

## Leading on the Edge

We live in turbulent times. We live in a period of unprecedented change where everything is being questioned and anything can happen. Insecurity and skepticism plague the global scene. An economy driven by technology and innovation makes old borders obsolete. This much we know: we live and work in a time of unparalleled opportunity and uncertainty.

In the Chinese language, the characters of “danger” and “opportunity” are combined to communicate the idea of “crisis.” A crisis is perceived to be a “turning point” – a type of crossroads with potential for being positive or negative. Most Chinese believe that the tide goes out only to return again, so it is with both the good and the bad of life. There is always the potential for good in any situation.<sup>1</sup> Crisis is not only part of life; crisis is essential for life. Crisis can spark innovation and transformation in both people and systems. With this perspective, a crisis represents the beginning of new opportunities. Crisis is where the future is in balance—where events can go either way.

The key to thriving in such a shifting global climate is to strike a balance between the need for order and the imperative to change. Living systems tend to locate themselves at *the edge of chaos*. The edge of chaos is a place where there is enough innovation to keep a living system vibrant, and enough stability to keep it from collapsing into anarchy. In his best-selling book, *The Lost World*, Michael Crichton explains the concept well:

It [the edge of chaos] is a zone of conflict and upheaval, where the old and the new are constantly at war. Finding the balance point must be a delicate matter – if a living system drifts too close, it risks falling over into incoherence and dissolution; but if the system moves too far away from the edge, it becomes rigid, frozen, totalitarian. Both conditions lead to extinction. Too much change is as destructive as too little. Only at the edge of chaos can complex systems flourish. . . . And, by implication, extinction is the inevitable result of one or the other strategy – too much change, or too little (1994:4).

The edge of chaos is somewhere between modern and postmodern, between order and disorder, between control and out-of-control, between answers and questions, between stretching and consolidating. How do organizations live on the edge of chaos? How do leaders navigate and lead others where they have never been before?<sup>2</sup>

We live in a time of “dangerous opportunities” for organizations and their leadership. The question is not whether or not the organization will encounter difficulty, but rather *how* the organization will respond – whether it will thrive in the opportunity or retreat in the face of danger.

## A Leadership Crisis

As organizations strive to make significant transformations under enormous pressures, their survival and success will depend upon true leaders – men and women who have the ability and confidence to live in a way that builds community and promotes courage in the midst of turmoil.

Yet for many senior executives, providing such leadership is difficult. Why? One reason is that they are accustomed to solving problems themselves. Another is that adaptive change is distressing for the people going through it. They need to take on new roles, relationships, values, and approaches to work. Many employees are ambivalent about the sacrifices required of them and look to senior executives to take problems off their shoulders.

But both sets of expectations have to be unlearned. Rather than providing answers, *leaders have to ask tough questions*. Rather than protecting people from outside threats, leaders should let the sting of reality stimulate them to adapt. Instead of orienting people to their current roles, leaders must disorient them so that new relationships can develop. Instead of quelling conflict, leaders should draw the issues out. Instead of maintaining norms, leaders must challenge “the way we do business” and help others distinguish immutable values from the historical practices that have become obsolete.<sup>3</sup>

<sup>1</sup> From a conversation with Stephen Lee on March 17, 1996.

<sup>2</sup> In a separate paper I will discuss the leadership qualities needed to navigate on the edge of these tumultuous times.

<sup>3</sup> Inspired by Ronald Heifetz in *Leadership Without Easy Answers*.