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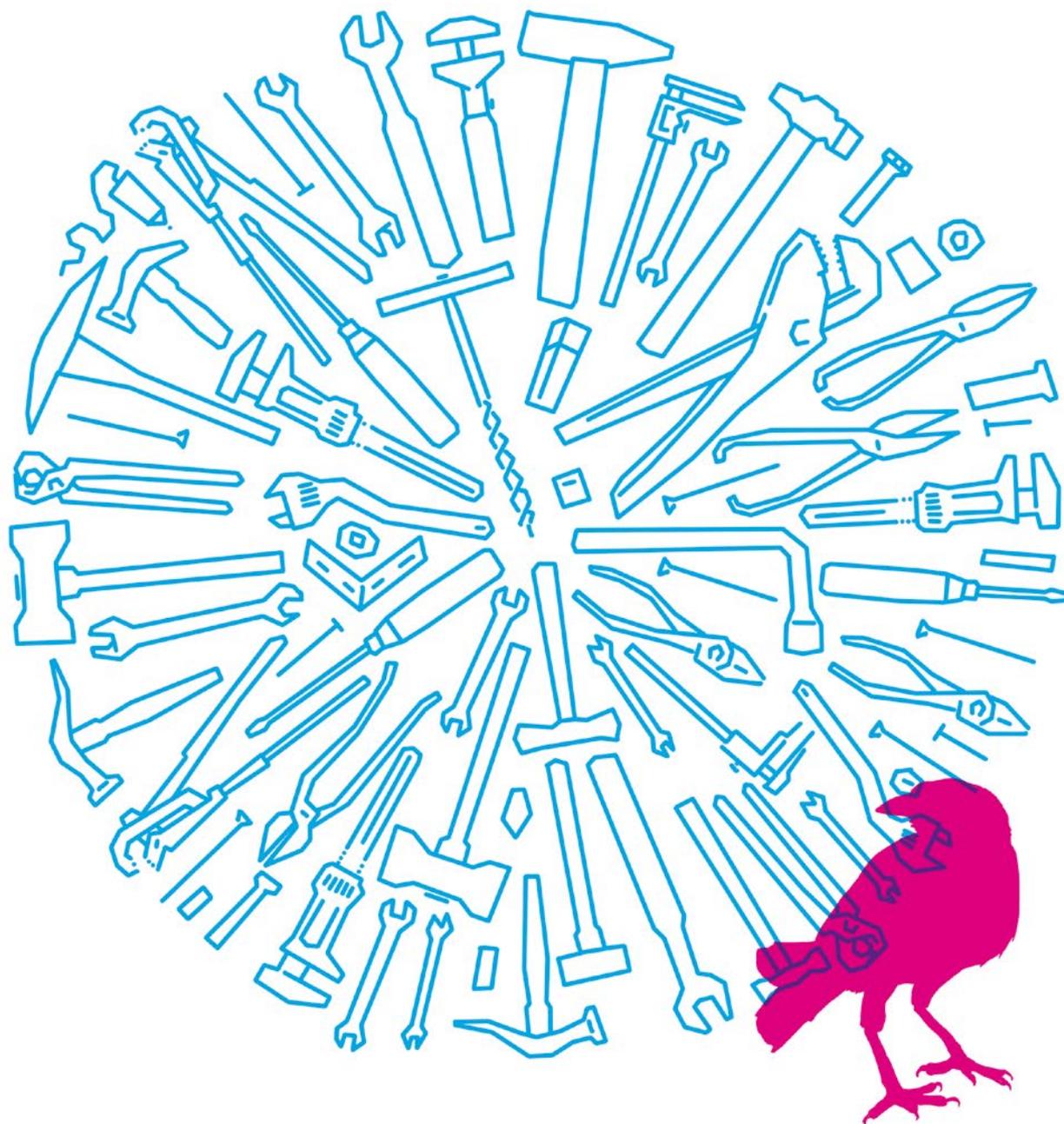
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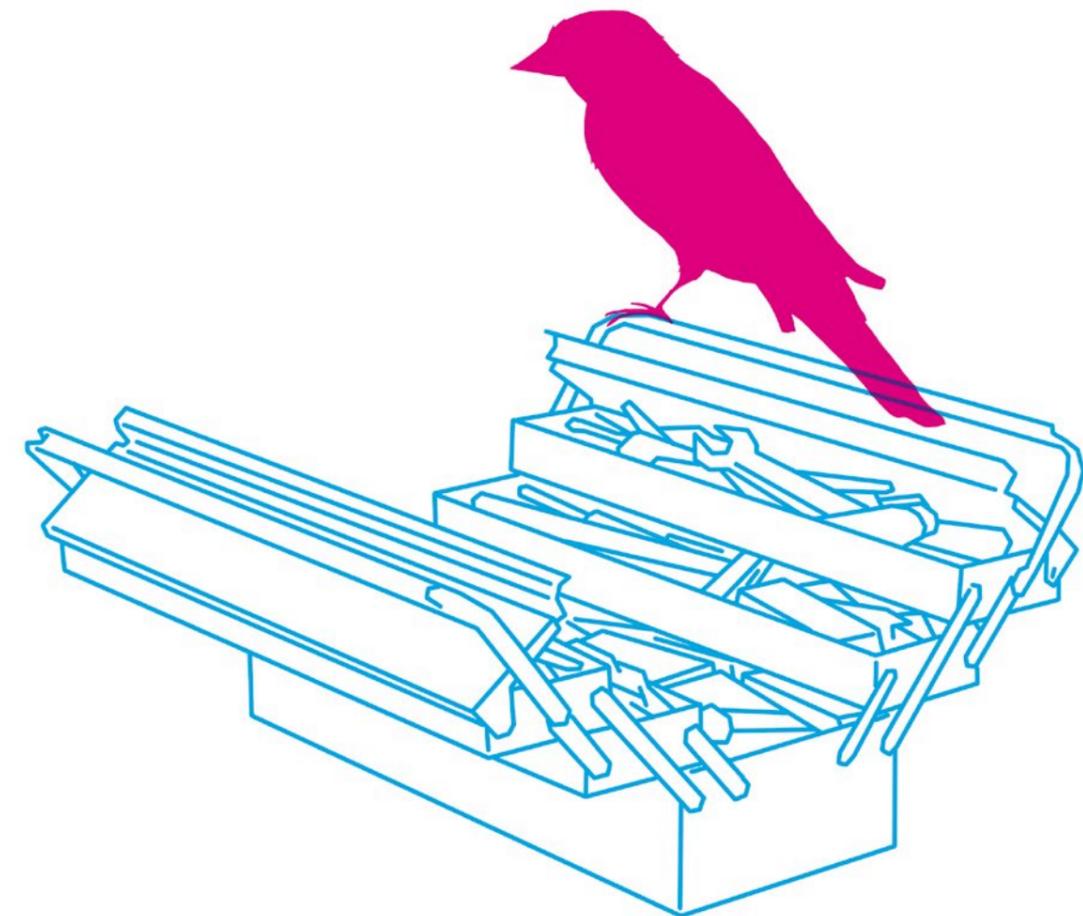CENTER FOR
LEADERSHIP
& ADVOCACY

LEAD Research Series

More of the Same?
How Leaders Manage Growing Uncertainty

This publication marks the launch of the study series "Leadership in Government, Business and Society – New Challenges. New Networks. New Practices." that LEAD is conducting in cooperation with the University of St. Gallen, the School of Public Policy at the Central European University and the management consultancy company companions.

The data for this publication was collected through an online survey conducted in late summer 2014. Survey results came from over 100 leaders from government, business, and civil society.

How do leaders and organizations react to new demands and growing uncertainty? What strategies and tools do they use? These questions were at the core of the current study.

The result: the over 100 surveyed leaders perceive their environment as increasingly unpredictable. However, they think that the strategies and tools they are using today will become more relevant in the future. But will "more of the same" really be sufficient considering that leaders see the world becoming increasingly volatile and uncertain?
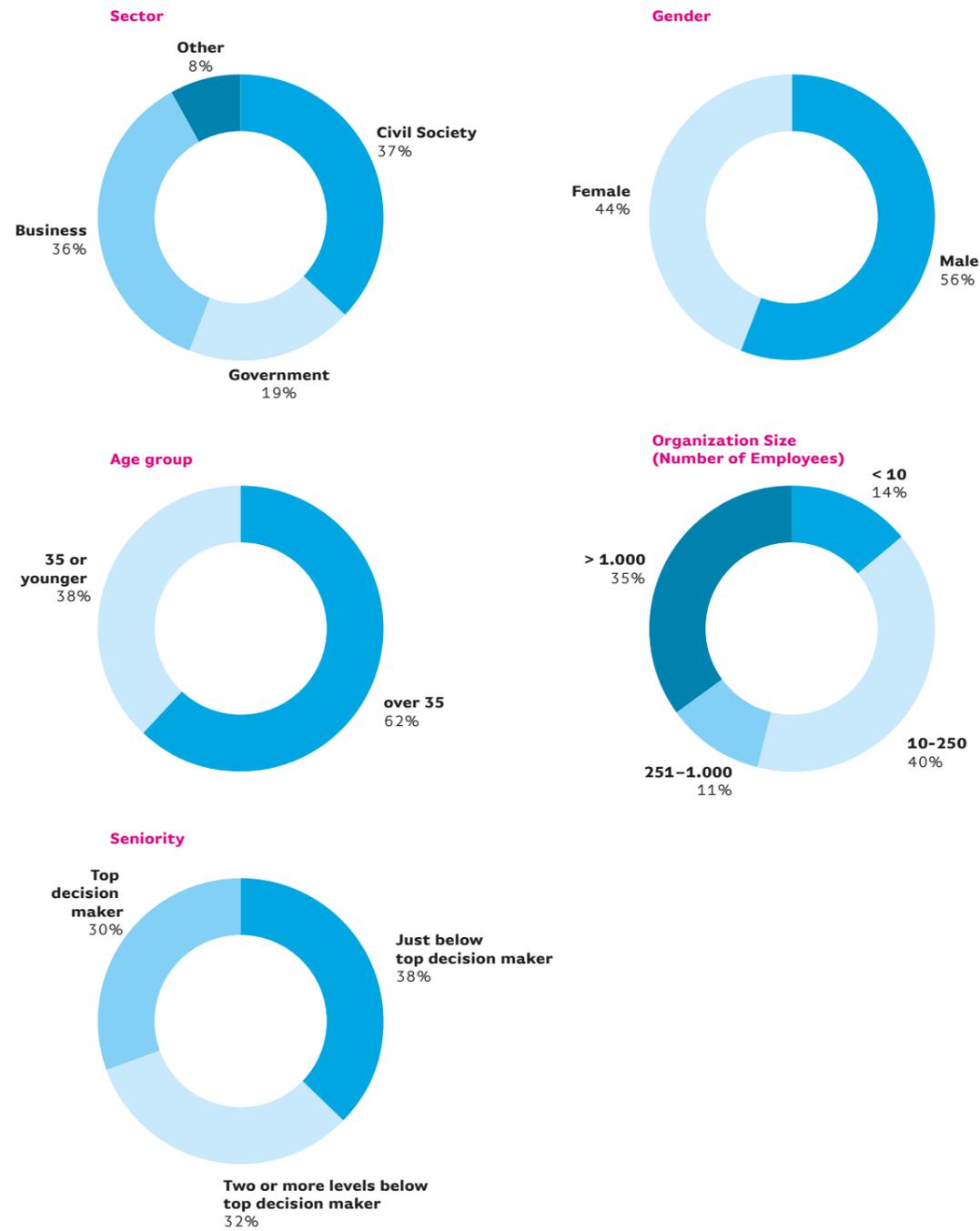
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Center for Leadership and Values in Society
University of St.Gallen

Composition of the Survey Sample

Leaders from government, business and civil society were surveyed for this study by means of a short online questionnaire. Almost 50% responded. We received answers from 104 people; they fall into the following categories:

Sector

Other
8%

Civil Society
37%

Business
36%

Government
19%

Gender

Female
44%

Male
56%

Age group

35 or younger
38%

over 35
62%

**Organization Size
(Number of Employees)**

< 10
14%

> 1.000
35%

10-250
40%

251–1.000
11%

Seniority

Top decision maker
30%

Just below top decision maker
38%

Two or more levels below top decision maker
32%

Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015


1. The Challenge of Volatility

Leaders from government, business and civil society all describe a waning relevance for planning in face of a future they perceive to be increasingly unpredictable.

The Changing Environment

Increasingly unpredictable developments

70% of respondents partially or completely agreed with the statement "my environment is increasingly unpredictable". Leaders in the public sector perceive unpredictability to a much greater extent than their colleagues in the private sector or civil society. Responses were only marginally different with regard to organization size, seniority levels, age or gender.

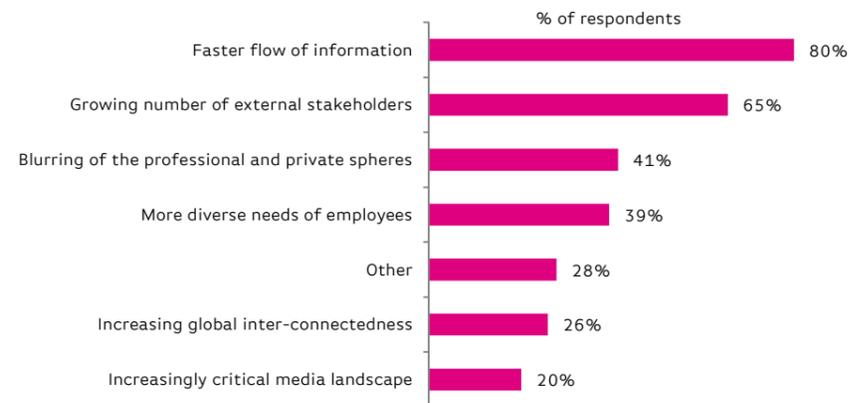**"Developments in our environment are increasingly unpredictable."**

30%   70%

5%	8%	18%	30%	36%	4%
Disagree	2	3	4	5	Agree Completely
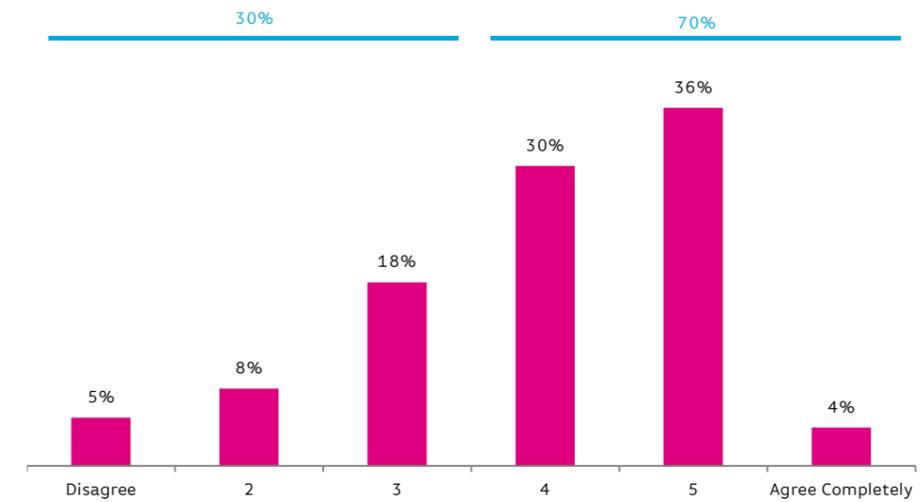
Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015
Numbers do not add up to 100% due to rounding errors.

New trends make management more challenging

Almost all respondents named the faster flow of information as a significant driver making the management of organizations more challenging. About two out of three respondents named the growing number of stakeholders with heterogeneous demands as a decisive factor.

"What factors make your organization more challenging to manage?"

% of respondents

Faster flow of information	80%
Growing number of external stakeholders	65%
Blurring of the professional and private spheres	41%
More diverse needs of employees	39%
Other	28%
Increasing global inter-connectedness	26%
Increasingly critical media landscape	20%

Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015

In addition to the six options provided, several of those surveyed named other aspects making organizational management more challenging such as a changing regulatory framework, growing bureaucracy, increasing pressure for efficiency as well as the increasing mobility of employees.

"Economic developments and revenue streams have become less predictable, defying planning efforts. Uncertainty is increasingly addressed through backup scenarios."
(Leader from the private sector)

"We are confronted with fast-paced developments and change – especially when it comes to the market, but also in all other areas of our work: stakeholders change more often; new ideas come to the fore and are implemented faster, they also lose relevance faster."
(Leader from a small civil society organization)

2. Strategies and Tools

The results show that organizations address uncertainty in a number of different ways. However, there are large differences depending on the size and sector of the organization.
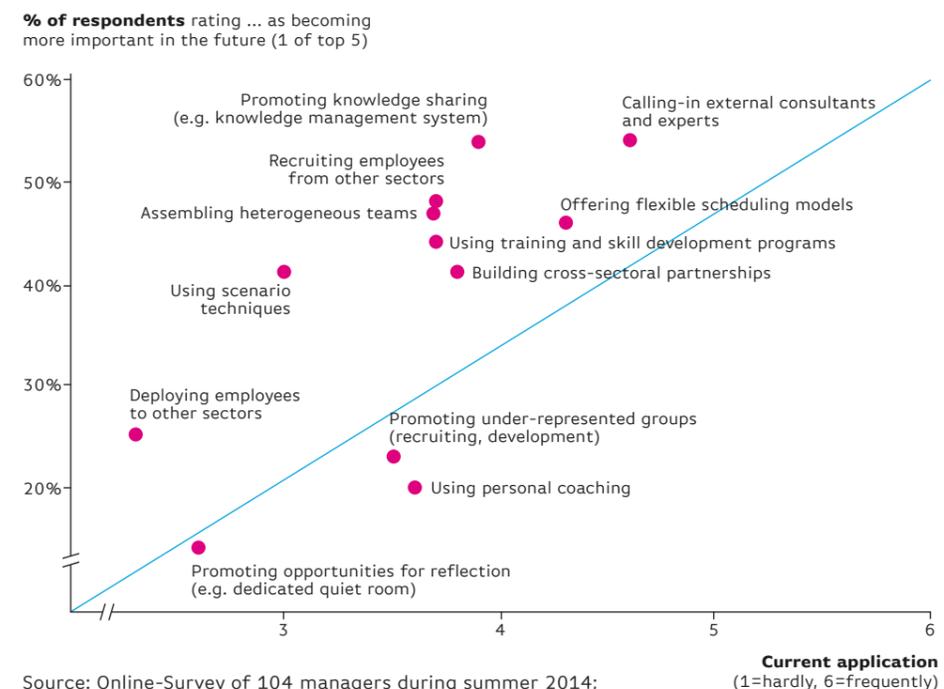
Means to address uncertainty

Strategies and tools are applied with varying frequency

Among twelve suggested tools or problem-solving strategies, respondents reported using only two with any frequency: calling-in external experts or consultants; and offering family friendly and age-adapted scheduling for executives. The suggested strategies were identified through the review of relevant literature and further developed, tested, and expanded upon in five interviews in advance. Significant in the final selection was a preferably wide range of options and distinctiveness. No claim is made with regard to the comprehensiveness of the selection.

„More of the same?" – Current strategies more important in the future

An interesting pattern emerges when respondents are asked what problem-solving strategies, in their opinion, will be more relevant in the future: it is exactly those strategies and tools that are popular today that – from the surveyed leaders' perspective – will also gain relevance in the future. The ones that are not commonly applied today are perceived to be of little relevance for the future.

"What will become more imporant in the future?" vs. "What are you currently applying?"

% of respondents rating ... as becoming more important in the future (1 of top 5)

Promoting knowledge sharing (e.g. knowledge management system)	
Calling-in external consultants and experts	
Recruiting employees from other sectors	
Offering flexible scheduling models	
Assembling heterogeneous teams	
Using training and skill development programs	
Building cross-sectoral partnerships	
Using scenario techniques	
Deploying employees to other sectors	
Promoting under-represented groups (recruiting, development)	
Using personal coaching	
Promoting opportunities for reflection (e.g. dedicated quiet room)	

Current application
(1=hardly, 6=frequently)

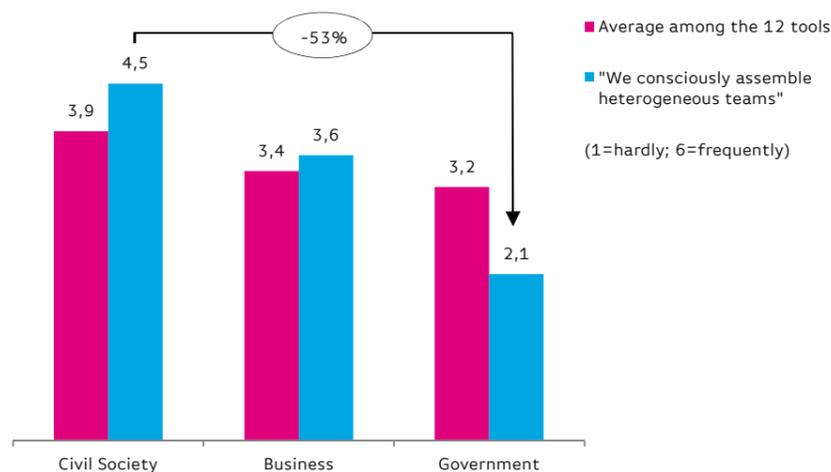Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015

Further differences in practice

A closer look at the responses reveals further notable trends.

Civil society organizations apply more tools than government institutions

Large differences are apparent in the current application of the strategies. Leaders from civil society organizations such as associations, foundations, and other non-profit organizations say they are currently applying several of the tools we asked for. Leaders from government institutions such as ministries and government agencies, by contrast, responded that they make less use of the tools. In particular, civil society organizations tend to develop and maintain more partnerships with other organizations than organizations from other sectors. The difference is most clearly illustrated by the strategy "we consciously assemble heterogeneous teams". Government institutions are less likely to consider such an approach as relevant. Further, according to the results, future planning techniques such as scenario-planning are rarely used.

"What are you currently applying?"

Civil Society — 3,9 / 4,5
Business — 3,4 / 3,6
Government — 3,2 / 2,1

-53%

■ Average among the 12 tools
■ "We consciously assemble heterogeneous teams"
(1=hardly; 6=frequently)

Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015

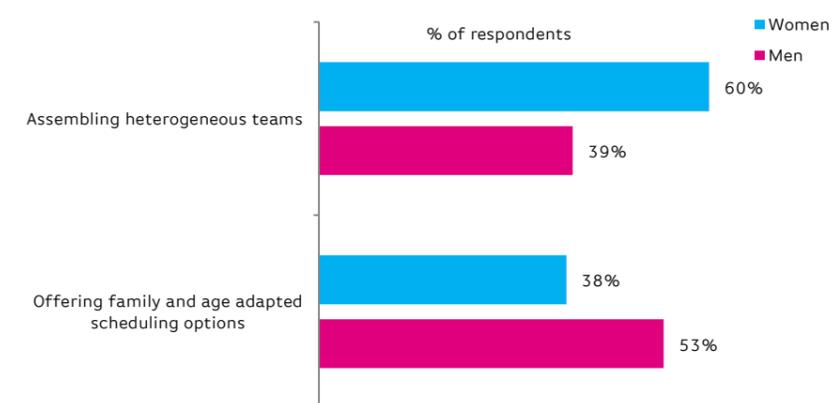## Medium-sized organizations are more open to experimentation

On average, leaders in organizations with 10–250 employees report using the given strategies much more frequently than large or very small organizations. It appears that this is an important size threshold for organizations to consider different options and try out various approaches.

"Even on the target level, a great deal of flexibility is necessary. We often try so-called prototyping and make sure to stay open and flexible with regard to how we accomplish things."
(Leader from a civil society organization)

Women prefer more heterogeneous teams, men more family friendliness

60% of female responding leaders indicated that the strategy of assembling heterogeneous teams would gain in importance in the future. Among male respondents, only 39% shared that view. Of the female leaders, only 38% consider family friendly scheduling practices to be of significant importance, while 53% of male leaders see the issue as important and expect it to gain in importance in the future.

"What will become more important in the future?" (max. 5)

% of respondents

■ Women
■ Men

Assembling heterogeneous teams — 60% / 39%
Offering family and age adapted scheduling options — 38% / 53%

Source: Online-Survey of 104 managers during summer 2014; Analysis LEAD 2015

External cooperation is more important for older leaders

52% of leaders over 35 find that building cross-sector partnerships to connect their organizations with outside networks, such as through public-private partnerships, is an important tool. Only 23% of younger responding leaders assigned such a strategy as a priority.

Young leaders see more need for measures to promote diversity

In contrast, 31% of younger leaders see the recruiting and advancement of underrepresented groups such as immigrants and women as important. This represents a 15% point difference with their older colleagues, of whom only 16% shared the view.

3. Conclusion

"More of the same" – Is this a sensible strategy given a leadership context changing at an ever faster pace? The present report poses this question.

Are we well prepared to address uncertainty?

Developments will become increasingly unpredictable – that is the general consensus of the surveyed leadership. At the same time, the respondents also see today's solutions as growing in importance in order to meet the challenges of tomorrow. These points could indicate that leaders are well prepared and applying the right tools to manage growing uncertainty and a future they perceive to be increasingly unpredictable.

But will the tools of today really be enough for the challenges of tomorrow? The survey shows that leaders clearly see the changes going on in their fields. It appears however that leaders lack new and innovative strategies to confront these changes.

> "There is a shortage of applicable solutions for today's challenges."
> (Leader from the private sector)

The analysis further indicates that strategies for skill development in organizations, such as coaching, deployment to other sectors, or the option of offering space for reflection, are used much less than the targeted calling-in of external consultants or experts.

> "The change dynamic is markedly bigger than the adaptation capacity of cumbersome organizational structures which are tasked with managing this change."
> (Leader from the public sector)

Whether or not leaders are well prepared for the consequences of today's disruptive trends cannot be conclusively determined by the survey's results. However, the answers provided in the comment boxes suggest that a paradigm shift is necessary in leaders' understanding and application of problem-solving strategies. Further research will be needed to illustrate exactly what this shift is and how it can be made.

> "The speed of change is overwhelming all the *old* structures and personnel. At the same time, younger employees have grown up with a different pace of life and must make decisions that do not fit the patterns of the *old* world. The result is that the *old* strategies and approaches for future planning are no longer effective and everyone feels alienated."
> (Leader from a large corporation)

About the authors

Christina Bidmon is a consultant with company companions, where she supports change processes in private and public organizations. She has accumulated professional experience through her work with the corporate strategy department of Deutsche Telekom and the business development department of Lufthansa, among others.

Dr. Philine Erfurt Sandhu is Program Leader for Leadership Research with LEAD. Her areas of expertise include leadership research, organizational and network analysis as well as gender and diversity management. Her professional experience has been acquired from her time with KPMG in the area of diversity and inclusion, with EAF Berlin, and at the GenderKompetenzZentrum of the Humboldt Universität Berlin.

Tobias Leipprand is the Executive Director of LEAD. Previously, he helped establish the think tank stiftung neue verantwortung as a member of the Executive Board after having worked as a consultant with McKinsey & Company. Work-life balance and reflection are especially important in his professional development path – he practices and teaches yoga.

Oliver M. Triebel is Director at LEAD and is responsible for its consulting division. He previously worked as an Expert Partner with McKinsey & Company, most recently in the Middle East Office in Dubai. Since 2014, Oliver Triebel has been an Adjunct Professor of Practice with the Skills for Impact Program of the School of Public Policy at the Central European University in Budapest.