that went bankrupt after a legal restraint of the Dutch National Bank in 2009.

XIX Victor Muller is a Dutch entrepreneur, co-founder of Spyker Cars, that took over the Swedish Saab Company in 2010 and went bankrupt in 2011.

<sup>XX</sup> This arrangement into six factors is based on Bolden, R., J. Gosling, A. Marturano, P. Dennison (2003). A Review of Leadership Theory and Competency Frameworks. Exeter, Centre for Leadership Studies. <sup>XXI</sup> Freek Peters (2015). *Rush Hour, Contextual Leadership in Turbulent Times*. Utrecht, Stili Novi.

<sup>XXII</sup> Jaap van Muijen, inaugural adress at Nyenrode University, *Leadership Development, Handling Paradoxes* (*Leiderschapsontwikkeling, het hanteren van paradoxen*), 2003.

xxIII Leadership Theory and Research in the New Millennium, Dinh et al. The Leadership Quarterly, 2013.

<sup>XXIV</sup> *Collective and Network Approaches to Leadership*. Cullen-Lester & Yammarino, The Leadership Quarterly, 2016

XXV Research Methods for Studying the Dynamics of Leadership. Dooley en Lichtenstein (2007), in Uhl-Bien, M.,
& Marion, R. (Eds.). (2008). Complexity leadership, Part 1: Conceptual foundations.

<sup>XXVI</sup> 'Adaptive leadership is emerging in and from the dynamic interaction of heterogeneous agents as they work interdependently. It occurs in the complex adaptive systems of organizations.' 'Enabling leadership operates in the interface, the dynamic tension between adaptive and administrative functions.....Stimulating innovation, creativity and responsiveness and learning to manage continuous adaptation to change – without losing strategic focus or spinning out of control.'

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<sup>XXVII</sup> Eelke Heemskerk & Margrietha Wats. *From Control to Anticipation. (Van Controleren naar Anticiperen.)* Goed Bestuur & Toezicht 2013.

<sup>XXVIII</sup> Henry Mintzberg (2004). *Managers, not MBAs. A hard look at the soft practice of managing and management development.* 

<sup>XXIX</sup> Freek Peters, 'Old leaders' no longer suitable for the future. ('Oude leiders' niet meer geschikt voor de toekomst), Het Financieele Dagblad, 26 september 2015.

<sup>XXX</sup> We Don't Need Another Hero is the title song from the soundtrack of the movie Mad Max Beyond Thunderdome. It is composed by Britten & Lyle (1985) and performed by Tina Turner. It is also the title of an article on business-ethics by J.L. Badaracco in Harvard Business Review (2001).

<sup>XXXI</sup> Willem de Galan was a renowned Dutch management consultant, founder of The Galan Group.

<sup>XXXII</sup> Larry Greiner, *Evolution and Revolution as Organizations Grow*, Harvard Business Review 1972.

<sup>XXXIII</sup> Bernard Lievegoed was a Dutch medical doctor, psychiatrist and author. He established an influential theory of organizational development, based on the life cycle of human beings.

<sup>XXXIV</sup> Kurt Lewin was one of the modern pioneers of social psychology and the founder of action research as a scientific research method.

<sup>XXXV</sup> Freek Peters & Ineke Strijp (2011). *Leadership & Strategic Challenge, a contextual approach of leadership effectivity (Leiderschap & Strategische Opgave, een contextuele benadering van leiderschapseffectiviteit).* 

<sup>XXXVI</sup> Lennon & McCartney (1967) Song by The Beatles released on the 1967 album Sgt. Pepper's Lonely Hearts Club Band