Complexity Leadership in Business: How to Thrive in Change & Uncertainty

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2015 EERA Symposium on: Leading, Working, and Teaching in Complex Organizations
Complexity Concepts

“Enabling the learning, innovative, and adaptive capacity of complex adaptive systems ...”
(Uhl-Bien & Marion, 2009, p 632)

- Complexity seeks adaptation by minimizing leader centricity, control and hierarchal constraints
  - Few general rules to guide behavior (see Boids)
  - Promotes interaction (sharing ideas, consensus, problem solving, shared goals and decision making, etc.)
  - Reduces barriers and distractions to frontline problem-solving, maximizing mission achievement (moderate interdependence)
  - Champions new ideas and decisions at the lowest levels; leverages collective knowledge and ability to adapt
Business Examples

- **Walgreens** (40% disabled/over 500 employees):
  - **Study 1**: How managers and employees are enabled to innovate
  - **Study 2**: How a company develops employees with limited skills
    - 30% employment target while maintaining production levels

- **EISI** (supply company):
  - **Study 3**: How does the company impact the moral development of the employee?
Outcomes (managers and employees innovate)

- Production goals met with 40% disabled
  - Leaders have resources to enable (employee hours, employee training, peer-group for case discussions, etc.)
  - Frontline leaders have latitude (freedom to make decisions, veer from corporate policy)
  - Leaders love their job...becomes a way of life; person/family oriented
- Employees feel safe identifying and solving problems; they participate collectively
- Employees ask for more responsibility and exceed expectations
How Leaders and Employees are Enabled to Innovate

**Pressures:**
corporate disability initiative & production rate benchmark

**Culture:** long term commitment reducing rules & increasing values internalization

**Manager:**
relationship based leadership – developing the employee

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**Culture**
- Organizational resources
  - Upper management support
  - Job coach / mentoring program
  - Assistant manager
- Healthy culture
  - Mistakes are not punished
  - Pursue new ideas & adaptations
- ONE team – The Village
  - Accountability – visual production rates posted
  - Helping one another achieve productivity rates

**Manager**
- Focus on the Person
- Monitor Productivity
- Allow / Foster Changes

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**Corporate Disability Initiative Pressure**

**Production Rate Benchmark Pressure**
Three Stages of Learning the Inclusive Management Style

Manager development

Focus on process
- Autocratic execution

Focus on Team Member
- Value & adapt for TM success

STAGE 1
- Focus on Process
- Confusion
- Frustration
- Fear
- Experiential learning instead of structured training

STAGE 2
- Process
- People

STAGE 3
- Focus on People
- Metrics exceed by 20%

Business pressures & organizational culture

Black / White management
- My way or the highway

“On the job training”

Management in the gray
- Capacity building culture
Theory of Moral Development

- Higher moral development = Internalization of core values + Development of others

- Lower moral development = Rules are negative + People are used

- At higher moral level employees can deal with complexity and ambiguity because they internalize values instead of needing rules.
Outcomes (managers and employees innovate)

- Production goals met with 40% disabled
- Leaders have resources (employee hours, employee training, peer-group for case discussions, etc.)
- Leaders have latitude (freedom to make decisions, veer from corporate policy)
- Leaders love their job...becomes a way of life; family oriented
- **Employees feel safe identifying and solving problems; they participate as collective**
- **Employees ask for more responsibility and exceed expectations**
  - Some become leaders
Conclusion

- Complexity leadership competencies are more about “letting go” rather than controlling (put guidelines in place)
- The leadership process involves formal and informal leaders, and rests on the ability to facilitate, encourage, influence and allow members to move toward common purpose
References

References