The world is changing rapidly. Many contemporary change processes are increasingly complex. The effects of climate change, urbanisation, ageing societies, the dynamics of global security, or creation of sustainable conditions for business development are all phenomena that cannot be made to fit any simple model. They have a number of boundary-spanning components and are dynamic and open to their environments. This means that leaders must possess new kinds of knowledge and skills to understand and deal with such complex phenomena.

To respond to the needs of various kinds of leaders operating in these complex environments, this book develops a framework for leading change. This approach is here called the Leadership for Change (LFC) framework and it builds on the following three ideas:

1. Many contemporary change processes are complex and systemic. 
   → This highlights the capacity to think across traditional institutional boundaries and the ability to see patterns and structures beyond specific elements and events.

2. Issues and problems crossing traditional institutional boundaries cannot be resolved by a single actor or sector. Governments, businesses, civil society actors, citizens and consumers must work together, negotiate, and agree on novel ways of doing things.
   → This stresses the need to understand how different societal sectors and actors function and make sense of the world, and how they can work together.

3. Complex environments are marked by ambiguity and uncertainty.
   → This emphasises the capacity to embrace uncertainty and use various sources of information and knowledge to create a shared understanding of the situation at hand.
With the growing complexity and ambiguity of leadership contexts, leadership functions have become dispersed. Leading change in a complex world is often a collective effort taking place both with and without formal leaders. This book is aimed at leaders as well as analysts of leadership examining contemporary change processes from various positions. The book is not confined to what is known as leadership studies. It instead examines leadership from a transdisciplinary perspective. Transdisciplinarity means taking a holistic approach to leadership; it not only uses knowledge from different disciplines but displaces disciplinary thinking in its examination of leadership and change (e.g., Aalto, 2012, 16–19). The transdisciplinary approach is developed here by examining and analysing various phenomena crossing the traditional fields of business and management, public administration, and politics. Instead of taking disciplinary discussions as the point of departure, the chapters presented in this book are united by a set of concepts which provide a framework for enacting and analysing leadership: complex world, relational leadership, and dynamic change (see Figure 1).

Complex world refers to the idea that the issues and systems comprising society can be placed along a continuum from simple to complex. Relational leadership points to the idea that leadership cannot be confined to simple leader-follower relationships. It is not restricted to a single formal leader or small group of leaders. Relationality also appreciates the wider social and environmental context in which leadership is enacted. In contrast to planned change, which is linear, organised, and efficient, dynamic change appreciates the non-linear, trans-scalar, and less predictable features of change.

The LFC framework is first and foremost an analytical prism. As illustrated by Figure 1, topics and issues can be placed differently along the continuum ranging from simple to complicated and further to complex societal problems. Although the world appears increasingly complex, some organisational and leadership issues remain relatively straight-forward and routine. The same applies to leadership and its relationalities. Despite the obvious tendency toward plural, flexible and even leaderless organising, many leadership settings are hierarchical and leader-centric. As Arja Ropo reminds in the afterword chapter of this book (Ropo, Chapter 18), in times of chaotic change, heroic and charismatic leadership is often sought for. The chapters of
the book examine not only relational, but also more leader-centric or entity-based, leadership settings. For example, leadership exercised by the heads of states or companies’ boards of directors is closer to the leader-centric end of the spectrum while stakeholder cooperation or customer value creation display relational features of leadership. The contributions to the book also differ in their understanding of change. The practices of consumer citizens in reducing food waste, societal transitions towards the circular economy, and the emergence of new power blocs in the international system are all change processes. However, they are underpinned by a different conceptualisation of change. Some change processes can be planned, at least to an extent. In
other cases, change is more emergent. Read together, book concretises the LFC framework for understanding the leading of change in a complex world. It thus invites leaders and analysts of change and leadership to consider how the specific process of change they are dealing with situates along the three dimensions of simple vs complex problems, entity-based vs relational leadership, and planned vs emergent change. The following sections explicate what these dimensions entail.

Complex World

Complexity refers to systemic, interconnected, and unpredictable tasks and operating environments (Nason, 2017). “Complex” is different from “complicated”, as the latter involves many tricky, technical challenges. For example, building a computer or an aeroplane is a highly complicated task requiring much technical skill, the right components, machinery, instructions, etc. However, despite these difficulties, it is possible to repeat the process exactly the same way thousands of times in various locations. As Herbert Simon notes, even going to the moon was complex only in the sense that it challenged our technical capabilities: “It was achieved in an exceedingly cooperative environment, employing a single new organization, NASA, that was charged with a single, highly operational goal. With enormous resources” (Simon, 1996, p. 139).

In contrast to “complicated”, “complex” refers to the interconnectedness and interdependence of various factors. When a factory producing clothes for global markets collapses in Bangladesh killing hundreds of workers, this may seem like an accident. However, if we make sense of the event through the idea of complexity, we are prompted to see it in a more multidimensional way: we can see that people work in these conditions because of a shortage of other jobs. This links the disaster to local employment dynamics and the regulatory framework that enabled a factory to operate in an unsafe building. We can further connect the disaster to the dynamics of global trade in which the Bangladeshi garment industry can only survive by offering the lowest overheads. We can also see the link to consumption practices and habits of consumers in Western markets. Nevertheless, it is not possible to
identify a linear path of cause and effect from one event to another. Instead, the relationships are complex, multidimensional, and interrelated.

There are various ways to refer to complex and interacting societal challenges. They may be called “messes” (Ackoff, 1999), “grand challenges” (Ferraro, Etzion & Gehman, 2017), or “commons problems” (Ostrom, 1990). A well-known concept used to describe particularly complex and tricky leadership and management contexts is the concept of the “wicked problem” (Rittel & Webber, 1973; Weber & Khademian, 2008). Wicked problems are simultaneously unstructured, cross-cutting, and relentless. For example, the ageing workforce, which Hanna Salminen analyses in her chapter in this book can be considered a wicked problem (Salminen, Chapter 5). It is relentless because it is unlikely to ever be solved permanently. The problem is unstructured in the sense that the ageing workforce is connected to many other factors, such as the business environment, regulation, the skill level of the workforce, global economic cycles, etc. These all have an impact on employment policies and human resource management practices. The ageing of workforce is also cross-cutting, as it relates to many stakeholders with differing perspectives and potentially conflicting views.

Another good example of ambiguous and unpredictable social developments are changes caused by digitalisation, which several chapters in this book discuss. Digitalisation is a “megatrend” which currently affects – and will continue to affect – many sectors of society. No part of society is left unaffected by digitalisation, as Martti Nieminen argues in this book. Nieminen analyses the ways in which digitalisation and the associated transformations of the global economy have rendered the existing principles of international tax system outdated (Nieminen, Chapter 6). This volume also shows that some business sectors and industries, such as banking and insurance scrutinised by Raimo Voutilainen and Lasse Koskinen (Chapter 17), are facing major changes due to digitalisation. The interface between company and customer is moving to the Internet, and the development of digital technologies enables many key tasks to be carried out automatically. This
is likely to make many current employees redundant – while new jobs also emerge. Voutilainen and Koskinen suggest that one of the concrete implications of this for leadership and management is that businesses should invest in developing their employers’ abilities to deal with change.

In complex environments, each factor is linked to many other factors, which creates surprising outcomes. Many contextual and extra-contextual factors play a role in change processes, and unpredictable events may occur. Ambiguity and uncertainty are thus an inherent part of the leadership dynamics in complex settings. Moreover, even though we can imagine the directions in which societies, technologies and related opportunities are evolving, the future is uncertain and full of surprises: it is not clear what will happen and when. Therefore, it is not easy for a given actor to foresee the optimal course of action. Changes need to be made, but there is uncertainty regarding the type, direction, and timing of the actions to be undertaken. Tapio Juntunen and Sirpa Virta (Chapter 4) discuss this uncertainty in the context of security governance. They show that resilience politics has emerged as a response to the perceived inability of societies and governments to guarantee security through traditional preventive and proactive security policies in conditions of complexity. Moreover, Juntunen and Virta argue the rise of resilience thinking indicates a crisis or transformation of leadership.

One way to manage uncertainty is to build visions and strategies on the best available information, whether that comes from internal or external sources. Leaders also need to provide assurances that the required knowledge, assets, and capabilities are available to enact the change. The chapter by Pasi-Heikki Rannisto and Anna Saloranta expands on this point. Rannisto and Saloranta argue that while leading change effectively requires evaluation, few organisations actually evaluate their change projects. The authors also point out some ways in which evaluation can be embedded in organisational change processes (Rannisto & Saloranta, Chapter 10).

This book also draws inspiration from the work of scholars who have introduced frameworks that enable us to make sense of events and changes taking place in complex environments. One such example is the VUCA framework, which is used to describe complex and challenging leadership contexts (Bennett & Lemoine, 2014; Elkington, van der Steege,
Glick-Smith & Moss Breen, 2017; Mack, Khare, Krämer & Burgartz, 2016). VUCA stands for volatility, uncertainty, complexity and ambiguity:

- **Volatility** – There is a likelihood of sudden and unexpected changes. For example, there may be rapid changes in the cost of resources due to unpredictable events.

- **Uncertainty** – Something important may (or may not) happen – for example, due to some key stakeholders’ decisions – but these events are hard to predict.

- **Complexity** – The process includes many interconnected actors and variables, so it is difficult to foresee the outcome of events.

- **Ambiguity** – When dealing with new situations – for example, when entering an entirely new market – it may be difficult to understand the logic of how things work.

The four VUCA characteristics are nowadays quite commonly utilised in the work of leaders and managers, as there are many uncertainties and the world seems to change quickly. A VUCA type of environment can be considered an extreme context for leadership and management. It is complex, fast changing, and unpredictable. In such an environment, it is very difficult to know what is likely to happen and what would be the right step to take. The chapter by Mika Yrjölä, Hannu Kuusela, Elina Närvänen, Timo Rintamäki and Hannu Saarijärvi (Chapter 8) expounds on this point. The authors suggest that in the VUCA environment, leaders and managers need simplifying heuristics to refer to in complex decision-making situations. This argument is concretised with the help of the customer value framework. This can be used to ensure that in the midst of changes, the organisation remains relevant to customers – one of its main stakeholders.

### Relational Leadership

One of the key arguments of this book is that in a complex world, reductionist approaches to leadership are not sufficient. In contexts where multiple actors are involved, no single actor holds all the power, capability,
or competence to make decisions on behalf of others. Instead of top-down, hierarchical management processes, the LFC framework highlights the leadership roles of a variety of actors. Many chapters in this book examine how actors such as frontline employees, customers, or other stakeholders enact leadership. It further examines how cross-sector collaboration can create a greater collective capacity to address wicked problems and complex issues such as global sustainability challenges. In their chapter, Anna Heikkinen, Jere Nieminen, Johanna Kujala, Hannele Mäkelä, Ari Jokinen and Outi Lehtonen (Chapter 2) develop this point in the context of stakeholder engagement. Examining urban ecosystem services – parks, recreational forests, urban gardens – the authors characterise stakeholder engagement as an open and participatory dialogue between various human – and also non-human – stakeholders. Complex settings can be characterised by diverse and potentially conflicting interests, objectives, and perspectives. This has implications for leadership. When multiple stakeholders are involved, it is likely that conflicts of interest arise. As a consequence, negotiations, co-operation, and collaboration are needed. The chapter by Paula Rossi develops this point further. Rossi suggests viewing leading change as a reflexive practice where conflicts and clashing perspectives are explored and appreciated (Rossi, Chapter 9).

The LFC framework highlights the need to consider leadership in a relational way. This enables co-operation across sectors and the pooling of the strengths of differently positioned individuals and organisations in solving global challenges. It also challenges the status of human beings as central players in change processes, as the chapter by Heikkinen et al. (Chapter 2) shows. However, leadership is usually defined as the human capacity to influence others, or as the ability to guide or direct others. Often, leadership is seen as a personal skill or trait possessed by an individual, or as the capability or competence of a team or organisation.

Research often distinguishes between leadership studies at the individual (micro), organisational (meso), and societal (meta) levels. At the individual level, leadership literature examines leadership from various viewpoints, such as leadership roles (e.g., visionary, contributor, tactician, facilitator) or factors (e.g., strategic, communicative, personal, motivational). At the meso level, research often focuses on organisational performance and
seeks to determine how individual attributes, such as communication skills, are turned into organisational competences and outcomes. In addition to organisational results, it is also important to understand the processes leading to them. It is possible in many organisations to distinguish both top-down and bottom-up leadership processes. In the former, top management – such as a company’s board of directors (see Ruohonen, Chapter 13) – outlines the vision and defines the strategies for the organisation to follow. In the latter, strategies are more emergent and allow members of the organisation and societal stakeholders to participate in defining what is seen as important and valuable (see Kujala, Lehtimäki & Freeman, Chapter 7; Yrjölä et al., Chapter 8).

At the societal or meta level, the most critical leadership challenge relates to global sustainability. The United Nations have set 17 sustainable development goals (SDGs) that all societies and organisations across the planet should take seriously to ensure the present generation leaves the Earth in a liveable state for future generations: (1) no poverty, (2) zero hunger, (3) good health and well-being, (4) quality education, (5) gender equality, (6) clean water and sanitation, (7) affordable and clean energy, (8) decent work and economic growth, (9) industry, innovation and infrastructure, (10) reduced inequality, (11) sustainable cities and communities, (12) responsible consumption and production, (13) climate action, (14) life below water, (15) life on land, (16) peace, justice and strong institutions, and (17) partnerships for the goals (United Nations, 2015). Meeting the global challenges posed by the SDGs means that leaders of various organisations must think beyond the simplistic economic value so entrenched in our current thinking. Instead, they need to understand the importance of multiple societal and environmental values and seek guidance and representation from a diverse set of organisational and societal stakeholders in their decision-making.

Such a collective effort also means moving towards a more shared and relational understanding of leadership in organisations (Ropo, Salovaara, Sauer & De Paoli, 2015). When understood relationally, leadership is a process of influence through which social order (coordination) and change (new values, approaches, attitudes, behaviours) emerge (Uhl-Bien, 2006). While this book focuses on formal leadership, it also argues that in many cases leadership is not limited to a small set of formal leaders. It can take
The relational view acknowledges that leadership occurs in bottom-up processes as well as in top-down processes – for example, in the activities of citizens, consumers, activists, and other stakeholders. This is the focus of the chapter by Elina Närvänen, Malla Mattila and Nina Mesiranta (Chapter 14), which highlights the leadership roles of consumer citizens in the reduction of food waste; one of the biggest global sustainability challenges of our time. This chapter – as well as the book as a whole – shows that along with the idea of the complexity of societal challenges, relational leadership itself is a complex phenomenon – a “dynamic system embedding leadership, environmental, and organisational aspects” (Hunt & Dodge, 2000, p. 448).

The relational approach to leadership acknowledges that various practices and activities are required to carry out leadership. Processes that ensure the implementation of great visions – sometimes referred to as management – are also needed. Performance measures or indicators discussed by Tomi Rajala (Chapter 11) are an example of problem-solving tools that can be used to serve leadership objectives. Greenhouse gas emissions, life expectancy, household income, income inequality, inflation, unemployment rate, and economic growth are all examples of performance measures recording whether and how social change is occurring. One of the values of the relational approach to leadership is that it highlights the importance of planning, evaluation, organisation, and control when societies and individual organisations are stumbling through small or large changes. For change to emerge, those in formal leadership positions need to be supported by organisational functions such as indicators that ensure change processes are proceeding in the right direction.

The relational perspective on leadership can be distinguished from the more traditional entity or personalised perspective, which focuses on subjects and objects, and leaders and followers. This perspective understands leadership as the capacity of individual entities, such as persons, organisations, states, or groups of states. Given the imbalances of power between differently positioned actors, it makes sense to take into account the chiasmatic existence of both relational and entity-based leadership dynamics. For this reason, this volume also includes chapters
examining examples of more leader-centric or entity-based leadership. Janne Ruohonen explicates (Chapter 13) the mechanisms of protection against liability for damages that enable company directors to make big decisions in complex environments or in conditions of uncertainty. Tapio Raunio (Chapter 12) analyses another example of person-centered or entity leadership: Comparing three semi-presidential regimes, the chapter shows that institutional design has an independent effect on the coherence of leadership enacted by the executive. Marko Juutinen (Chapter 16) takes the discussion of leadership to the global level, posing questions about the extent to which BRICS should be viewed as a new agent in global affairs responding to leadership demands in a changing world order.

Dynamic Change

Change is a notion that puzzles activists, business leaders, politicians, civil society actors, and managers alike. It comes in many shapes and sizes: it may be small or large scale (Zittoun, 2009), planned or emergent (Hodges & Gill, 2015), evolutionary or revolutionary (Gersick, 1991), and deep or broad (Sabatier & Cerych, 1986). Sometimes it is useful to distinguish change from other related notions, such as adjustment, transition, and transformation. If defining change is not simple, then neither is making change happen. Even simple, small-scale changes can be difficult to make and sustain. Most people have attempted to make a change at a personal level, such as starting to exercise more regularly or adopting a different diet for health or ethical reasons. Sometimes it is difficult to get started, while in other cases sustaining the new routine is the problem.

According to some studies (Burnes, 2011; Hughes, 2011), as many as 70 per cent of all change projects fail to produce the desired outcomes. Organisational change projects may fail for various reasons. They may fail purely because making change happen is not an easy task. Moreover, there are many steps in a change process where the management can make mistakes that lead to failure (Kotter, 2012). Thinking of change in terms of a sequence of incremental steps is the traditional way of understanding social and organisational change (see also Kanter, Stein & Jick, 1992).
The underlying assumption of planned change is that it can be enacted through conscious decisions, reasoning, and action. Change is thought of as a linear sequence of events. The focus is on the controllability of the change process under the stewardship of a competent leader. Typically, approaches that rely on the planned change perspective describe interventions that – as a response to some crisis – “unfreeze” systems, alter some of their features and then “refreeze” the altered system (Lewin, 1951; see also Weick, 2009, pp. 225–241).

When managing projects in the context of small-scale changes in single organisations with clear roles or defined decision-making authorities, a road map detailing the route from the need for change to the practicalities of implementing change may be useful. Indeed, in many organisational contexts, change involves managers trying to improve organisational performance by actively changing something: revising organisational structures, changing the ways of operating, acquiring new competences, or developing new products and services. These projects typically aim at developing customer service, improving profitability, or reaching other relevant organisational goals. However, such step-by-step change models can also be found in programmes that aim at broader societal transformations. The chapter by Erkki-Jussi Nylén (Chapter 15) in this volume examines the circular economy as a change-provoking concept with the help of which actors can reorient their actions towards a new economic model.

Solving sustainability challenges, addressing societal security threats, and developing employment opportunities in local business environments are issues that cannot be completely planned in a step-by-step manner.
joint efforts of several actors or stakeholders are at play. In contrast to the linear conception of change, the LFC framework also recognises that many systems are already unfrozen. In such open systems, some kind of modification is always going on. Change is therefore seen as an emergent, continuous, non-linear process with no finite end-point or causal link between the steps or stages (Capano, 2009, p. 11). Change in any one factor of the system – not necessarily a sequence – may lead to deep changes in the system (Capano, 2009, p. 12).

The emergent view to change is sensitive to the idea that change may result from the decisions and actions of variously positioned individuals. Change may also result from interaction between scales. This ties in to the relational view of leadership. Leading change is not limited to societal or organisational leaders or managers; it is neither a top-down process nor an isolated event. An example of this is the need to reduce food waste. As discussed by Närvänen et al. (Chapter 14), this challenge gives a leadership role to consumer-citizens, but is also connected to wider regulatory and business landscape dynamics, both locally and globally.

Much emergent change may go unnoticed, since it “occurs when people reaccomplish routines and when they deal with contingencies, breakdowns, and opportunities in everyday work” (Weick, 2000, p. 237). Weick (2000) argues that leaders should learn to appreciate emergent change and its effects, encourage experimentation, and create a culture of dialogue where people can speak up when things do not work or antagonisms emerge. This insight resonates with Paula Rossi’s (Chapter 9) discussion of the role of conflicts in change processes. In fact, some scholars have suggested that in the case of complex systems, the idea of a system-fixing change should be abandoned altogether. The focus of change efforts should rather be on identifying a number of points that can be adjusted to improve the overall system. Evolutionary change is a form of such continuous, incremental adaptation and adjustment. When change is understood in evolutionary terms, it preserves some continuity with the past. Perhaps controversially, stability and balance are key ingredients to many evolutionary theories of change. Due to the requirement for balance, changes in one aspect of the system require adjustments in other aspects. Evolutionary theories may
thus end up minimising the effects of change as adaptations and evolutions eventually contribute to the balance of the existing system (Pierson, 2000).

By contrast, a revolutionary change is a discontinuous, radical, and usually unpredictable break from the past. While technological changes associated with industrialisation revolutionised societies in the 18th and 19th centuries (see Nieminen, Chapter 6), artificial intelligence and robotics are considered to have the potential to cause revolutionary changes in contemporary societies (see Voutilainen & Koskinen, Chapter 17). Revolutionary change may also arise as a response to a crisis. It can cause a major shift in the structure of an organisation – be it a state, firm, NGO, or the global economic model. Revolutionary change may also represent a fresh start occurring without warning (Kanter et al., 1992). Revolutionary change is sometimes referred to as a transformational or radical change, as its aim is not to improve and adapt the existing system, but to do things differently – or to do different things. As Erkki Jussi Nylén (Chapter 15) suggests, the idea of revolutionary change is present in those strands of circular economy thinking suggesting a more radical, postgrowth reconfiguration of economic models to meet the sustainability challenges of our time. If systemic change is understood as revolutionary, it has wide-ranging impacts throughout society – for example, in education, legislative, and overall governance systems.

The chapters in this book make it clear that today’s leaders face demanding situations in which they must anticipate and adapt to changes, influence desired change processes, and address wicked problems. In these challenging, complex situations, standardised approaches to leadership often do not work. It is difficult to form an accurate and comprehensive view of the situation, and no obvious technical answers are available. There are also limitations regarding which of the relevant aspects of the problem the leader can influence. New leadership capabilities are needed to deal with complex change. It is not easy to provide a definitive list of these capabilities due to the endless amount of different change contexts. Instead, heuristic models and analytical frameworks – such as the LFC framework developed in this book – provide generic and adaptable thinking tools to meet the needs of various change contexts. There is obviously a need to develop this framework further. As Arja Ropo argues in the
afterword chapter, the complexity view of the world is elitist and founded on the possibility of rational thinking. It may leave the embodied and emotional aspects of leadership and change with too little attention. While some of the chapters in this volume consider not only human but also post-human dimensions of leadership (e.g., Chapter 2), further developments of the LFC framework should also consider the implications of the material turn in organisation studies and social sciences. This would mean paying attention to the ways in which social and material processes mutually enact leadership and change (e.g., Dale, 2005).

The dimension of time can also be added to the LFC framework. The concept of the Anthropocene has alerted us to the fact that although a very recent phenomenon in the unimaginably long history of Earth, the presence of humans has had a profound impact on the planet. In fact, if the history of the Earth were a single day, the first humans resembling us appeared at only a few seconds to midnight. Yet, during this relatively short time, we have become a major geological force (Lewis & Maslin, 2018, p. 3). One among the profound environmental changes caused by humans is climate change. Climate change, as a subtle and cumulative process, is a fitting example of how short-termism and long-term consequences collide. Many practical leadership situations are characterised by time-pressures and animated by short-term incentives. Yet, enacting leadership on the damaged planet requires also considering the long-term impact of our actions. Adding the dimension of time to the LFC framework and developing polyrhythmic understandings of leadership provides an important and interesting possibility for the further development of the framework.

References


