

Become a Better Leader in an Increasingly Complex World

A Guidebook for Leaders







Nobody has ever said that leading is easy, and with each passing day leadership is becoming increasingly more demanding. Acronyms such as VUCA (volatility, uncertainty, complexity, ambiguity) were originally created to frame the everchanging and challenging conditions in which managers must operate. The organizational landscape is constantly shifting as the rate of change continues to accelerate—from new technological tools to the evolving expectations of today's workforce, to increasing social and environmental considerations—putting new and escalating demands on today's leaders.

Given today's growing complexity, many leaders are now reaching a point where they find they can no longer effectively lead. Despite their dedication to leadership development through programs that expand their knowledge and skillsets, many leaders are discovering that they are still struggling to inspire their teams.

How, then, can leaders grow their capability to lead more effectively when evidence suggests they are at or near their limit for growth and development?

Instead of thinking "What more should I be *doing* as a leader?" perhaps we might begin to consider the question "How can I *be* as a leader in this environment?" Shifting the focus from *what* to *how* fundamentally changes a leader's perspective of what it means to lead. To discover what's possible, let's explore two categories of leadership development: horizontal development and vertical development.

What Is Horizontal & Vertical Development?

Horizontal Development

Horizontal development focuses on adding knowledge and skills. This type of development occurs when leaders learn new processes and tactics, equipping them with the tools to function effectively in predictable and structured environments. Leaders with strong horizontal development can function effectively in environments with low to moderate levels of complexity.

Vertical Development

Vertical development enhances a leader's capacity to respond effectively in systems of increasing complexity. Developing vertically is a transformative process that requires an investigation of core beliefs, values, and mindsets. Greater vertical capacity means having the facility to understand multiple perspectives, to hold cognitive dissonance, and to adapt with agility and equanimity to dynamic relationships

and systems. Vertical development begins with the premise that leaders are an integral part of the systems in their world and that with reflection, curiosity, and understanding they will enhance their capacity to create within it.

With proficiency in both horizontal and vertical development, leaders will not only be able to thrive in increasingly complex systems but will also enhance their ability to nurture leadership in others, build powerful alliances, work collaboratively and creatively, and foster new levels of trust and accountability. This increased leadership capacity promotes innovative thinking when responding to an everincreasing range of circumstances and environments.





Self-exploration

Engage a coach or trusted mentor to help you explore and discover who you are. When you understand your values and your purpose, you begin to access what motivates you to grow and thrive from your authentic self. You strengthen your ability to lead with conviction, even during times of upheaval and uncertainty. Leading from a place of transparency and self-acceptance—your strengths, your weaknesses, and your reactive tendencies—promotes a culture of compassion and safety, supports creative expression, and encourages engagement and accountability among all team members.

Reflection and Mindfulness

Explore a practice such as mindfulness, meditation, or yoga, that can enhance your ability to tune into the present moment while maintaining composure and objectivity. Leadership effectiveness increases with a leader's ability to reflect, to be still, and to sense what's happening around them, especially in stressful or complex situations. Studies have repeatedly shown that present-moment awareness is at the heart of navigating conflict, attuning to new insights that lead to innovation, and easing fear-based responses that can lead to reactive decision making.

Experimentation and Immersion

Practice your newly acquired vertical skills to deepen your learning and to strengthen your growth mindset. As you apply your vertical learning, you will expand your awareness of how these new skills impact your relationships. Put your new learning to work by immersing yourself in unfamiliar leadership situations. This will stretch your leadership capacity in new ways and help you build a broader context and appreciation for the systems you encounter.

Horizontal and Vertical Development

"Horizontal development" is about adding tools, skillsets, and competencies. "Vertical development" concerns itself with behaviors, mental models, and emotional intelligence. Developing leaders both horizontally and vertically is necessary for developing healthy relationships and cultures and for achieving superior performance.



Capacity 1

Able to lead effectively in predictable and stable environments/roles



Capacity 2

Able to lead effectively in low complexity environments/roles

Minimum required capacity for effective leadership



Able to lead effectively

Vertical development

in highly complex

environments/roles

Capacity 3

Able to lead effectively in moderately complex environments/roles



Although horizontal development is critical to success, its potential benefits may be only marginally available to leaders who lack vertical development. Without the appropriate levels of cognitive and emotional sophistication that are among the hallmarks of vertical development, managers will be unable to deliver the potential that horizontal development has to offer. Leaders who are functioning at a higher level of vertical development will lead their teams, drive results, and make sustainable organizational change much more effectively.

Increasing volatility, uncertainty, complexity, and ambiguity (VUCA)

Co-Active Skills Applied to a Leadership Challenge

A leader's capacity to respond effectively to complex leadership challenges is greatly enhanced by their focus on vertical development.

Global Pandemic

Typical leadership responses to COVID-19 by vertical development capacity



Responses

Leadership

Global Recession

Typical leadership responses to a financial recession by vertical development capacity



Capacity 1

Capacity 2 I want to learn about the



Capacity 4

I must clearly understand the new organizational expectations so that my team can deliver despite them having to work from home. If someone gets sick. we'll pick up the slack. I will monitor my team's output so our jobs are not at risk.

needs and preferences of my individual team members so I can support and manage them considerately. The added complexity is challenging, but I want to learn how our organization can offer coaching or other forms of support to accommodate anvone on our team with unique or emergent needs.

I seek to learn from other leaders' perspectives about the impact this pandemic is having on the organization before evaluating alternatives for a way forward. I continue to re-evaluate my mindsets and beliefs as I learn more and welcome discussions on how we might honor our values and support each other, individually and as a team. I remain flexible to changing market conditions and lead accordingly.

With reflection, I begin to see the orientation of our organization and ourselves in the context of the pandemic. I can start to identify potential impacts of what's emerging and sense an opportunity to transform our team's/organization's work. Accounting for both the inherent challenges of these times and the impact on people's lives, I prioritize our efforts to create movement and energy despite the uncertainty. I commit to qualities like transparency, responsibility, generosity, and relationship in support of the health of our people, our organization, and our world.



I keep our team focused and productive, more now than ever before. With the state of the economy, cuts could be coming to our organization at any time. I make sure I'm leading our team efficiently and keep us on task to ensure we don't fall on anybody's radar if they're considering layoffs.

I commit to understanding the unique situation of each team member and do what I can to accommodate them. I want them to be able to count on me. Some team members may be unable to endure a financial setback, so I'll explore options withing the organization for support or assistance

The impact of a potential recession on our corporation may be difficult to predict. I share perspectives with my colleagues to explore options going forward, stay open to new ideas, and embrace the learning that emerges. As our organization adapts to meet the demands of changing market conditions, I continue to use vision and values to shape the way forward.

As complexity increases, I commit to setting aside time for reflection and inquiry on how the systems that impact our business, both inside and out, are changing. Working with others—and by embracing our vision and values—I make meaning out of whatever emerges.

