

## Creating the Space Complexity Demands: New Approaches for CEO Leaders

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*“Learning is how you evolve. Unlearning is how you keep up as the world evolves.”*

— Adam Grant

By Mark Byford

In December of 2019, a group of Egon Zehnder consultants and other talent professionals took a week-long course on complexity management with Jennifer Garvey Berger and Zafer Achi. Jennifer is a particular authority on complexity, having authored the best-selling books *Simple Habits for Complex Times* and *Unlocking Leadership Mindtraps*. Little did we know how immediately and intensely we would be applying our new knowledge. COVID-19 came in like a lion. Not one of us was really prepared. CEOs and their teams, who had already been facing challenging times, saw the problems facing them intensify markedly, an intensity that has yet to abate. That week gave us a pre-crisis opportunity to pause and gain simple yet profound insights into complexity management that was surreal in its timeliness. It was a pearl without price given what we were all to face in the months ahead. For my own part, I have leveraged the learnings from that week almost every single day in the ensuing eighteen months and more. And the CEOs and other top executives who have been exploring this work with me have been visibly developing new, highly productive skills for forging ahead in what remains an incredibly challenging time.

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### Listening to Learn

Leading companies today asks for a different level of self-awareness from CEOs. Previously they may often have succeeded by “listening to win” (focusing on comments

that supported their view) or “listening to fix” (taking any opportunity to tell others how they would solve the problem). Sometimes such reflexes may be helpful, most obviously when the problem they need to solve is relatively straightforward. But more often than not, the problem before them is complex and asks that they develop a more curious stance, “listening to learn,” instead.

This takes a different mindset. And it often goes against the grain of the way many CEOs and their reports were incentivized earlier in their careers, when they were rewarded for solving operational problems quickly and moving on. Now they may only succeed if they can hold the complexity for longer, and resist the quick answer, listening and discerning more carefully – and in a more inclusive way. Needless to say, coming into a new mindset like this usually involves a good bit of trial and error, and always seems to need to be developed against the backdrop of a racing clock. It is very important that CEOs learn how to balance the need for more immediate action on some issues with creating the space to generate new answers on others. It is often about making new strategic choices between short-term activity and longer-term planning. To get there, it is abundantly clear that CEOs need help more than ever. They need careful, compassionate coaching combined with expert advice to explore how to make the leadership shifts required to remain effective in a rapidly changing world.

It is exciting to witness the changes in leaders’ bearing and consciousness that can result from this approach. As

one client recently shared upon looking back over his own recently successful journey to build a new culture across the consumer company that was reinventing itself to be truly competitive: “In the past, with my team, we would have said, ‘Ok, we are going to resolve this quickly and move on to implementation.’ But instead I said, ‘No, we have a number of possibilities here. I want to sit and reflect on them, try one or two ideas out in a series of smaller steps, and co-create our approach over time with both our people and our customers.’” At first his team members were confused, feeling they were being asked to hold back despite huge pressure to decide and act. They later realized that they, like their CEO, had been conditioned to think like this, while the new approach was indeed producing much more broadly-based and profound changes. The far more complex situations leaders find themselves in now are demanding they unlock engrained, habitual ways. They are coming to understand that sometimes the best way forward may only be found after periods of intensive reflection with their teams and their clients, exploring with them in entrepreneurial ways how to respond effectively to complexity.

## Thinking Differently about Polarities

Very often our impulse is to think about issues in terms of polarities – heroes versus villains, profit versus purpose, and so on. These are not without value, but the “simple stories” we craft around them are usually overly simplified, with the choices presented in ways that are almost always much too binary to be truly insightful in solving today’s complex challenges. In an increasingly complex business environment, the best responses to current challenges and opportunities need to be formulated more creatively. This approach asks us to appreciate that two apparently polar choices may both have something to teach us, if only we can hold them in tension for a while, rather than trying to resolve them too quickly.

This “strategic patience” – which in pressured times requires a certain amount of courage – often allows a creative space where completely novel solutions can emerge out of both existing and new ideas and materials. They are uncovered by those leaders who have trained themselves and their teams to be wary of (or outright reject) neat and tidy, simplified stories with facile black-and-white solutions. Success comes to those who dare to pose original questions and envision alternative scenarios about unexpected and tangential options. These are the leaders, and the executive teams, who will be more likely to anticipate disruption, or indeed

initiate it, and keep their organizations thriving over time. By contrast, those who continue to call up old playbooks, and who always privilege rapid solutions over reflection, are more likely to find themselves with far larger problems at their feet. Simple stories are very seductive, but they are frequently no longer fit-for-purpose in our increasingly complex world.

## Embracing the Fruits of Disagreement

Beyond thinking past easy dichotomies and resorting to tired applications, today’s leaders also need to train themselves out of the quick need to find agreement and reach consensus. Too often a longing for alignment robs organizations of good, ripe ideas right there for the taking. “Humans are drawn to agreement as a sense of connection,” writes Berger. Overt disagreement is often shunned as inhospitable, confrontational, or – most confounding – non-inclusive.

Yet the reality is that this instinct can itself risk being very non-inclusive. Differences of opinion, if accessed carefully and given the space to be expressed, can offer up a richness of perspectives that are by far the best way for a team to derive the array of choices needed to perform effectively in complexity. All too often, leaders try and fix disagreement with compromise. This is also obstructive. “[W]hile compromise might feel fair,” writes Berger, “in complex situations it’s often the wrong way to go because compromise tends to merge two viable opinions into one potentially mediocre one. Not a win, even if it does taste like chocolate to our brains.”

Most complex situations require the full scope of the team’s capabilities, utilizing both the strongest left- and right-brain players, as well as the reasoning of the outliers. Leaders need to move beyond the body of the choir. Sometimes the best solution may lie in the unusual – in the person who had the audacity to swim against the stream. Effective CEOs cherish such distinctiveness, rather than dismiss it. Most CEOs are getting this message: “Personally, I find diversity of opinion and controversial thinking very helpful and fruitful,” one CEO wrote recently, “not uniformity. That’s how it works for us; we achieve the goal with a lot of strength and motivation in very different ways.”

The reality is that the fast-paced, nuanced situations that we more often find ourselves reasoning through rarely produce singular or consensual responses. Choices need to be made - about what to take action on upfront, and what to explore further. Many scenarios today demand

the equivalent expansiveness of thought and options that they are made of. They ask us to become more curious and develop new muscles of sense-making and prioritizing – all of which will ultimately deepen the relationships within organizations and expand their possibilities for clear growth and performance over time.

“*The job isn’t getting any easier*”

So aptly summarized another CEO. Success today means being able to manage complexity while actively balancing shorter- versus longer-term decisions. It’s a tough balancing

act, especially as responding effectively often asks us to unlearn much of what comprised the reflex responses of good leaders in simpler times. Those who engage mindfully to unlock what Jennifer Garvey Berger calls “mindtraps” – such as the tendency toward over-simplified stories, the need to be right and win, and the inclination to agree – are simply better equipped to meet the challenges of the world today. By embracing these perspectives they can unlock new sources of personal and collective growth for their organizations, changing their markets, and leading with fresh purpose and energy in the wider world. The landscape is shifting daily beneath our feet. We are on the path, as Berger puts it, towards finding “our bigger selves so that we can solve some of the most complex problems humanity has ever faced.”

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Dick Patton and Kati Najipoor-Schuetz lead Egon Zehnder’s global CEO Practice which over the past five years has applied its own future-oriented, proprietary approach to help guide 2000 CEO mandates: <https://www.egonzehnder.com/functions/chief-executive-officers>. Across the world, members of Egon Zehnder’s CEO Practice partner with clients on CEO succession, advisory and recruitment. The practice is committed to becoming trusted thought partners in the important and challenging work of identifying and developing the best leaders for our diverse and evolving world.