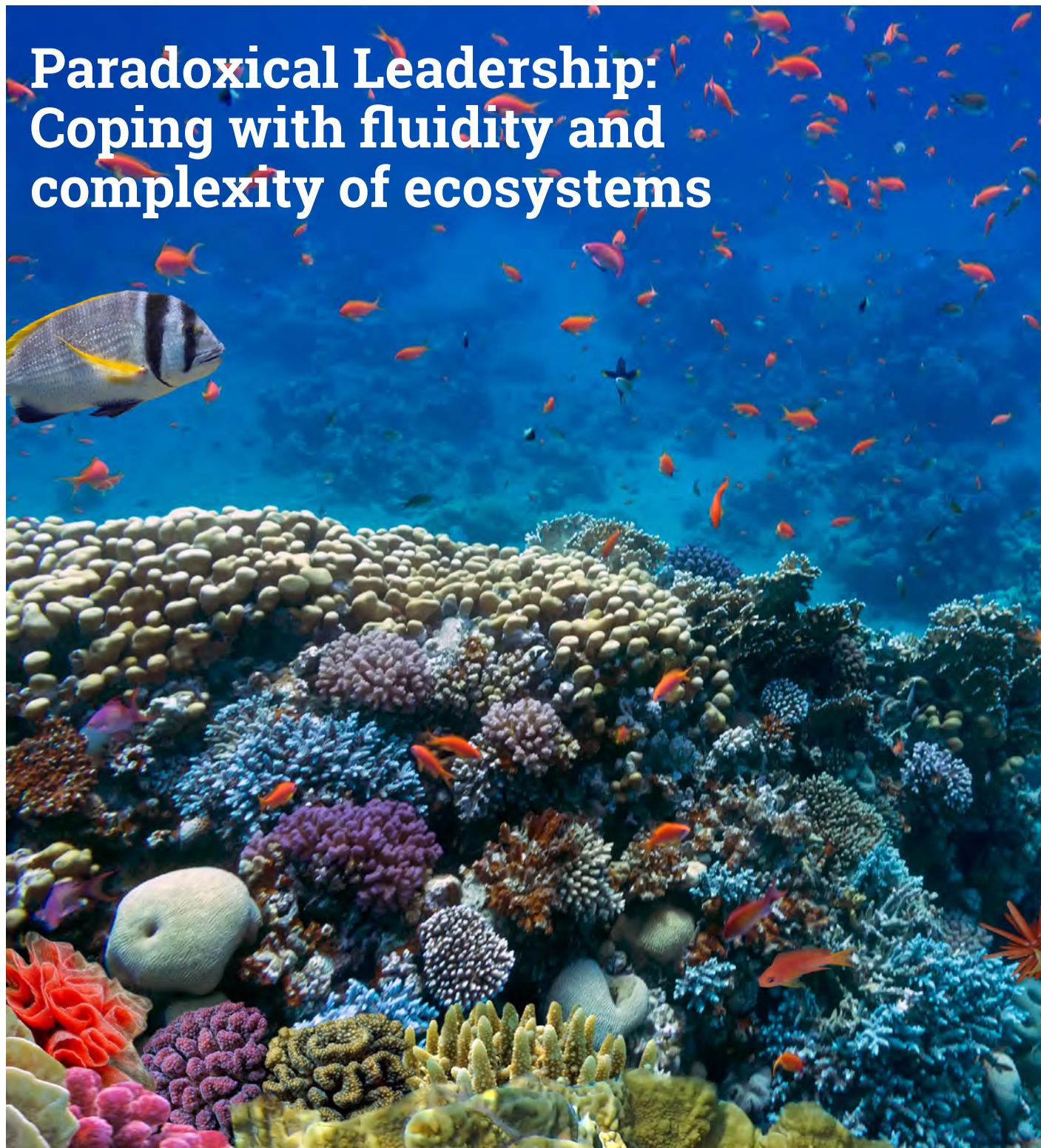


Business Schools + Ecosystems = ?

By

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Paradoxical Leadership: Coping with fluidity and complexity of ecosystems





We live in a complex, rapidly changing world that constantly confronts us with new challenges. Governments, companies and social profit organisations are constantly looking for new solutions. Often, they do so from within the structures and with the methodologies that have proven their worth for decades. This is understandable. Why should what worked yesterday and led to good results, suddenly no longer work today? Established frameworks, such as the make, buy, or ally principles, are and will remain useful. In more and more situations, however, it is gradually becoming clear that “more of the same” no longer works. Some issues turn out to be so complex that a conclusive and effective answer can only come from an equally complex framework. For the challenge of “wicked” problems such as global warming, migration, fighting pandemics and poverty, we need to tap a different keg, a network keg and the perspective of an ecosystem. This constitutes another framework, and it marks the beginning of the “join”-era¹. Because knowledge and competences are spread out over different organisations, only the joint forces of otherwise independent organisations can work towards finding effective solutions to wicked problems. Solutions that would otherwise not be found.

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Ecosystems

The wicked problems faced by today's leaders require mental models other than the ones that created them. Ecosystems provide a mental model attuned to the simultaneous needs for variety and alignment to tackle wicked problems in global networks. An ecosystem lens challenges conventional management wisdom by replacing simple, zero-sum oriented action principles with complex, co-opetitive and generally paradoxical ones. Even though it's hard to pinpoint exactly what an ecosystem is, amid a wilderness of viewpoints on an inherently complex concept, this article tries to draw implications for leadership by focusing on how common elements across ecosystems traditions challenge conventional leadership wisdom. These challenges require business schools to equip leaders with new mental models.

In line with ecosystems' open, yet functionally bounded scope², their interdependent yet adaptive co-evolution³, their emergently distributed yet intentionally market-centric self-organisation⁴, and their cross-sectorally diverse, yet externality-reducing reach⁵, we offer the following non-exhaustive definition of an ecosystem as:

An open but self-contained, functional multi-stakeholder system of interacting and co-evolving actors and institutions, characterised by a meso-specific goal-directedness and partial formalisation.

Leadership in ecosystems faces specific challenges as it implies mobilising others to act in the ecosystem's interest. Ecosystems'

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partial formalisation⁶ implies that leaders need to motivate others who are not contractually bound to follow. This calls for trust-building, by being empathic and fair to create goodwill, and by formulating a shared vision that engenders a deep meaning and direction. The neutrality required for trustworthiness in turn conflicts with the expected drive for fast results, as quick wins provide social proof to mobilise ecosystem followers. Ecosystem leadership is most relevant when entire industries or regions need to be mobilised to face wicked challenges. To achieve critical mass, leaders are required to support an innovative coalition of the willing, without aggrrieving the late majority and to be patient for returns, but impatient for tangible project results.

Their legitimacy derives from their ability to broker exchanges and empower others to take initiative. Such servant leadership is paradoxically the indirect way to push others for aligned collective action, learning and purpose-driven development in the ecosystem. Ecosystems cannot be “pushed”, but rather effectuated by “setting a rhythm” for the ecosystem to let a shared interest, commitment and results grow from interactions between members. Moreover, the leadership role in complex systems is polycentric and distributed across self-organising subsystem hubs. As such, ecosystem leadership involves complex goal-setting with no authority and mere partial reach, unpacking goals into simple action rules to nonetheless stimulate local initiative, all while aligning with initiatives across subsystems. Enacting as “one” in this way is, furthermore, set in an ecosystem, whose composition, context and one’s own role in it is in constant flux.

For leaders at business schools, we argue that the challenge is even more profound. As knowledge hubs and leadership beacons in the ecosystems around them, they have a responsibility to prepare their own organisation, as well as the ecosystem, for the new realities ahead. Their role is that of the ideal-typical ecosystem leader who enacts the required mindset and practices for other hub leaders to follow, signposting the transformations needed and reporting on the ecosystem’s current state. They are the chairmen of the virtual,



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distributed board that sets the ecosystem’s direction and designs its governance without formal authority to do so, nor with any of the other formal governance levers that boards typically possess. As such, business school leaders must become masters of paradox, embracing the simultaneous yet paradoxical needs for emergence and intentionality, for direction and distributed initiative, and for increasing connectedness and interdependency while remaining adaptive.

Leadership Paradoxes

In order to meet the complexity and multiple paradoxes characterising their context (see table 1 p52), leaders of ecosystems will need to reflect this complexity in themselves and develop paradoxical leadership.

Based on research in the NeuroTrainingLab™ we have proposed a theoretical framework of paradoxical leadership behaviours⁷. Everything starts with “integral leadership complexity”, the interaction and integration of cognitive, emotional, and social-cultural complexity in the individual.





Competition	Cooperation
Autonomous, open, distributed agency	Interdependent agency
Short Term Drive for Results	Long term Vision transcending organisations
Organisational benefits	Shared benefits of the ecosystem
Strong Initiative to create an ecosystem	Distributed leadership to maintain an ecosystem
Intentionality	Emergence
Context as constraint	Context as enabler

Table 1: Paradoxes of Leadership in Ecosystems

Self-centeredness	Other-centeredness
Keeping distance and perspective	Seeking closeness and connection
Uniformity in application of policies, rules	Individualisation of solutions
Enforcing work requirements	Allowing flexibility
Keeping control	Delegating autonomy
Informing, persuading	Inquiring, listening
Task-Orientation	Relation-Orientation
Focus of Exploitation	Focus on Exploration

Table 2: Paradoxical Leadership Behaviours in Ecosystems

This is a necessary condition to develop behavioural complexity, function of one’s behavioural “library” or “repertoire” of accumulated, visceral, first-hand experiences, scripts and protocols of how to actually deal with situations that require simultaneous and contradictory approaches and how to respond to a host of ambiguous and contradictory forces, including the simultaneous presence of opposites. Effective leaders can draw from a broader repertoire of potentially conflicting leadership behaviour than less effective managers. Behavioural complexity will, in turn, determine the level of competency of the person in balancing multiple paradoxical behaviours, which will co-determine leadership effectiveness, both in terms of getting results and building trust. We can distinguish eight dimensions of paradoxical leadership behaviours (see table 2).

Switching between paradoxical leadership behaviours requires cognitive ability, flexibility and self-regulation, all needed for balancing the paradoxes; to be calm and mindful to take perspective and consider the different sides of

multiple paradoxes, and switch between different poles of paradoxes just at the right time. These are all executive functions, run by the resource-intensive pre-frontal cortex. This means that self-regulation is much needed, but also costly, as it can result in loss of time, energy resources, fatigue and stress. This explains why managers can run out of fuel quickly and fall back on automatisms to save resources, getting stuck in one leadership style, the one that is most familiar and easy to execute.

Implications for research & practice

As extant research on ecosystem leadership is predominantly conceptual and lacking synthesis, opportunities for future research are vast. Given the complexity of the ecosystem concept, it remains an elusive phenomenon, with each new advance still raising more questions than it answers. To avoid remaining stuck in purely academic definitional explorations, researchers are invited to delve into the messy and dynamic context of ecosystems with a phenomenological lens to identify

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complex ecosystem leadership dynamics. The best way to do so for business schools, as bridges between scientific discovery and wise business practice, is to engage in performative ecosystem research projects enacting the ecosystems around them for the wicked problems affecting them and the future markets embedded within those problems⁸.

From a more traditional stakeholder perspective, a business school should (and will) focus on the alumni community, the university, fundraisers, future students, faculty, governments and companies. However, much more is needed from a contemporary network perspective when value propositions can and will be formulated at the network level. None of the participating stakeholders can achieve these alone, but together they can. Business schools therefore need to shift from an ego-perspective (with themselves in a central position) towards a network perspective in which they participate as a necessary but insufficient partner to obtain answers for wicked problems that no single organisation can obtain. A business school's unique knowledge contribution, bridging academic rigour with practical relevance, will then be key to face challenges that require collaboration, not competition.

Conclusions

To conclude, we need a radical mind shift and the necessary development of integral complexity and paradoxical leadership in agents of ecosystems in order for them to meet the challenge. Business schools can contribute to the development of ecosystems in many ways, of course by taking the lead in building bridges between multiple stakeholders in society, but also by developing integral complexity and paradoxical leadership in students, in order to help them develop the required mindset and exacted leadership competencies to build and participate in ecosystems themselves. Collaborating in complex ecosystems may well be the only way to address some of "wicked", enormously complex, and in many cases existential challenges that our contemporary society faces.



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