Leadership capacity in an era of change: the new-normal leader

*Introduction*

In the short time since we announced the call for papers for this Special Issue, there has been an avalanche of unpredictable geopolitical developments such as Brexit, the start of Donald Trump’s reign and, more recently, dramatic changes in the stability of Algeria, Venezuela and Turkey. These seem to have been prompted by a rise in discontentment amongst populations and to pit the controlled and gradual development paths of democratically elected regimes against the discontinuities arising from decisions by leaders with an authoritarian bent, and referenda reducing complex decisions to binary choices. These are confronting organizations and societies with challenges which are radical, hard to predict and hard to mitigate. It is clear that leaders are now expected to operate in this “new normal” of environments of constant change, both externally and within their organizations. So much so, that the only way which academic research, such as this special issue, can often find tools to discuss such change is to draw comparisons with distant fields such as high trauma and emergency crisis management – as we find as the basis of two of the five papers we are presenting.

Building organisational leadership capacity for change as the norm inevitably leads us to consider Lewin’s (1951) work on organisational change. While Burns (2004) summarized criticism of Lewin as assuming organizations to operate in a stable state, and seeing change as a top-down management-driven process, he re-appraised the work and concluded it still to be valid for the early twenty-first century world. In a later work, he concludes (Burnes and Cooke 2012) that a return to Lewin’s original concept of field theory based on gestalt psychology and conventional topology can provide academics and practitioners with a valuable and much-needed approach to managing change. His definition of organizational change currently fails to tally with the real world as change is often perceived as more intimidating and disturbing than is assumed (Bailey and Raelin, 2015) and can be emotionally petrifying (Marquitz et al., 2016).

*In this issue*

The research within this special issue indeed takes account of the need for leaders to realize that organizational change can be more intimidating, disrupting and disturbing than is often assumed (Bailey and Raelin, 2015; Jacobs et al., 2013). Two of the papers discussed next explore crisis management contexts to illuminate the stark reality of how extreme the effects of change are, especially on employees. The contexts include crisis leadership within high trauma scenarios across the globe and emergency services personnel in the USA. These extreme contexts are described as “one or more extreme events occurring or likely to occur that may exceed the organization’s capacity to prevent and result in an extensive and intolerable magnitude of physical, psychological, or material consequences to – or in close physical or psycho-social proximity to – organization members” (Hannah et al., 2009, p. 898). Such high reliability-oriented organizations are stated to offer a blueprint on how to respond to crisis. Geier (2016) suggests that this is where most research is needed given that transformational leadership is mainly studied in stable conditions (normal contexts). Shared perspective, vision and trust (Gillespie and Mann, 2004) is especially important given the superior results that transformational leaders achieve compared to those with other leadership styles. Weick and Sutcliffe (2011) suggest that companies can learn how high-reliability organizations respond to crisis and that problems are likely when no shared perspective about a mutual task exists.
In illustration, the first paper by Williams, Woods, Hertele and Kloepfer, “Supervisory Influence: Subordinate Development of Crisis Leader Potential in an Extreme Context,” examines a scenario from which analogies may be drawn of crisis leader potential by studying emergency services personnel and their supervisors working in a large fire rescue organization in the South-eastern USA. Geier (2016) already notes the importance of studying leadership in high-reliability organizations such as fire departments to extend what we know about leadership in extreme contexts. Specifically, Williams et al. emphasize preparedness to share knowledge and to bounce back and learn from crises. One way that emergency services and fire rescue organizations across the country are managing the need to accommodate change is through their human resources, improved active duty training, leadership development and mentorship opportunities. They argue that their findings demonstrate that the more subordinates believe that a leader engages in transformational leadership behavior, the more the leader will report positive leadership potential in their subordinates, creating an encouraging cycle of leadership development for an organization involved in incremental change (Day et al., 2014). Re-evaluated by their supervisors as having stronger potential to become crisis leaders, where such lower levels of subordinate identified with the team strengthened (a) the transformational leadership to a trust association and (b) the indirect effect of perceived transformational leadership on supervisory evaluations of crisis leader potential, through subordinate trust in the leader. They found that crisis leader potential, defined as the capability to assess information and make decisions under tremendous psychological and physical demands (Klann, 2003), is a critical function in such organizations given the volatile, uncertain, complex and ambiguous (VUCA) (Kinsinger and Walch, 2012) events that have become almost routine in organizational life (Lawrence, 2013). They emphasize that the identification with the leader, throughout the team, in building trust might be one way in which subordinates balance respect for hierarchy with adapting to a disaster requiring collaboration – emphasizing responsiveness to the leader’s direction. They suggest that this may enhance the leader’s evaluation of subordinate developmental potential or readiness. This highlights a possible paradox of careful planning married with spontaneous response. Specifically, as mentioned earlier, the authors emphasize resilience in sharing knowledge to bounce back and learn from crises.

As argued above, it becomes clear that what is needed during these situations of extreme change is an emphasis on identification with the leader in building trust where subordinates balance respect for hierarchy with adapting to a disaster requiring collaboration, hereby emphasizing responsiveness to the leader’s direction. A caveat is that change acceptance can be low because leaders tend to underestimate the importance of people’s emotional experiences (Karp and Tveteras Helgø, 2009) as leaders often operate from implicit mental models that emphasize focus on the organizational aspects and the rational and logical activities of change, without dealing with the emotions unfolding around them on an individual level (Barner, 2008; Graetz and Smith, 2010).

In the second paper in this Special Issue “Leading transitions in traumatically experienced change – a question of doing or being,” DeKlerk explores change leadership in the context of traumatically experienced change. He suggests that “change management is not about managing change but dealing with the people and their experiences.” Moran and Brightman (2000, p. 66) suggest that the emotional work of organizational change must offer a leadership paradigm to facilitate emotional transition. To address this need, DeKlerk discusses the notion of “being-centeredness.” The term takes us back to Richardson’s (1962) seminal work in which the “classical paradigm” or “being-paradigm” was born, anchored in the conviction that Heidegger’s thinking had undergone a momentous “turn” (Kehre) in the 1930s from existence-centeredness to being-centeredness, from Dasein to Sein, from there-being to being itself, experienced as an active force, a process that assumes an initiative of its own by both revealing itself to Dasein, but concealing itself as well.
(Sheehan, 2016). Whereas Sartre had declared in 1946, “We are precisely in a situation where there are only human beings,” Heidegger in his “Letter on Humanism” retorted: “We are precisely in a situation where first and foremost there is Being” (Heidegger, 1947). Relating the being-centeredness to leadership development, Fry and Kriger (2009) develop a theory of leadership that utilizes five levels of being as context for effective leadership: the physical world; the world of images and imagination; the level of the soul; the level of the spirit; and the non-dual level. They explore how each of the five levels of being provides a means for advancing both the theory and the practice of leadership and utilize these five levels to create the foundation for a theory of leadership based on being that goes beyond current theory which emphasizes having and doing – either having appropriate traits and competencies or doing appropriate actions depending on the situation. DeKlerk argues the concept has evolved through the change leadership literature as an alternative paradigm which is described as being fully present during the moment in which the change emotions evolve, with compassion and acceptance, connecting and serving authentically to being a catalytic instrument for individuals’ healing and change transitions. The context of organizational change is first explored as a foundation for being-centeredness, through reflections on resistance to change, and the emotional rollercoaster of change, sense making, healing and transitioning, “being-centeredness” with the leader becoming a facilitative instrument that assists restoration of a healthy working environment, healed emotions and change transitioning. Explicitly normalizing and promoting being-centeredness and the further development of this capacity in leaders will allow this latent capacity to surface from its suppressed state, to be applied overtly. Leybourne (2016) calls for urgent research on employees’ emotional transition through change. In these discussions, propositions are offered on leadership aspects required to advance healing and transitioning.

Having focused on traumatic environments in the first two papers, further papers illustrate that leadership research that occurs in more traditional work settings often still fails to capture the unique features of leadership in the more unpredictable, creative industries (Mainemelis et al., 2015). In their paper, “Catalyzing Capacity: Absorptive, Adaptive, and Generative Leadership,” Castillo and Trinh suggest that a relational approach to organizing is fundamental to change; at its heart, organizational viability is rooted in the dynamic interplay between internal and external relationships and their interdependence across time and space. In order to keep pace with such change leaders need a flexibility of mind-set to continually learn, and change. This conceptual paper identifies three fundamental capacities, namely, absorptive, adaptive and generative, through which leaders can cultivate organizations capable of continuous synchronization with their fitness landscapes. Their research stems from the perspective which suggests that more sophisticated conceptual maps (Jacobs and Jaques, 1990) need to emerge to help people make sense of their environment and generate more appropriate responses (Weick, 1979). Because change has become the norm, these maps need to be flexible to take in new information as it becomes available; be able to transcend cause-and effect logic and accommodate thinking about time over longer horizons (Hunt, 2004); and be able to accommodate diverse perspectives of multiple stakeholders. Creativity is another essential component of these conceptual maps because leaders typically must work with novelty that requires generation of new understandings and solutions (McCauley, 2004). Complexity frequently entails emergence, where interactions at the micro level produce a qualitatively different phenomena at the macro level. Similarly, the authors argue that under VUCA conditions, leaders can catalyze the capacity of the organization to self-organize by developing absorptive, adaptive and generative capacities. They describe “Absorptive Capacity” as that which enables a firm to dynamically and continuously innovate. Drivers of absorptive capacity include learning relationships, environmental conditions, and internal and external knowledge. “Adaptive capacity” loosely refers to the ability of leaders to
change to achieve a better fit with the environment in which they operate, including but not limited to modifying existing procedures, adjusting to new circumstances, and updating knowledge and skills to meet new situational demands. The authors suggest that employees not only belong to multiple teams and report to multiple leaders, they also must represent a high degree of diversity in terms of demographic and cultural backgrounds, abilities, working styles and preferences – all of which leaders need to take into account to be effective. A generative approach also fosters interdependence. Whereas technical-rational management seeks to isolate variables and pursue analysis to individual components, process structures provide paths for feedback loops that accommodate recursive influences and reflexive causation, promoting information flow between internal and external boundaries at multiple scales (Todorova and Durisin, 2007). Collectively, absorptive, adaptive and generative capacity reflect key competencies that leaders and organizations need to thrive in VUCA environments. Building on the insights above, there is much that leaders can do to develop these three capacities within their organizations.

As our fourth paper, a practice case study by Malzy and Choain, “Leading change through your creative class,” actively illustrates such a generative approach moving us toward the description of their organization which is massively investing to transform itself from global audit and accounting giants to next-generation digital beacons. While the theoretical base is narrow, results as yet not fully evaluated, hence academically “work in progress,” the process is creating a buzzing organization; we commend the authors on their attempts at a clear interdisciplinary contribution, the focus of the research itself and the potential organisational impact. They use a case study approach to analyze how Richard Florida’s (Florida and Gates, 2001; Florida and Mellander, 2010) theory – talent, technology and tolerance compose the high-value triptych driving – in his case, a city’s growth and attractiveness – can be appropriated by HR to trigger profound changes in corporate governance and culture in an organization. The authors, rather tongue-in-cheek, state that the case study of their firm shows a non-conventional organization in a highly challenged conventional industry which cannot be easily transposed to any other. To stimulate creativity the firm also pursues external resources and competencies to serve their purpose of change. This paper presents the concept of “a creative class” (Florida, 2006) which has joined the ranks of the institutional class including their executive leadership and in a short space of time started to impact the fundamental dynamics of their global organization, establishing an environment higher in talent, technology and tolerance, which the organization failed to achieve through conventional approaches. The creative class has three characteristics and emerges from their most creative people as the following: First, they are “snowball learners,” i.e. they demonstrate a superior appetite and ability to learn fast, and immediately use their new knowledge combined with previously accumulated knowledge stock. Second, they focus on creative implementation over creative design: they prefer to iterate quickly rather than over-engineer the concept. Last, they refer to “resource investigators” (Belbin, 1981), which means that they spend a significant amount of time finding external resources and competencies to serve internal purposes. The creative ideas, conceived unofficially and implemented under the radar, eventually turn into concrete, successful initiatives which – as described in Florida’s urban examples – attract more business, capital and talent. And when that happens, applied in a company, these initiatives and the creatives behind them start to get official recognition – and this in spite of the criticism levied at Florida that elevating creativity to the status of a new urban imperative – defining new sites, validating new strategies, placing new subjects and establishing new stakes in the realm of competitive interurban relations might not work as creativity strategies barely disrupt extant urban-policy orthodoxies, based on interlocal competition, place marketing, property- and market-led development, gentrification and normalized socio-spatial inequality (Peck, 2005). Altogether, more than fifty “talents” have
participated in the “ungroup” with notable results, contributing to the creation of a significant body of knowledge that is powerful and fresh, by generating ideas, without caring about the status they have, whether their ideas are taboo or politically inadvisable, or even whether they are following the right process. The formula is seen to be successful as it is more than bottom-up initiated throughout the organization, leaps to the future, is multigenerational and a strong tool for change as the norm.

In the final paper in this SI, we present “The role of storytelling in navigating through the storm of change,” in which Wilson examines the role of storytelling in organizational change in education involving principals and administrators in three of Central Florida’s counties. Her study found that listening to stories about the impact teachers can have on the academic success of students engages the culture of the organization and helps them not only understand the value of the vision of new educational legislation, but also increases their commitment to the vision and enhances their professional development. She states that these areas were identified as the primary obstacles to organizational change because they have a strong connection to organizational culture that may oppose the desired change (Lewin, 1951). While Lewin (1951) defines organizational change simply as “a desired state of affairs” (p. 224), organizational change can be a process or a means to an end (Quattrone and Hoper, 2001), which, according to Kotter and Schlesinger (2008), is the predominant opinion regarding change. In examining this role of storytelling in organizational change in an educational context, Wilson explores the relevance of some research stemming from Dewey’s (1938) theory of experiential learning that evolved through theorists Lewin (1997), Senge (1990), Nonaka (1991) and Schein (1999). These authors all reveal an organizational application of storytelling which is used to acquire, share, interpret, carry out and store information for the benefit of the organization (Dixon, 1990). Having used a qualitative research methodology, the current author’s perception of the role of storytelling during times of organizational change in the field of education, when the need to obtain collective commitment is essential to the survival of the organization, was that storytelling was so impactful that it became the preferred method of training. Their self-efficacy was enriched by their observations of their colleagues’ successful implementation of the classroom strategies (Fisher et al., 2009) where many others are beginning to feel the strain on their capacity to improve student achievement and are experiencing failing schools (Rentner et al., 2017). Wilson also found that participants believe that while storytelling is only part of the work, it is beneficial and should be used in organizational change to provide understanding, deliver a consistent message, increase commitment, improve professional development and align personal beliefs and organizational culture to the vision of the organization. Finally, even though the participants support the use of storytelling because of its perceived benefits, they believe it is only part of the change process and could be used as a crisis management tool. This however will not be realized until leadership understands that such creative approaches can enhance the humanization of leaders who set about developing their alertness, awareness and appreciation of themselves and their contexts (Fleming et al., 2018), reducing the need for them to have all the answers and problems solved with a traditional evidence-based approach.

**Discussion and recommendations**

We know that organizations need an integrated approach to drive systematic, constructive change while reducing the obstacles to change (Al-Haddad and Kotnour, 2015). The failure rate of change initiatives, approximately 70 percent (Balogun and Hope Hailey, 2004; Beer and Nohria, 2000), has little improved little (Jacobs et al., 2013; Jansson, 2013). The quest for capturing the most desirable method to changing organizations is ubiquitous (Bamford and Forrester, 2003), with some suggesting that the appropriate approach to change is highly dependent on the organizational context (Nyström et al., 2013; Michel et al., 2013) and renders
the one-size-fits all method being utterly redundant (Kotter and Schlesinger, 2008). Many studies offer lists of leadership competencies, styles and activities (Battilana et al., 2010; Magsaysay and Hechanova, 2017) are perplexing for contemporary leaders of change, with much chin stroking as to which single best change leadership style or a single set of competencies is best. Ford and Ford (2012, p. 22; after Woodward and Hendry, 2004) confirm this “available research indicates there is no definitive formula to the leadership of change.” Empirical evidence has identified that embracing multiple styles of cognition is a hallmark of exceptional leaders (Bennis and Nanus, 1985; Schaubroeck et al., 2011). These various forms of cognitive capacities include the ability to foster meaning making and trust through shared communication; the ability to focus attention; the ability to create empowering opportunities; willingness to take risks; optimism rather than fearfulness; and self-awareness (Bennis and Nanus, 1985; Schaubroeck et al., 2011).

In an ideal world, we know that transformational leaders achieve superior results in developing followers because they are role models, display integrity, inspire others, intellectually stimulate subordinates, provide consideration and are trusted (Bass and Riggio, 2006), but most of this heroism is related to the fact that transformational leadership is mainly studied in stable conditions (normal contexts) (Geier, 2016). Comparisons to high trauma and emergency crisis management are inevitable and we have learned that leaders who operate successfully in such change environments need the resilience, trust and teamwork support often not apparent in non-change environments.

This paper aimed to provide a state of the art positioning on the topic of “Leadership Capacity in an Era of Change: the New Normal Leader,” and in doing so, we are taking change not only as inevitable but constructively so, considering leadership capacity in a new light. We introduced and assessed a number of new papers, in which we have displayed similarities and differences, and anchored them in related literature. This now allows us to present a brief summary, our “state of the art” position on requirements of the new-normal change leaders:

- a focus on people, human resources, mentoring, learning, healing emotions;
- a leader who is a facilitator, never top down, conscious of leadership development;
- a healthy working environment, respect, exchange of ideas, a creative class;
- trust through sharing, teams, embracing equality, diversity, slack, tolerance;
- vision, and commitment to the vision, through talent, technology, storytelling; and
- a dynamic interplay between all stakeholders, employees, customers, investors, shareholders.

The world has continued to see VUCA (volatility, uncertainty, complexity and ambiguity) in many forms. And in a recent paper, Millar et al. (2018, p. 13) offered a number of recommendations to leaders to enable them to show resilience and again innovate in this VUCA world. A number of these would assist new-normal leaders in building capacity for change as the norm for instance: thoughtful reflection on renewal from within an organization through transformational skills in each employee, not just by scouting the latest technologies; a big part of leadership for the VUCA world is the ability to provide ecosystem and network entrepreneurship, and organizations and managers need to integrate functions and processes within the company to create dynamic capabilities with faster cycles and continuous innovation processes; a number overlap with what has come out of the papers and analyses in this Special Issue.

To summarize our recommendations, the first quality for a new-normal organizational change leader, when change is the norm, is flexibility and resilience: an ability to recharge through organisational and resource fluidity, as if one is working in a start-up instead of a
mature company; second, through shared perspectives, building on shared experiences, build trust and shared vision with all stakeholders; and, third, creating new skills and tools to respond to required new systems thinking in the organization. Being marketing-savvy, not just answering existing and well-known customer needs but anticipating for both current and future customers their requirements of the future; inspiring others to see change as the norm, not as something unique and one off, something that will happen all the time and in different guises. Inspiring managers, customers, shareholders and other stakeholders to think the same way, and cooperating with them, and with competitors in co-opetition mode.

Transformational leadership also where change is the norm shares and responds, opening up, closing in, moving all the time, focussed throughout. Stakeholders follow, responding and challenging, turning the organization from static to dynamic. One then feels stronger, trust develops, lines become shorter, and planning and responding to challenges becoming an everyday task rather than a yearly exercise. In other words, a big part of leadership for change as the norm is the ability to provide ecosystem and stakeholder network entrepreneurship, leading from the front as we orchestrate new forms of organization and institution, new markets, new domains and arenas to shape the future, rather than just react to it. To that end, leaders, organizations and managers need to integrate functions and processes within the company to create dynamic capabilities with faster cycles for everyone concerned.

One step further would be for the new-normal leaders to consider and decide to what extent change as the norm means that leaders and organizations they lead should all be normative, e.g. should have people and planet, not just fast-speed greed-led shares and profit as their objective.

Rather than plugging holes and sticking to downward spiral non-solutions, our analyses and recommendations tried to offer new-normal leaders space and direction to be true leaders again, embracing change as the norm as an incentive and invigorating their companies for a sustainable future.

Last in this paper, but never the least, we would like to express our heartfelt gratitude to our near 50 reviewers for their critical analyses and judgements and the support they have given to authors. Both they and authors who submitted papers are due recognition for their effort, their patience and their resilience. We hope that they will make similar contributions in the future, as our changing world calls for ever more insight and understanding.

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**Further reading**
