

**AN IN-DEPTH ANALYSIS OF SHARED GOVERNANCE
IN TODAY'S COMPLEX ENVIRONMENT**

Campbell, Andrew

Indiana Institute of Technology, Indiana, United States of America

acampbell01@indianatech.net

Abstract

In this paper, the author argues that conceptually there are supportive relationships between complex adaptive leadership frameworks and shared collaborative governance mechanisms. The purpose of this paper is to address the nexus between the framework of complex adaptive leadership and collaborative structure that necessitates organizational governance mechanisms that exists cross-functional boundaries. The organizational interests and politics, accountability and control, and the leadership challenges of complex organizational processes influence the firm's relational and social capability to collaborate. The author proposes a paradigm shift to reform current traditional leadership methodologies to construct new adaptive leadership methodologies that govern collaborative relationships in today's complex environment.

Keywords: governance, complex adaptive leadership, shared governance, collaboration

INTRODUCTION

In today's dynamic environment, the evolution of collaborative relationships challenges leaders to form effective governing models stemming from non-linear, multiple level organizational arrangements, and interpersonal group dynamics. The author argues that conceptually there are supportive relationships between complex adaptive leadership frameworks and shared collaborative governance mechanisms. The purpose of this paper is to address the nexus between the framework of complex adaptive leadership and collaborative structure that necessitates organizational governance mechanisms that exists cross-functional boundaries. The organizational interests and politics, accountability and control, and the leadership challenges of complex organizational processes influence the firm's relational and social capability to collaborate. The author proposes a paradigm shift to reform current traditional leadership methodologies to construct new adaptive leadership methodologies that govern collaborative relationships in today's complex environment.

LINK COMPLEX ADAPTIVE SYSTEMS (CAS) TO COLLABORATIVE GOVERNANCE

Examining the theoretical concept, the author defines CAS as a leadership construct of dynamic adaptive and emergent interactions between actors within a chaotic, uncertain, and unpredictable environment to solve problems between organizational systems. Researchers state that “complexity theory is about dynamics of interaction among multiple, networked agents, and how such interactive dynamics generate emergent events” (Uhl-Bien & Marion, 2008, p. 6). “Although chaotic systems and complex systems are different . . . chaos theory does inform Complexity Theory as both concern non-linearity. Chaos is critical to the process of adaptation and evolution... not all systems have equal capacity to evolve” (Schneider & Somers, 2006, p. 355). Therefore, the author suggests that an interaction among actors in a chaotic environment requires supportive collaborative governance structures within complex adaptive leadership frameworks.

The literature suggests that a collaborative governance structure is needed to manage a chaotic and complex environment. For example, “complexity in a system occurs from the interaction of system variables over time” (Schneider & Somers, 2006, p. 360). Moreover, “governance scholars have recently sought to theorize issues of complexity and governance... the ability of governance systems to cope with change and uncertainty” (Duit & Galaz, 2008, p. 316). Interestingly, linking the political, economic, and social governance structures necessitates modifying traditional functional silos to CAS and collaborative interactions. Armitage (2008) argues that the “role of power, scale and levels of organization, knowledge valuation, the positioning of social actors and social construction of nature... shape governance” (p. 7).

Therefore, the author believes a brief discussion of organizational tension, adaptive, and emergence assists in understanding the linkage between CAS and collaborative governance structures. Archer and Cameron (2009) and Kezar (2004) argue that organizations are complex and that interpersonal and inter-organizational tension exists across boundaries and along multilevel organizations. Plowman and Duchon (2008) suggest that when “a disturbance occurs, a correction is necessary. Presiding over equilibrium, removing barriers of resistance to change, establishing order, and minimizing conflict are often seen as hallmarks of effective leadership” (p. 141). Researchers contend that in an extreme crisis event, the employment of administrative leadership resolves organizational tension back to a steady state environment (Hannah, Uhl-Bien, Avolio, & Cavarretta, 2009). Moreover, the literature indicates there is an organizational tension between administrative and adaptive leadership styles to solve organizational challenges (Uhl-Bien, Marion, & McKelvey, 2008). Therefore, an argument can be made that organizational tension, brought on from collaborative actions, creates interactions that enables leaders to adapt the internal and external organizational controls to resolve conflict in order to

enhance intra-firm capabilities and performance (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece, Winter, 2007; Uhl-Bien et al., 2008). This enables leaders to maximize relational and social networks to reduce organizational tension and move toward a positive collaborative outcome. Scholars argue that “enabling leadership, then fosters complex networks by (1) fostering interactions, (2) fostering interdependency, and (3) injecting adaptive tension to help motivate and coordinate the interactive dynamic” (Uhl-Bien et al., 2008, p. 206). Scholars contend that “agent interactions can generate tension through which novel information can emerge; when those new ideas lead to positive change, adaptive leadership has occurred” (Lichtenstein, Seers, Uhl-Bien, Orton, Marion, Schreiber, 2006, p. 5).

Nonetheless, the author argues that as organizational tension arises in a complex environment, transformation occurs when a small event triggers leaders to adapt when unexpected interactions occur in the organization. Thereby, integrating the adaptive and emergence of self-organization with organizational steady state activities generates new knowledge, innovations, and critical network interactions in solving organization problems (Duit & Galaz, 2008; Lichtenstein et al., 2006; Hannah et al., 2009; Schneider & Somers, 2006; Uhl-Bien et al., 2008). The trigger threshold for organizational change reflects the firm’s political, social, and economic systems (Duit & Galaz, 2008). As a result, the adaptive behavior by the collaborative leader influences the nonlinearity of emergent outcomes across multiple levels within the organization (Uhl-Bien et al., 2008).

In addition, collaborative governance framework supports the CAS leadership applications within multilevel organizations in three ways. First, scholars contend that the CAS framework “is not primarily defined hierarchically, as they are in bureaucratic systems, but rather by interactions among heterogeneous agents across networks” (Lichtenstein et al., 2006, p. 3). Unfortunately, Stoker (1998) suggests “faced with the complexity and autonomy of a system of multi-level governance there is a strong tendency for political leadership to seek to impose order and issue directives” (p. 24). Therefore, Stoker (1998) argues that CAS practitioners will posit that in the context of collaborative governance the leader “has to learn an appropriate code which challenges past hierarchical modes of thinking” (p. 24).

Second, not only does the literature suggest that a centralized decision-making construct is ineffective, but that adaptive agents within collaborative networks enable leaders to stimulate interactions across functional domains, which decentralize decision-making in an uncertain and complex environment. Uhl-Bien et al. (2008) state that administrative “authority imposed coordination is not necessarily responsive to the potent dynamics of interdependent learning, creativity, and adaptability inherent in adaptive complex systems” (p. 197).

Third, the author contends that adaptive and enabling leadership supports CAS as actors collaborate collectively to interact and create innovative ideas in solving organizational

problems (Uhl-Bien & Marion, 2008). Plowman and Duchon (2008) argue that “if the goal is to implement a major change, leaders are expected to recognize the forces for change, unfreeze the status quo, implement the change, and freeze the new change so as to make it permanent” (p. 141). Scholars contend adaptive leaders that decentralize decision-making at the mid-level management “recognize the difference between task conflict, and interpersonal conflict and work to promote productive, task conflicts. They contribute ideas and opinions, they play devil’s advocate, and they address the ‘elephants on the table’ that others try to ignore” (Uhl-Bien et al., 2008, p. 209). Interestingly, scholars contend that “leaders might consciously initiate their leadership role, or might accept the role that has been given at them. Leaders might be unaware of their role, as others might also be unaware, but nonetheless leaders might emerge” (Schneider & Somers, 2006, p. 355). That said, in a collaborative environment, the interaction at senior and mid-level management creates interdependencies that disentangle the organizational tension between adaptive and administrative leadership practices (Obolensky, 2010; Uhl-Bien et al., 2008).

Finally, Bolman and Deal (2008) state “organizations are complex. They are populated by people, whose behavior is notoriously hard to predict. Moreover, organizations are open systems dealing with a changing, challenging, and erratic environment. Things get even more knotty across organizations” (p. 31). Armitage (2008) suggests that governance as “a complex systems problem draws attention to the social and ecological system properties not amenable to conventional, top down decision-making. These properties include cross-scale dynamics and feedback, self-organization, multiple domains of attraction, emergence, uncertainty, and change” (p. 8). Therefore, the author agrees that organizational structure and culture is important as CAS leaders adapt and transform systems from the social, economic, and political pressures to collaborate and leverage complementary assets in a fiscally constrained environment (Lichtenstein et al., 2006). This is important as the firm’s relational and social network learns to adapt within internal and external controls of the organization. As individual agents collaborate around common goals to produce managerial strategies and outcomes, the firm’s dynamic capability sustains its competitive advantage (Armitage, 2008; Helfat et al., 2007; Uhl-Bien et al., 2008). The author suggests the underpinnings of collaborative governance are a key pillar for resilience, information sharing, generation of new technologies, and knowledge transfer cross functional boundaries and multilevel organizations. Consequently, as the complexity of organizations increases, the adaptive capacity for leaders to adapt and manage network resources, merge capabilities, and connect routines to sustain a competitive advantage is critical in today’s global environment. Duit and Galaz (2008) state that the idea of an adaptive capacity of governance systems is developed through making a conceptual distinction between ‘exploitation’, that is , the capacity to benefit from existing forms of collective action, and

‘exploration,’ that is, the capacity of governance to nurture learning and experimentation (pp. 318).

At this point, the author posits that mechanisms for collaborative governance supports CAS as a leadership framework. Emerging leaders need to adapt mental models from organizational stovepipes to strategic thinking in a collaborative environment as senior decision-makers make critical policy decisions. The author will briefly discuss the tenets of collaborative governance structures, why it matters to organizations and their implications.

WHAT IS COLLABORATIVE GOVERNANCE?

The author conceptually defines collaborative governance as an adaptive and management mechanism that advocates stakeholder interests in which rights and responsibilities are shared jointly. The literature defines collaborative governance as “ways objectives are set, accountabilities are defined, and decisions are made across the partnership” (Archer & Cameron, 2009, p. 53). Furthermore, Thomson and Perry (2006) and Stoker (1998) define collaborative governance as creating structures and power sharing arrangements that regulates behavior and relationships in order to make joint decisions. Interestingly, according to Archer and Cameron (2009), “governance is the skeleton of your partnership-the supporting frame that holds everything together. And it’s important to get it right-and to be prepared to change it if it’s not working” (p. 55). Armitage (2008) suggests that “governance is thus crucially dependent on collaboration of multiple social actors across levels and scales of organization” (p. 15). Therefore, the author notes that enabling leaders to groupthink, as policy networks collaborate and negotiate to access technological resources across industries, creates multilevel adaptive conditions to reformulate and self-organize for positive organizational outcomes (Archer & Cameron, 2009; Durose & Rummery, 2006; Sawyer, 2007; Uhl-Bien et al., 2008).

GOVERNANCE SUPPORT TO CAS

Naturally, this raises the question of how scholars define collaborative governance in relation to CAS. Armitage (2008) states that “governance is increasingly recognized as a complex systems problem” (p. 15). The literature suggests a theoretical paradigm shift from traditional and individual leadership frameworks to CAS constructs featuring more innovative, adaptive, and collaborative approaches. “Complexity leadership theory proposes that effective leadership creates conditions in which localized instances of adaptive behavior can emerge and adapt to situations . . . it enables agents to take initiatives, it enables communications/interaction, and it builds interdependencies” (Uhl-Bien & Marion, 2008, p. 11). Duit and Galaz (2008) argue that “a CAS perspective is that there is a vast difference in governing complexity and in governing complex adaptive systems. While complexity implies change, uncertainty, and limited

predictability, complex adaptive systems have common feature that result from their emergent properties” (p. 317). Several analysts have provided research that discusses how governance systems interact with CAS through administrative, adaptive, and enabling leader constructs over time (Duit & Galaz, 2008; Uhl-Bien et al., 2008). The author notes adaptive leaders recognize change in emergent market forces that enables leaders to explore technological innovations and exploit increased production distribution as an enabler for productive corporate partnerships in today’s complex environment (Duit & Galaz, 2008; Helfat et al., 2007; Uhl-Bien et al., 2008). Armitage, (2008), Duit and Galaz (2008) and Uhl-Bien et al. (2008) argue that conceptually a governance system strengths the adaptive capacity of co-management between exploitation and exploration.

Force and hierarchy, third-party enforcement, generalized trust, network structures, institutional trust, norms of reciprocity, perceptions, beliefs, taboos, and the creation of institutional rules are all examples of mechanisms that can be called upon to ensure cooperation among actors in a governance system, as well as for keeping transaction costs on an acceptable level. (Duit & Galaz, 2008, pp. 319)

The definitional implication assists in understanding the role of shared leadership and organizational power structure. This establishes the argument that collaborative consensus building and network relationships are critical in order to deliver effective organizational solutions across industries.

WHAT ARE GOVERNANCE COLLABORATIVE STRUCTURES?

In order to understand the supportive conceptual link of CAS and shared governance as an organizational construct, the author notes that collaborative governance is an issue across private and non-private enterprises. The challenge for today’s leaders is that collaborative actions to solve organizational problems are heuristic. The author suggests that there is no one right way of governing collaborative process for consensus building that can be applied in all situations. Thus, scholars argue that “governing the commons [collaborative actions] in a multi-level world requires novelty and innovation” (Armitage, p. 8). The literature suggests two theoretical constructs for collaborative governance relationship to CAS. First, analysts have provided insights that an efficient form of governance is either, on the one hand, rigid through administrative leadership that delivers stable and predictable response to uncertain environment, on the one hand (Duit & Galaz, 2008). On the other hand, a flexible governance system where, in a non-hierarchical construct, adaptive and enabling leaders develop learning processes as multiple actors navigate through complex networks to either explore or exploit market-based solutions (Duit & Galaz, 2008; Uhl-Bien et al., 2008). Whereas, the robust form governance is inherently capable to resource and share information across function domains in

order to transform crisis events to steady state governance processes (Duit & Galaz, 2008). Duit and Galaz (2008) state that “the robust governance type is the only governance type that has a sufficiently high level of adaptive capacity to be able to respond to all sorts of complex processes” (p. 321). Second, “scholars utilizing structural theories suggest that the most important aspect in creating a functional governance system is to focus on organizational structures such as lines of authority, roles, procedures, and bodies responsible for decision-making” (Kezar, 2004, p. 38). “Governance as an interactive process involves various forms of partnership. It is possible to distinguish between: principal-agent relations, interorganizational negotiation and systemic co-ordination” (p. 22). Therefore, collaborative leaders need to understand that the key activity across collaborative groups involves both a pull of specific information sharing from external actors and a push of more general information by internal actors across organizational boundaries. This is why Uhl-Bien et al. (2008) state that “much of leadership thinking has failed to recognize that leadership is not merely the influential act of an individual or individuals but rather is embedded in a complex of interplay of numerous interacting forces” (p. 192). Scholars contend that collaboration requires relatively loose-networked organizational structure with ambiguous role relations (Kezar, 2004). Armitage (2008) and Durose and Rummery (2006) note that collaborative governance necessitates open systems of organizational constructs that provide legitimacy, accountability, and operational control in the development and sustainability of partnerships, interdependent network relationships, and organizational arrangements. Armitage (2008) states governance will structure the “collaborative forms of management in which rights and responsibilities are jointly shared and clearly defined” (p. 16). The implication of understanding collaborative governance structures shapes leaders’ actions to manage collective individual cooperation for accountability of resources and information to solve organizational problems.

WHY GOVERNANCE MATTERS

In previous sections, the author has argued that collaboration requires a different type of leadership, more towards the facilitative end of the scale and less toward the directive or autocratic end of the scale. The literature suggests traditional administrative leadership with a centralized decision-making construct is not only necessary, but as a managerial construct in today’s complex environment is ineffective (Schneider & Somers, 2006). Thus, Lichtenstein et al. (2006) state “traditional hierarchical views of leadership are less and less useful given the complexities of our modern world” (p. 2). To illustrate, leaders require a different way of thinking across functional and organizational boundaries as senior leaders direct administratively top down driven decisions throughout the organization (Armitage, 2008; Obolensky, 2010; Uhl-Bien et al., 2008). “Leadership theory must transition to new perspectives that account for the

complex adaptive needs of organizations” (Lichtenstein et al., 2006, p. 2). The author suggests that the leader’s function is to solve organizational problems. Plowman and Duchon (2008) argue that “traditional views of leadership focus on the leader’s role in influencing others to accomplish task necessary for achieving goals” (p. 141). Accordingly, in chaotic environments, leaders have a managerial role to set the collaborative tone, encourage team members to tackle the tough problems, and establish governing standards (Lichtenstein et al., 2006).

That said, researchers identify five key concepts that determine whether “organizations will be pushed towards collaborating with each other; achieving shared vision; maximizing the use of available resources; addressing complexity in policy or service environments; maximizing power and influence in relation to a policy or service area; and resolving conflict” (Durose & Rummery, 2006, p. 319). This is why shared governance is important. Archer and Cameron (2009) state “the challenge for the collaborative leader is to help your organization build relationships with multiple partners you will never meet face to face, who have business models and ways of working that are very different from your own” (p. 184). Stoker (1998) argues, “governance is about a ‘reinvented’ form of government which is better managed” (p. 18). An argument can be made that collaborative governance mechanism unifies the collective actions of adaptive leaders to generate organizational leadership mechanisms that structure common goals and balances the complexity of cross-sector collaborations (Hazy, 2008). It is important to understand that a governance mechanism unifies leadership “within the environment, even in the face of change (Hazy, 2008, p. 367). Furthermore, “when acting as unifying leaders, individual agents develop, evolve, and share with one another a cognitive model of their group and the organization—including their boundaries, structure, and purpose” (Hazy, 2008, 367). This implies that governance structures are needed in a complex environment to reach collaborative agreements and shared common goals. The complexity of interorganizational politics for participative decision-making to solve problems will challenge leaders to adapt and develop new competencies for high performance.

CONCLUSION

The author posits that researchers need to conserve the complex adaptive leadership principals that enable leaders to resolve organizational tension and entanglement of organizational problems. In a collaborative context, conserving and integrating CAS leadership theory into existing conflict resolution theory, negotiation theory, and dynamic network analysis may provide an understanding of role identity as collaborative groups struggle to reconcile self-interest with collective interest’s governance issues.

The author posits transforming the current traditional leadership models to that of developing emergent leaders to adapt self-governing leadership mechanisms from the bottom

up collaborative actions within today's complex organizational environment. Emergent technologies have changed the organizational political, social, and economic landscape. The coupling of technological innovation and multigenerational workforce requires transformative leadership principles of adaptation that enables emerging leaders to collaborate in cross-sector and cross-functional domains. The author believes leadership frameworks will be transformed in the 21st century as telework, social media, and collaborative tools increases the complexity of command and control, governance, and production confidence building measures as firms compete in a globalized environment.

Finally, the author believes the importance of further research to conceptually identify and standardize effective governance mechanism in a collaborative environment is important for public and private leaders. More importantly, as professional development programs for emerging leaders are developed, further research is required for a standardized framework that analyzes effective governance behavior and agreements in both hierarchical and decentralized organizations. Second, in a complex global environment, firms are utilizing virtual technology to communicate and collaborate across geographical boundaries. Therefore, further research of effective models to analyze governance mechanisms of the social, political, and economic complexities of today's transnational firms. Finally, it is important to research, in a complex environment, the implications the firm's ability to reconcile the organizational tension of self-governance and interests with collective interests as joint decision-makers firms' link resources with organizational strategies solve organizational problems and sustain a competitive advantage.

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