

LeaderPerfect Newsletter

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Leadership Thinking: Three Essential Mindsets

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In a well-known quote Albert Einstein once said, "We cannot solve the most critical problems of our existence at the same level of thinking that created them."

Another way of putting this is that it takes more complex thinking to solve a challenging problem than it took to create the problem in the first place.

Einstein's own career offers a striking example of this principle. Discovering how to create a nuclear reaction was a staggering challenge. It required very complex thinking and eventually led to nuclear weapons. But even more complex thinking is required to disarm a world armed with nuclear devices.

The world is thus on a self-perpetuating spiral of complexity. Complex problems call for complex solutions. Complex solutions create complex unintended and undesirable consequences. These problems, in turn, are frequently so complex that finding a solution to them requires even greater complexity of thought.

Where will it ever end? Or will it ever end? No one knows. Unless civilization slips back into some abysmal repeat of the Dark Ages, every indication is that complexity will only continue to increase.

As a result, a new breed of leadership is now essential. These leaders will need to think differently from their predecessors, for they lead in a world that is far more complex than any that their predecessors ever envisioned. To cope with this complexity, these leaders will be:

- systems thinkers in their approach to problem solving
- more given to strategic mindsets than to strategic plans
- adept at what one of my friends calls "problem after next" thinking

Let's look at each of these in detail.

Systems Thinking

From earliest childhood we are conditioned to see the world in terms of simple cause-and-effect relationships. To see the world this way is also to think in linear terms, that is, "first A, then B."

By the mid-point of the Twentieth Century, however, linear thinking was proving inadequate for understanding many of the most pressing problems. We could no longer look at Cause A and Effect B in isolation. Instead, such problems required us to recognize a vast web of causal factors, often global in nature, which operated at multiple layers and in multiple dimensions.

Systems thinking emerged as the key to understanding such complex causal relationships. Applied initially to biological and ecological systems, systems thinking soon proved vital to comprehending the dynamics of cultural and social systems.

At first systems thinking was largely the purview of consultants, academicians, and a few professional specialties. By the 1950s, for instance, therapists were describing families as a system which was either healthy or unhealthy based on the quality of the interactions within the system.

Now, in the Twenty-First Century, mounting complexity requires even more problems and opportunities to be viewed systemically. This is especially true in business and governmental leadership, where the added complexity of a global economy and the speed of technological change create a myriad of causal linkages. As the Chairman of IBM recently said:

We occupy a world that is connected on multiple dimensions, and at a deep level — a global system of systems. That means, among other things, that it is subject to systems-level failures, which require systems-level thinking about the effectiveness of its physical and digital infrastructures.

Strategic Mindsets

The second hallmark of this new breed of leadership is their penchant for promoting strategic thinking rather than focusing on strategic plans. I've touched on this topic in earlier copies of this newsletter.

By the mid-1990s the concept of a "ten year strategic plan" was largely unworkable. By then companies could rarely see more than five years out. Their markets, industry, and technology were changing so fast that any forecasts beyond five years were little more than mere guesses. Then the time horizon for confident planning shortened to three years and continued to shrink.

Because of this compressed time span, the line between strategy and tactics often grew less distinct. Change was coming so fast that multi-year strategic plans could become obsolete within months of being published.

Thus, a trend developed to emphasize strategic thinking rather than strategic planning. In this model, leadership lays out a strategic direction, what the military calls "the commander's intent." This strategic direction becomes the general trajectory to which the organization commits. Rather than reducing the trajectory to a detailed plan, however, leadership instead develops a strategic mindset from top to bottom in the organization.

This generalized strategic mindset, coupled with clarity about leadership's strategic direction, allows the organization to respond quickly and opportunistically (in the best

sense of the word) as unanticipated realities emerge. What makes this approach a new challenge for leadership is that strategic mindsets must be instilled at every level of management.

In the strategic planning model, only a few people need to be strategic thinkers. In this new model, leaders must be strategic at every level of management. Tomorrow's managers must be simultaneously both strategic and tactical in their thinking. And a primary role of top leadership is to foster a strategic mindset everywhere in their organization.

Problem After Next

Closely related to strategic thinking, leaders must also attune themselves to "problem-after-next" analysis and planning. I first heard this term from my good friend Sandy Sibley. Two decades ago she built a successful consulting practice around the concept.

Her approach was based on the realization that major initiatives – whether in response to pressing problems or promising opportunities – yield unanticipated consequences. And these consequences are often so undesirable that they become major problems in and of themselves.

Other consultants were helping her clients solve their immediate problems. Her role was to help clients anticipate undesired consequences that might flow from the solutions under consideration.

Beyond that, she helped her clients explore how they might respond to this "problem after next." Another friend of mine, himself a consultant, deals with this issue by asking the question, "What will be the solution to your solution?"

Historically leaders needed to think only about the problems facing them immediately. Now they must think about problems not yet on the radar scope.

Time-to-market cycles for new products are now so condensed and the lifespan of most products is now so short that the unintended consequences of a decision are upon us before we know it. In this kind of world, leaders must be asking the "problem-after-next" question continually in order to remain appropriately ahead of the game.

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