Embracing Complexity

In Conversation with Mobius Senior Expert Zafer Achi

ZAFER ACHI is a Mobius Senior Expert, leadership coach, and designer and facilitator of leadership development interventions. He works with individual executives to expand their leadership repertoire while delivering on their performance objectives and helps leadership teams raise their game by collaborating more effectively. Zafer is a McKinsey Director Emeritus where he served clients for thirty-four years in all facets of business and across sectors and industries.

Born in Damascus, raised in Lebanon, Zafer has studied, worked and lived in another eight countries – France, USA, Canada, Japan, Singapore, Indonesia, Algeria, United Arab Emirates, and spent extensive professional time serving clients in Spain, Italy, UK, Germany, Netherlands, Thailand, Korea, Philippines, the GCC and Turkey. He is fluent in Arabic, French and English, proficient in Spanish and capable but rusty in Japanese and Bahasa. This exposure and his natural empathy make him exceptionally adept at bridging across cultures.

We are delighted that alongside Mobius Senior Expert on adult learning and complexity, Jennifer Garvey Berger, Zafer co-leads one of our learning track intensives at the 2018 Next Practice Institute: *Complexity: Outside-in and Inside-out.*. To watch Zafer's 2016 Next Practice Institute Keynote address and to learn more about his work, visit the NPI Resources section of the website.

THREE LESSONS I LEARNED THE HARD WAY

Over the course of my career, there are three lessons about working with complexity that I discovered "the hard way." I refer to these as lopsided attention, fooled by complexity, and the myth of the heroic leader.

1 Lopsided attention

Everything good we want in organizations – accountability, innovation, performance ethic, is an emergent property. These outcomes we desire *emerge* at the interplay between the **people system** (recruiting, development, learning, leadership, etc.) of the organization and its **idea system** (vision, mission, strategy, processes, technology, etc).

As management consultants and frankly as management teams in general, we pay too much attention to and over-index on the idea side. We don't invest or pay sufficient attention to the people side of things. As a result, when it comes to effecting change, we often fail for lack of traction. We don't build capabilities, address mindsets or bring people along with us.

On the other hand, as coaches and leadership development interventionists, we sometimes lean too hard on the people side. Therefore, what we get is unsustainable change – seemingly positive developments that fail to deliver performance.

And so, the question for me is about how can we – as a community of advisors and leaders – strike a better balance, not by chance, but often enough?

2 Fooled by complexity

We also must take great care not to answer this question in absolute terms. While we hope for the holy grail of change so that we will be able to apply that approach everywhere, there is no right recipe. That balancing act, between the forces of the system, must be tailored to each individual situation. We wish it weren't so. We wish we could find a solution and apply it over and over – but organizational change is too complex for that.

So that's the second lesson: we're dealing with complex, adaptive systems and we approach them as if we could solve the system for the outcome that we want.

We are drawn to approach all problems with the toolkit that we are most familiar with, and we take extra comfort that it has underpinned mankind's most impressive feats. That is, we approach these living systems with an engineering mindset. We assume that somehow our approach to problem-solving and our deep technical expertise will allow us to tame complexity and mold the system to produce the result we want. That's not how it works. When we intervene in systems in this way, we produce results that are worse than the ones we're solving for.

We fail to distinguish the most vexing class of problems where ambiguity and unpredictability rule – be it climate change, the Middle East, or creating a culture of collaboration.

How can we become more discerning and humble in our stance?

3 The myth of heroic leadership

The third lesson is that we are enamored, indeed we are addicted to the myth of heroic leadership – the leader who is clear-minded and decisive. Organizations reward and promote on this basis, when in fact, the problems we face today demand a different kind of leadership – one that is open-minded, curious, that listens, that takes multiple perspectives into account, that recognizes the world is not black and white. We need leaders who can operate without certainty, who know how to work with ambiguity, who excel at facing what they do not know.

Management challenges are beset with polarities – centralization and decentralization, function versus business, innovation and efficiency – that cannot be *solved,* they can only be managed. But because we are ensnared in heroic instincts, we frame polarities as either/or choices, thus leading our organizations toward the downside of both poles!

What I have observed is that we face a dramatic deficit in curiosity, listening and perspective taking. So, the question becomes: how do we cultivate such leadership among our midst and within our organizations?

MAPPING THE TERRAIN

In our work with complexity we use the map put together by David Snowden known as Cynefin (the Welsh word for "habitat.") With it we can distinguish the domains governed by predictability from those haunted by unpredictability.

In the predictable world we feel safe, we feel confident, we roughly know what's going to happen. We may not know *when* something is going to happen or the exact details of it, but we can predict with accuracy; we know how to plan and respond. Therefore, we feel good, we feel safe.

In the unpredictable world, we simply do not know what's going to happen. The outcome is not certain, it's ambiguous, it's volatile. We get triggered by this uncertainty. We get pushed into anxiety. We are tempted to control the unpredictable by bringing in everything we've learned about the predictable world to bear in this unfamiliar terrain. This is dangerous.

> **"When we misunderstand what we're dealing with, we are disorderly in our thinking *and* in what results we produce in the real world."**

Within the predictable world, Cynefin further distinguishes between the domain of the Obvious and the Complicated:
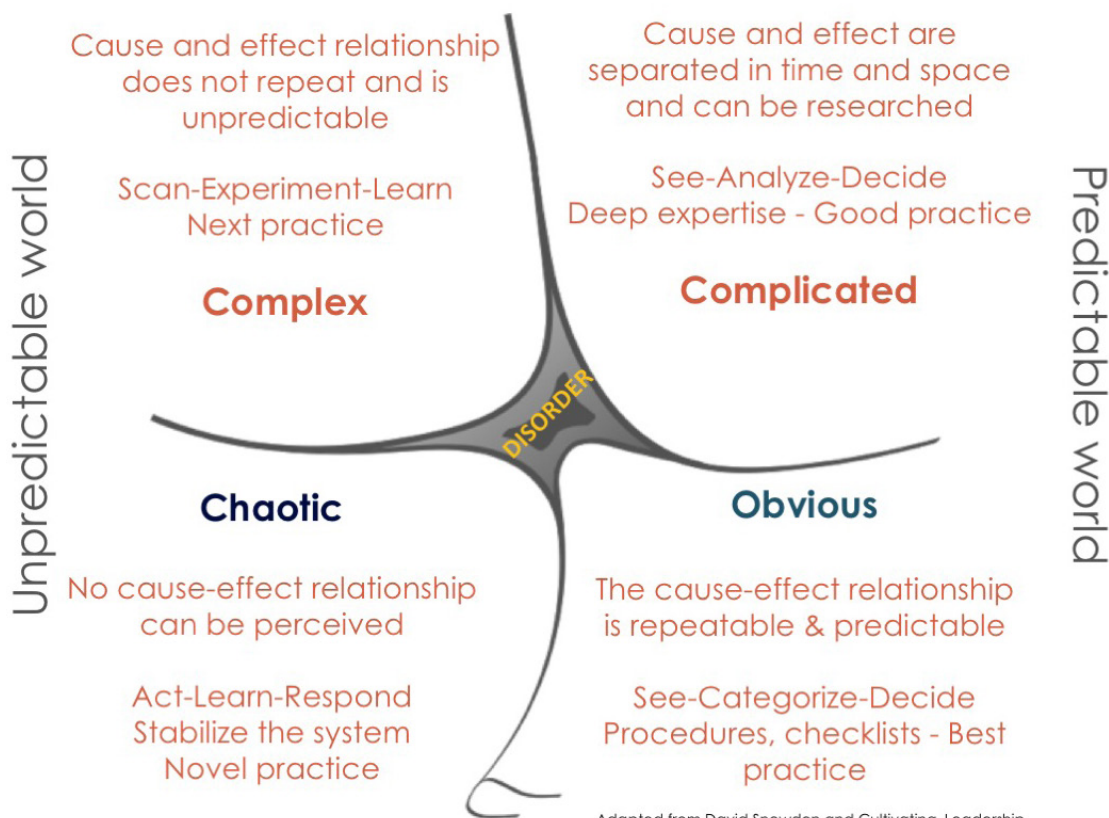
Obvious – situations in which best practice applies. You see something, you categorize it, you apply best practice: problem solved!

Complicated – in this domain, variables are still predictable. Cause and effect may be delayed by space and time, but there remains a way of analyzing how these variables will interact and play out. We can look at the situation, describe the gap between where we are and where we want to be, and then draw pathways to determine which route or approach is optimal to close the gap. We can agree on algorithms to be tried out, on data to be gathered and analyzed, on expertise to be mined. We can sit down together and look at the evidence and listen to the experts and then choose the best solution. Some of the world's most challenging problems are complicated. Sending a mission to the moon is a complicated problem. It requires a lot of analysis, but it's doable and repeatable.

In the *Complex world,* on the other hand, we don't know whether a particular intervention we make will affect climate change by a half degree or more, or by when, or therefore the true consequences of it. We cannot know if the idea we introduce into a political campaign will catch on or not, or if it does, whether it will benefit our preferred candidate or if it will backfire. We just have to test things and see what works. In a complex situation, we only know cause and effect *after the fact*. We can observe long enough and well enough to discern patterns and inclinations, we can try things safely and learn, and gradually find

A MAP TO HELP DISCERN COMPLEXITY: CYNEFIN

Unpredictable world

Cause and effect relationship does not repeat and is unpredictable

Scan-Experiment-Learn
Next practice

Complex

Cause and effect are separated in time and space and can be researched

See-Analyze-Decide
Deep expertise - Good practice

Complicated

DISORDER

Chaotic

No cause-effect relationship can be perceived

Act-Learn-Respond
Stabilize the system
Novel practice

Obvious

The cause-effect relationship is repeatable & predictable

See-Categorize-Decide
Procedures, checklists - Best practice

Predictable world

Adapted from David Snowden and Cultivating Leadership

ways to nudge the system. But that's the best we can do to avoid doing harm.

The last domain in Cynefin is *Chaos*. There is no discernible cause and effect. Even after the fact, we simply cannot figure out patterns to guide our action. In chaos, Snowden says all we can do is attempt to sense what's going on and respond to stabilize the situation to the best of our ability.

Finally, Snowden introduces the notion of *Disorder* which is at the intersection of the four domains. Disorder represents the lack of self and system awareness required to discern what domain we are operating in and what kind leadership is called for. It is a state of mind whereby the person intervening does not recognize the nature of the challenge they face and therefore applies the wrong approach. For example, we treat the complex as if it were complicated, or the chaotic as if it were obvious.

When we misunderstand what we're dealing with, we are disorderly in our thinking *and* in what results we produce in the real world. An example of this is incentivizing management by attempting to align its interest with that of shareholders. The whole idea percolated up over decades from the successful track record of pay for productivity for assembly line workers (a fairly *Obvious* instance of an incentive scheme) and got lost when translated into the intricately multi-dimensional realm of motivating executives whose job is to balance conflicting interests (a decidedly *Complex* challenge). This ended up fueling the global economic collapse in 2008. That's disordered thinking – when our approach is inappropriate to the mechanism we are dealing with, in a way that invites unintended long-term consequences.

The broadly accepted guidance is that in complexity, we should accept what we cannot predict, forget about goals and plans and instead notice inclinations, choosing which to amplify and which to dampen. We need to learn more from "nudging" and experimentation. We need to play and let the system do the hard work.

But what does this advice mean in practical terms? In the work I do with Mobius Senior Expert Jennifer Garvey Berger, she has outlined three core habits of mind. (Also the subject of the book she has written *Simple Habits for Complex Times,* and the article "Delighting in the Possible" we wrote together for the *McKinsey Quarterly*.)

THE THREE HABITS OF MIND

These three practices serve as footholds and handholds on what can seem a sheer cliff. They allow us to navigate complexity more effectively. They are:

1. **Asking different questions**
2. **Taking multiple perspectives**
3. **Seeing the system**

First habit: Ask different questions from the ones we usually ask. Take a challenge or a worry you face that repeatedly undermines your confidence. Now ask yourself, what might you be explaining away about it, just a little too quickly?

When facing a business challenge, in addition to asking what's the size of the market, what's the expected return, who is the competition – remember to ask questions that are outside your usual repertoire. For example: what part of that market is unserved? What can we learn from that? Or what part of the data can we *not* explain, and what does that tell us? What are we dismissing here too easily? Ask questions that shift our glance toward what we usually ignore. This is the first habit.

The typical questions we ask emerge from our typical patterns of thought. We focus on narrowing down a problem so that we can find a solution. Asking different questions helps slow down the process. We begin to take in the full range of data available to us, we learn more and in consequence, start seeing a significantly wider set of possibilities. To manage and work with complexity, these are the sorts of questions we need to ask ourselves:

- What do I expect *not* to find? How could I attune to the unexpected?
- What might I be explaining away too quickly?
- What would happen if I shifted one of my core assumptions on an issue, just as an experiment?
- What are the patterns of performance that tend to occur and repeat?
- Are there pockets of my/our experience where there are more of the good patterns and less of the bad patterns? (i.e., where are the bright spots?)

Second habit: Take in more perspectives than we usually do. Consider a person who holds a perspective you have previously ignored. What might they say or offer with respect to the challenge that you now face?

It's a human tendency to listen to ourselves first and then to people who agree with us. Sometimes we broaden it and call it stakeholder analysis, and yet we still listen to people who mostly agree with us, allowing in only some dissent. Very rarely though, do we go out to talk with people who we may consider to be foolish, irresponsible, uncreditable – *people who are marginalized by the system in which we are dealing*; people who have a radically different set of ideas and who may disagree with us one hundred percent. Taking these perspectives in can only enrich our understanding of the system with which we're dealing.

Considering multiple perspectives opens our field of vision. Diversity might create more disagreement and short-term conflict, but in an uncertain environment, a more expansive set of solutions is desirable. No one can predict when or where the next vital idea will emerge, but you are in a much better position for these to arise when you support an expansive view of your present conditions.

We can start by pushing back on our natural inclination to believe that the data we see is all the data we need and by distrusting our natural craving for alignment. We can try these approaches:

- Take the perspective of someone who frustrates or irritates you. What might that person have to teach you?

- Seek out the opinions of people beyond your comfort zone. The perspectives of, among others, younger people, and more junior staff. Dissatisfied customers can be insightful and surprising!

- Listen to what other people have to say. We should not try to convince them to change their conclusions; we must listen to learn. If we can understand their perspectives well enough, we might even find that our own conclusions change.

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Third habit: See systems. Can you get a glimpse of the system at work within whatever "worry" or challenge you are carrying forward? This is the third discipline. This is the habit of recognizing that any problem that nags us, that repeats, that has a pattern to it, is the result of systemic forces at play.

Rather than try to erase the system or solve the problem, seeing systems means that we spot the dynamic forces and rise to work at that level to address the symptom. There are many specific disciplines that help us to do this: constellation work, system-mapping and feedback loops, for example, but the basic idea is the same: notice and attend to the system.

As leaders, we've been trained to follow our natural inclination to examine the component parts rather than stand back to see the whole. We assume a straightforward and linear connection between cause and effect. Finally, *we look for root causes at the center of problems*. In doing these things, we often fail to perceive the broader forces at work. The more we can hold on to the special features of systems, the more we can create experiments in unexpected places to open up new possibilities. To best understand systems, it's helpful to resist the urge to disaggregate problems and to solve them right away. Here are some alternatives:

- We can hold opposing ideas without reconciling them. If it looks as though we're confronting an either/or choice, we can reconsider our narrow framing and wonder what we're missing.

- We shouldn't waste time arguing about the best solution; instead, we can pick several good but different solutions and experiment with them all in a small way.

- We can give up the hunt for the root cause and instead look to the edges of an issue for our experiments. The system's center is most resistant to change; tinkering at the periphery can deliver out-sized returns.

These three habits allow us to comprehend complexity in the outside world better — and interestingly, these same three habits allow us to develop our own complexity of mind. Thus, they continually hone our capacity to deal with the world's rising complexity.

> **"The system's center is most resistant to change; tinkering at the periphery can deliver out-sized returns."**

I am not claiming that everything is complex and that all you need from hereon is your complexity toolkit. Some of the most admirable achievements of the last two centuries (e.g., safety checklists, antibiotics, air travel) have originated in the Obvious and Complicated domains (and the future is unlikely to be different). My claims are narrower and sharper: that some of the most defining challenges of our time – societal change, national and supranational governance, climate change, organizational performance and the like, do involve complex systems and we are less equipped for these.

Trying to "solve" them with best practice prescriptions (born in the Obvious domain), and logic trees borrowed from the Complicated domain, will make matters worse, not better. To face our challenges, we need leaders with post-conventional minds whose complexity matches that of our world. Our collective prosperity depends on many concurrent and continuous individual leader transformations. ■

> "For every complex problem, there is a simple solution that is elegant, easy to understand, and wrong."
> -H. L. Mencken

Mobius Senior Expert Zafer Achi's In Conversation piece for the Mobius Strip *is based on an interview conducted at the 2017 Next Practice Institute by Mobius Global Knowledge Manager, Nathalie Hourihan, and on his keynote address given that same year.*