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Uncertain Times Require Leaders to Address Big Problems¹

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Recent press reports suggest we may have serious societal problems that are being left unaddressed.

- Public and private sector organizations and leaders are failing to undertake long-term, high-risk, complex policy initiatives
- Many corporations are hoarding cash but not tackling major new initiatives
- Democratic governments cannot come to agreement among competing groups sufficiently to pursue major, long-term policy issues
- Low public trust in the financial sector has led to a lack of significant financial reform
- Distrust between regulators and regulated organizations has escalated, fostering increased secrecy and lack of cooperation in rethinking dysfunctional regulation
- Plummeting trust in business executives (even more than businesses more generally) has been exacerbated by the rise in income inequality and perceived special interest influence
- Creativity has faltered as large corporations become more and more risk averse, focusing instead on quarterly returns and ineffective size-enhancing acquisitions
- Institutional trust has been eroded as individual lack of privacy and corporate lack of transparency are increasing

While one can disagree about individual elements I have just cited, the pattern raises a more fundamental concern. Specifically, I am concerned that our societal institutions and leaders may have lost the will to tackle big problems and the ability to influence their followers to grow, accept responsibility and do what is needed.

Big problems inherently require cooperation and involve risk. My concern is that we (leaders, organizations, and organization members) are not facing up to and addressing many of the major problems facing our societies (climate change, clean water availability, financial system fragility, international trade, health accessibility, wealth disparity, job loss to automation, immigration, etc.). We must ask: to what extent are our government and business leaders doing what is needed regarding the most complex, long-term, and fundamental problems we face? As our world becomes more complex and more rapidly

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evolving, it is essential that we address emergent fundamental issues with an intelligent sense of urgency.

Addressing these issues involves three elements I would like to comment upon. First, we need to recognize the challenge of the uncertain times we find ourselves in. Second, we need to understand when we are well positioned to take on major challenges and when we should be more modest and leave such challenges to others. And, finally, we need to understand the key elements of effective leadership that are most relevant to our ability to address these challenges.

The Challenge of Uncertain Times

We live in a world with ever-increasing technical complexity and change. This situation presents challenges for which technical knowledge and technical solutions are essential but not sufficient. Even for the most sophisticated individuals, coping with complexity and change requires more than technical specifications, structures, and manuals. In the face of such uncertainty, individuals become more (not less) reliant on other people to provide guidance.

I will focus on three keys to leverage them to tackle major societal problems. Specifically, three of the biggest, most persistent and pernicious challenges that I see at the organizational and societal level involve (1) the will and capacity to recognize and know when and how to address major problems; and (2) intergroup distrust and reduced trust in institutional leaders that make it impossible to focus and coordinate efforts in tackling these risky major issues; and (3) a lack of understanding of how leaders can act to positively influence addressing these issues.

Pursuit of Ambitious Solutions. Significant issues require a willingness to acknowledge that we do not always know the answers – or even how to formulate the problem correctly. Such issues have even been given the honor of an acronym: VUCA (Volatility, Uncertainty, Complexity and Ambiguity). These terms capture the idea that the world we face involves rapid change, multiple connections and causes, interdependence in our interactions, and a lack of clear answers to even our most important questions.

Addressing the Distrust Problem. Because tackling big problems involves significant risk and uncertainty, it requires trust in organizations and leaders, both of which eroded severely in recent years.³ When we ask our people (and our leaders) to take big risks, we are asking them to trust us to help them, to support them when best efforts fail (which they often will when we tackle very risky goals). When trust erodes and even turns to active distrust, it means that our institutions and leaders have not conveyed to us that they are capable (doing their job), caring (about our needs), consistent (in their words and actions), and congruent (with our values). The level of trust has eroded significantly in both our institutions and our leaders, but rebuilding that trust is needs to be an essential priority if we are to accomplish ambitious goals.

Leaders Need to Play a Key Role in Encouraging Tackling Big Problems and Rebuilding Trust.

³ See *Edelman Trust Barometer 2016*.

When we tackle big technical, social, organizational, and natural problems while living in a VUCA world our leaders need to be able to cope and guide us in dealing with those problems. So what is it that leaders need to focus on to deal with these issues?

If we apply a systematic framework for understanding effective leadership to these challenges, we can identify four key behaviors leaders must exhibit: sensemaking, building trust through strong relational ties, inspiring high aspirations, and fostering a sense of stewardship.

- Sensemaking. In my research⁴ with Allan Lind, we have found that the universally weakest aspect of leadership is the sensemaking function. But in a VUCA world, we rely on our leaders to not just make the right decisions, but to make sure we understand the situation, what we can do and how to interpret events.
- Building control in an uncertain world through trust. Leaders often respond to VUCA conditions by tightening control rather than by building the informal relationships and an enhanced decentralized capability for effective judgment.
- Encouraging tackling big, important problems. Supporting raised aspirations involves inspiring others to take the risk of dreaming and trying to do the difficult, even the seemingly impossible.⁵ Inspirational leadership is not about creating true believers, but strivers who stretch and challenge the status quo (including their leaders).
- Stewardship. Leaders in a VUCA world need to encourage a sense of responsibility that pervades the organization and society, not just residing in the elite.

Conclusion

We face challenging times and the role of leadership in helping us meet the challenge has never been more important. We need leaders to help us build our capacity to tackle big problem and take big risks – but only when the conditions are right for success. We need our leaders to not only help us cope with complexity and rapid change, but also to deepen ability to acknowledge and understand what we do not know and to confidently learn. Finally, we need our leaders to help rebuild trust in our societal institutions.

As we think about these critically important leadership roles during this challenging times, we need to recognize that the term “leader” does not apply only to those at the very top of our organizations (whether we consider those at the top to be “them” or “us”), but it can apply to everyone in an organization that embraces the responsibility to help inform those around them, influence those around them to become and to perform better, and feels a sense of stewardship that leads them to “step up” to today’s challenges.

⁴ Lind, E. Allan, & Sitkin, Sim B. (2015) *The Six Domains of Leadership*.

⁵ Sitkin, Sim B, Miller, C. Chet, & See, Kelly (2017) The stretch goal paradox: Harvard Business Review, January-February, p.92-99.

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