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LEADERSHIP EDUCATION FOR COMPLEX WORLD

*"Ways can be guided; they are not fixed ways.
Names can be named; they are not fixed names."*

- Dao De Jing

The way how business leaders are educated in business schools has been criticized due to teaching obsolete or downright amoral management theories and, thus, continuing the tradition of amoral management in businesses (Ghoshal, 2005). According to Ghoshal, the pretense of knowledge combined with an ideology-based negative views of people and institutions have combined into too confident claims on truth based on partial analysis and bad assumptions. These in turn have resulted in self-reinforcing bad business and management practices, as well as devaluing of better practices that could replace them.

Need has never been more urgent to rethink theories of management and leadership education based on them. The global climate crisis and extinction crisis will force businesses to rethink their whole way of operating. Digitalization and, especially, the use of AI is changing the dynamics of whole fields of business, the ways how people think about their work and collaboration, as well as the customers' expectations. Companies need to rethink ideas about the value they create and how to create it in a more sustainable way, but they will need to do all of this while continuing to operate and even make a profit. Otherwise, there will likely be competition that is better attuned to the continuously changing business environment. Business organizations are also affected by changes in the society, such as economic and public health and safety crises (such as the recent COVID-19 pandemic), as well as the challenge posed against

liberal democracy by authoritarian and populist politics. In short, the world where organizations operate appears more volatile, uncertain, complex and ambiguous (or “VUCA”) than ever.

Sharon Varney (2021) suggests a following learning cycle for leaders in the continuously changing and complex world:

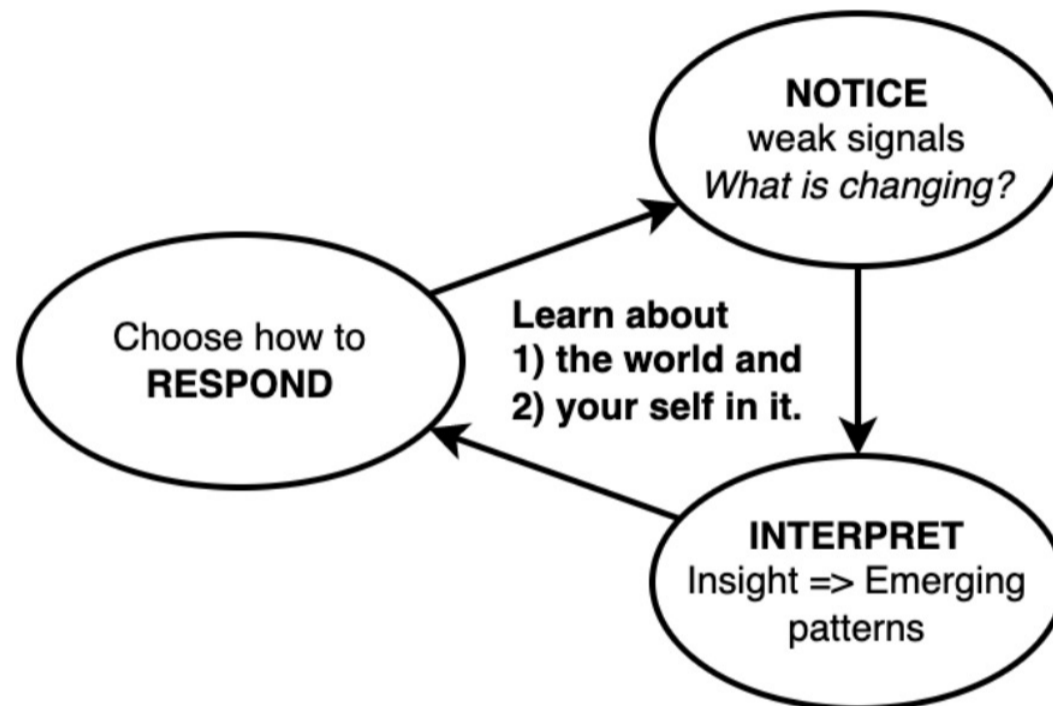


Figure 1. Complexity learning cycle (based on Varney, 2021).

This cycle suggests that, in order to cope with the complexity and to learn about their operating environment (the world) and their own and their organizations’ role in it, leaders in organizations need to develop capacity for noticing weak signals, interpreting them and developing insights into emerging patterns, and then choose how to respond in a way that is mindful of these patterns. This has implications for leadership education – especially with regards to students’ engagement with the world. Theories and simplified learning tasks designed by the teacher and executed in a strictly limited fashion in a strictly limited classroom environment are simply not enough.

Systems thinking and education

Systems thinking offers some compelling alternatives for re-thinking management – and management education in a way that is mindful of complexity. There are many ways of defining systems thinking based on the field where one comes from but having some background in linguistics and discourse analysis, I offer the following, rather clumsy working definition: **Systems thinking is an often appropriate (useful) way of communicating (a discourse) based on a quality of thinking where thinking is intentionally refocused from guarding the self (“ego”) to bringing about benefit for the whole (“eco”) where one is part-taking.**

In this view, based on Cabrera & Cabrera (2018), the “systems” part in systems thinking is not so much a noun (which would make it thinking *about* systems) but an *adjective*, meaning that systems thinking is a *quality* of thinking that is mindful of the systemic nature of the wholes one participates in and one’s own role and responsibility in enacting those systems.

Table 1. Some differences between linear and systems thinking and their implications for education.

Deterministic/linear thinking	Systems thinking	Implications for education
Connections between problems and their causes are clear and verifiable.	Connections between the causes and problems are non-linear (often cyclical), complex and they can involve many intertwining feedback loops.	Presenting unnecessarily simplified solutions or cause-effect relations leads nowhere. Train the students in listening to and attuning to complex systems. Encourage experimentation and find out what works (and does not work) in a particular situation with a particular system.
Problems are often caused by individuals behaving erroneously and they can be solved by changing the people's behaviour. Many problems are outside of organizations' control.	Problems are often enacted in feedback loops one part-takes in, and everyone has opportunities to help in solving them by changing their way of thinking or behaving.	Help the students become mindful of how their thinking and behaving either contribute in solving the problems that frustrate them, or in making them worse. Give space to experiment and grow a sense of responsibility over what is happening. If the students think that teacher must be in control of everything, all problems they encounter will remain the teachers' responsibility.
Short-term solutions and policies ("right answers") are needed in solving long-term problems.	Short-term solutions and quick fixes often have unintended consequences which make matters worse in the long term.	Help students become aware of the dangers involved in quick fixes and even the "right answers". Leave space for experiments that are long and complex enough so that the students will encounter some of the consequences of their "right answers" and "best practices". Do not protect the students from all the consequences of their actions.
Solving problems requires part-optimization.	Creating comprehensive solutions to problems necessitates improving relationships between parts of the system.	Guide the students in focusing on the consequences of their choices for the whole. Encourage focus on the value of improving relationships. Discourage part-optimization especially when it would lead to significant short-term rewards (for example, better grades) for the individual.
The whole is a sum of its parts.	The whole is more than a sum of its parts.	Let significant value emerge in teamwork and collaboration and show appreciation for it.

The table above describes some of the differences between traditional deterministic or linear thinking and systems thinking, and implications for education where students are trained to become more mindful of complexity and the ecological and social systems where they participate. The implications in the table have mostly been drawn from my own experience as a team coach in TAMK Proakatemia. I believe that training leaders with capability for systems thinking is both absolutely necessary and virtually impossible without thorough engagement, exploration and experimenting with live systems, such as communities and businesses.

Planning and performance targets

We tend to think of leadership as execution: Carefully executing a preconceived plan, while avoiding any unnecessary variation. Planning and controlling of execution has been, for long time, the focus of leadership and management education. This might have worked well when the assumption was that the organizations and their operating environments were relatively stable but this assumption is proving to be short-lived.

“The father of quality management” W. Edwards Deming (1900 – 1993) pointed out a serious shortcoming in our idea of setting performance targets (2000):

“If you have a stable system, then there is no use to specify a goal. You will get whatever the system will deliver. A goal beyond the capability of the system will not be reached. If you have not a stable system, then there is again no point in setting a goal. There is no way to know what the system will produce: it has no capability.”

This means that performance targets and strict schedules are either unnecessary (in case of a stable system): the process will deliver or be incapable of delivering them in any case, regardless of whether the targets or the schedule exist, or irrelevant (in case of an unstable system), as there is simply no way of knowing what the system will eventually produce because its capabilities are unknowable. Human organizations tend toward the latter.

This does not mean that planning and targets are totally useless but only that they should not be seen so much as strict guidelines for execution but *communication tools*. After all, people *expect* managers to talk about plans and targets and it would be strange for them not to. At best, the purpose of a target or a goal is to guide the people within the organization in where to focus (this can also work against the other goals of an organization!) and provide an inspiring view of the shared future, rather than function as a strictly deterministic guide for execution or a baseline, against which to measure and punish deviations.

This kind of realistic view of the significance of planning and setting performance targets calls for a systemic understanding of what these activities are about and how they should relate to leadership. Currently, much of leadership education is focused on planning and setting performance targets as activities that *lead* to the planned outcomes or performance. If we take the above ideas and the more and more apparent internal and external complexity of any human organization seriously, we see that this causal connection may not exist and what is needed is a shift towards understanding plans and targets as tools of *communicating* leadership. If we make this shift, it also becomes apparent that the way how the plans and targets are communicated often matters even more than their factual or, in this case, hopeful content.

In TAMK Proakatemia, *dialogue* is one of the core learning methods. When practiced in a ring of ~20 people without tables in between for two times four hours each week for six semesters, it builds the team entrepreneur students' communication capabilities in a way few other methods could. Visitors to Proakatemia often wonder, after meeting Proakatemia students, about how we teach communication and presentation skills. It seems that communication skills can be trained and learned through practice but not so much taught, as developing them requires long-term practice in attuning to other people and often subconsciously adapting one's behavior. Long-term practice of dialogue builds the students' awareness of their

own ways of communicating and the impact their way of being and communicating has on others and the cooperation. In fact, Proaktemia students and graduates often wonder how little people in general notice how they themselves interact and communicate, and the effect their way of interacting has on their surroundings.

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