

Are You Equipped to Lead in a World of Great Complexity?

Research pinpoints traits needed to face today's complexities.

By Terrence Fernsler

Nonprofit leaders operate in complex environments. They're constantly learning, adapting, re-learning, and re-adapting while working across sectors with diverse stakeholders.

Yet leaders are trained to operate in simple systems. Workshops, seminars, webinars, consultants, and books treat leadership as if it exists in one dimension rather than as the interconnected web of dimensions it really is.

How can we close this gap? To answer that question, I began by studying the research that has been done into complex systems. My first step was to seek the answer to another question: Could I find anything in common among leaders who have mastered complexity?

Luckily, the answer is yes.

Six Leadership Traits from the Literature

Researchers in complexity leadership theory (CLT) have found six characteristics that predict success when leading in complex environments:

1. Skill in catalyzing change. Complex environments are in a constant state of flux. As a leader, you need to get in front of this change by helping people in your organization transform themselves in positive, lasting ways. You must use trends to your organization's advantage and reduce people's resistance to change so they'll help put new plans into action.

2. Ability to form a collective identity. Today's successful leaders eliminate hierarchies; they blur the leadership and followership roles to create a culture of



“we.” They empower people to act independently, make decisions, and take risks. In such a culture, there’s a pervasive sense of belonging and a strong identification with the organization.

3. Comfort with complexity. In the real world, systems are overlapping, interdependent, dynamic, and always adapting. You need to be alert to unlikely connections and ready to pivot at a moment’s notice.

4. Connectedness. Building trusted relationships is an essential skill. Boundary spanning is needed because no one person – or one sector – can solve all the multifaceted problems in today’s world. Partnerships, alliances, and cross-sector enterprises are indispensable if you’re to fulfill your organization’s mission and make the most of its assets.

5. Continual learning. One of your most critical tasks is to create a “learning organization” and help people become eager learners. To do so:

- **Be strategic about training:** Assess people’s educational needs and wants; then create individual and organizational learning plans.
- **Be ready not only to learn but to “unlearn”** and let go of what’s not working so you can focus on something new.
- **Rather than penalizing mistakes, celebrate them.** Have everyone analyze blunders for the lessons they teach.
- **Encourage feedback,** and welcome it as an opportunity to improve your efforts and understand people’s needs.

6. Creativity. Leaders need to tap the brilliance of the group to come up with innovative ideas. It’s the only way to create breakthroughs – a necessity if you’re to ride new trends into a successful future. Creativity is the use of original ideas – or a new combination of old ideas – to form something valuable. The best way to form a creative organization is to gain as many perspectives as possible and then tap into those different viewpoints to give birth to something new.

Five More Vital Traits

Thank goodness for the innovators in society who plunge ahead before a theory can be fully developed. They help us put ideas to the test in complex settings. In environments with constant adapting, innovators can’t always wait for evaluation results. Thus, Developmental Evaluation (DE) was created.

DE allows real-time evaluation using continuous feedback loops. Such loops give evaluators a chance to keep adjusting and adapting as they get new information.

How Well Do You Lead in the Midst of Complexity?

Answer Yes, No, or Sometimes to each question.

- ___ Do you allow for disruption and debate in order to spur creativity?
- ___ Are you willing to give up control in order to form successful partnerships?
- ___ Do you welcome change rather than fear it?
- ___ Can you adapt or reverse plans quickly when things change?
- ___ Do you have a personal learning plan for yourself and everyone in your organization, and are those plans constantly assessed and updated?
- ___ Do you encourage people to take appropriate risks to initiate new ideas?
- ___ Have you developed a culture of trust throughout your organization?
- ___ Do you support diversity and create a sense of belonging among your team?
- ___ Do you follow through on your commitments and keep your promises?
- ___ When making decisions, do you make a point of seeking out contrary advice?
- ___ Do you practice and reward collaborative behavior?
- ___ In groups and meetings, do you draw out the quiet people, making sure their views are heard?
- ___ Do you tell stories to make your points and encourage storytelling throughout your organization?
- ___ When something no longer works, are you able to let go of it and move on to something new?
- ___ Do you ask for feedback every day?
- ___ Are you constantly pursuing knowledge outside your professional area?
- ___ Do you celebrate people’s failures, using them as learning devices?
- ___ Do you listen more than you speak?
- ___ Do you make it easy for people in your organization to learn things in a self-directed way?
- ___ Do you seek out people who challenge your assumptions?

Circle all the No’s and Sometime’s. Work on turning each one into a resounding Yes.

The problem was that the relatively new practice of DE hadn’t identified the characteristics of those who function well in complex situations. So that’s what I set out to do.

My approach was to interview DE evaluators, known as DE coaches. I asked them about the challenges of leading in complex environments without mentioning any specific leadership traits. All the respondents identified the six leadership traits previously explored in the literature (which we discussed above). But that wasn’t all: Respondents also pinpointed five additional traits

CONTINUED ON PAGE 33

What Leaders in Complex Environments Need

Leadership dimension	What you need to do	Examples
Skill in catalyzing change	Transform the organization by helping people become comfortable with change.	Encourage people to brainstorm together to come up with new ideas.
Ability to create a collective identity	Convert people's identity from "me" to "we." Offer them the chance to lead as well as follow. Give everyone a sense of belonging.	Let staff initiate new programs. Encourage volunteers to take the lead on projects. Hold celebrations whenever someone reaches a milestone. Create rituals, and use them as often as possible.
Comfort with complexity	Understand that systems are nonlinear, episodic, and rife with potential butterfly effects. You can use change to your benefit, but you can't avoid it.	Create community listening sessions with unknown outcomes to develop future programming.
Connectedness	Build relationships, partnerships, collaborations, and dynamic teams.	Cultivate bonds with representatives of other organizations across sectors. Teach team-building skills to your staff and board.
Continual learning	Expand the ability to learn in yourself and your team. Constantly examine assumptions, foster curiosity, and take every chance to increase knowledge, whatever the subject.	Get together during projects to discuss what's working, what you've learned, and how you'll use this new knowledge in the future. Provide staff and board with education, training, and access to workshops and conferences. Use mentors.
Creativity	Combine a variety of ideas to come up with something entirely new. Be open to new perspectives, and see relationships among disparate things. To spark innovation, get out of your usual routine – and encourage others in your organization to do so.	Switch up daily routines. Hold meetings in different rooms, and have people sit in different places each time.
Credibility	Build trust by following through on promises and showing people they can believe what you say.	Be clear and transparent in providing financial information to the public.
Cultural awareness	(1) Understand cultural attitudes, and learn from other cultures. (2) Be proactive in creating a positive organizational culture.	(1) Adapt to the needs of various communities and cultures of constituents. (2) Give new staff members time to adapt to the organization's culture. Use training to pass on the shared values, beliefs, and behaviors that make up your culture.
Content knowledge	Be well versed in the subject at hand.	Develop expertise in program issues.
Sensemaking	Frame and clarify people's experiences by helping them understand what's going on, why it's happening, and how to improve.	Tell stories to explain the past and future in a way that motivates people.
Stewardship	As the steward of your organization, hold it in trust for future generations and manage it with the greatest of care.	Use donors' gifts in accordance with their wishes. Be transparent and forthright about how you use funds.

that they believed were equally important to leading in complex circumstances.

These additional five traits are:

1. Credibility. When you're credible, you're honest, reliable, and consistent. People know they can depend on you and believe your word. To cultivate credibility you must build trust by being accountable, loyal, and sincere. People won't embrace your change efforts unless they trust you completely.

2. Cultural awareness. If you're a culturally aware leader, you do two things. (1) First, you learn about people's different cultures, respect those differences, and work to resolve cultural miscommunication. (2) Second, you work to understand, shape, and improve your own organization's culture. Organizational culture is the set of shared assumptions, values, and expectations that guide people's behavior. This culture will evolve on its own if you don't actively structure the one you want. Thus, it's important to be aware of what your organizational culture is – and the power you have over its evolution.

3. Content knowledge. It's a fatal but common error for people in organizations to “wing it” when discussing a subject with which they aren't well versed. It can be disastrous to pretend to know something you don't. At the very least, it will ruin your credibility. In complex environments, subject knowledge can change dramatically, so learning from other organizations is essential. In conversation, admit it if you don't know something, and then take action to fill the knowledge gap.

4. Sensemaking. “Making sense” of the world is a key leadership ability. It's essential to create a framework that helps people understand how ideas, experiences, and plans relate to them. To do so, explore different perspectives to improve your understanding of the world and then share your insights in a way that gives purpose to people's lives, provides them with direction, and makes their work meaningful.

5. Stewardship. When you act as a steward, you hold something in trust for someone else and thus must manage it with special care. Our organizations steward a slice of the commons in trust for the greater good of society. As a steward, all the relationships, roles, and resources are on loan to you. That means putting the needs of others above your own, working for the benefit of future generations, and operating in service rather than through control. It also requires you to be accountable to all stakeholders.

Put Your New Understanding to Good Use

In my interviews with DE coaches, they asked one question more than any other: How will we know if an organization is ready for a DE initiative? In other words, when can we

start evaluating results using continuous feedback loops, as DE allows?

My study results help answer that question. Knowing the 11 most important characteristics for leading in a complex world is an excellent first start. Once you know what to look for, you'll be able to see when those characteristics are present, prepare participants before beginning a DE initiative, and increase understanding of leadership expectations during an initiative.

And an understanding of these 11 traits goes much further. Anyone in a leadership position will find this information useful, for no one leads in a simple, static environment. Becoming effective in complex environments requires constant attentiveness and the willingness to accept leadership when appropriate. Such readiness is a crucial adaptive skill for us all. 

Terrence Fernsler, MNPL, PhD (fernslts@jmu.edu, terryfernsler@gmail.com) has been a nonprofit professional for over 35 years. He is currently an instructor and advisor in the JMU Nonprofit Studies minor program.

Keep Up with the Ever-Changing World

Learn more with these resources.

REFERENCES FROM LITERATURE

Introduction to Leadership: Concepts & Practices, Sage, us.sagepub.com

The Oxford Handbook of Leadership and Organizations, Oxford University Press, global.oup.com

Developmental Evaluation, Guilford Press, guilford.com

ARTICLES (NonprofitWorld.org):

Cultural Competence: What Does It Mean for You? (Vol. 26, No. 5)

How Changing Your Lenses Will Strengthen Your Leadership (Vol. 34, No. 2)

Not Taught in Business Schools: How to Cultivate Creative Leading (Vol. 24, No. 5)

Do You Have What It Takes to Be a Chief Learning Officer? (Vol. 16, No. 2)

The Power of Story (Vol. 34, No. 4)

Rate Yourself as a Servant Leader (Vol. 31, No. 1)

Why Feedback Is the Key to Your Success (Vol. 35, No. 3)

Creating Breakthroughs (Vol. 26, No. 4)

How to Change the World by Changing Your Culture (Vol. 31, No. 2)

What Kind of Team Leader Are You? (Vol. 33, No. 1)