What can leaders really be held accountable for?
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In recent weeks, there have been several examples in the media of political and corporate leaders debating what it is they should and should not be held accountable for; e.g.

- The Prime Minister, John Howard, has argued that the six interest rate rises since his government came to power were not his responsibility while claiming that the current low levels of unemployment and high rates of economic growth are due to his sound economic management.

- John Fletcher, departing CEO of Coles Limited, rejected some $4 million in performance pay in recognition of his role in the declining competitive performance of Coles and the decision of the Board to offer the company for sale but still accepted a $30 million payout from the company. Fletcher argued that an aborted raid on the company by private equity funds had helped to de-rail his turnaround strategy and had not allowed it time to bear fruit.

- Another leading media story on a 13 year old girl who had been living alone since the death of her father quoted the Opposition Leader Barry O'Farrell as saying that Mr Iemma and Community Services Minister Kevin Greene had "failed the girl". In reply, Mr Iemma said: "This is a really troubling case. It highlights the difficulty of the job that DOCS workers grapple with every single day... It's troubling, it's far from ideal and it's not satisfactory, but everyone's doing the best they can to help her and find a permanent solution for her."

These cases, and others like them, raise the question of what it is that leaders can reasonably be held accountable for and within what limits.

The answer would appear to depend on the nature of the environment in which the leader is operating. A framework for thinking about this question was developed 30 years ago by Australia's Dr Fred Emery in his book "Futures we are in". Emery identified 4 different types of environment and predicted that his "Type 4" or Turbulent Environment was where the world was headed. It seems that he was right.

The nature of Today's Turbulent Environments
In Emery's view, the Type 4 environment (unlike the other 3 types he identified) ceases to be "a stable ground" on which human beings and organizations can take action but rather becomes one that is itself shaped by the actions of the players acting in it. For example, as mankind over-exploits the natural environment, it is becoming clear that the very nature of the environment itself is changing in ways that are surprising, unpredictable and far reaching. The current and likely future effects of man-made climate change are becoming more and more apparent every day.

Emery argued that, in a turbulent environment, adaptation is not possible unless one somehow comes to grips with the complex interaction of the effects that different parts of the ecological-social-economic-political environment are having on one another; e.g. how the level of CO_2 in the air interacts with warming oceans, melting ice sheets, de-forestation, changing ocean currents, natural long-term climate cycles, growing affluence and urbanization of populations, etc – and what are the positive and negative feedback loops within this environmental system?

We are only starting to ask and demand answers to these highly complex questions. The answers are critical because they influence the assumptions about the environment and the future that leaders make when planning and proposing action. Leaders in turbulent environments should, at least, be held accountable for explicitly declaring the assumptions they are making about the world that underpin their chosen plans and strategies – and the likely impact on the natural and social environments of their proposed courses of action.

Emery predicted in 1977 that turbulent environments "are the environments into which most modern countries appear to be moving and it is not sure whether adaptation is very probable. Certainly it is doubtful that individual systems can by their own efforts successively adapt to such richly textured fields". He goes on to say that traditional forms of strategic planning will not be useful in these types of environment.

This point has been reinforced by other management writers and futurists. For example, Taylor and Wacker in their 1997 book "The 500 Year Delta" examined the key forces that are creating the turbulent environment Emery had forecast and suggested ways that we could best survive in this more chaotic world. They argued: "In Chaos you cannot do, you cannot plan, you cannot reason to an end point. In Chaos, you can only be". This is similar to Emery's position that "man's greatest hope for coping with uncertainty lies in the emergence of widely shared values and ideals"; i.e. in the emergence of new ways of being.

Leading management writers Margaret Wheatley, Joseph Jaworski and Peter Senge all agree that successfully navigating through today's complexity involves becoming a different kind of person who experiences and lives in the world in very different ways to leaders of the past. For example, leaders must learn to give up old notions of control and pursue new ideals of self-organisation and trust in the emergence of unpredictable order from appropriately cultivated social systems.

To quote Taylor and Wacker again: "When a paradigm shifts as is now happening, experience is quite possibly the worst teacher in town".

Therefore, in turbulent environments, leaders will be promising more than they can deliver if they claim to be able to help their constituencies achieve desired goals through the implementation of strategies that involve the organisation/society and its institutions acting independently of others and without regard for the nature of their impact on the

natural/social/political/economic environment and without regard for potential feedback effects that might change how we see ourselves and others and how we live in the world.

Leading in Turbulent Environments
The only forms of leader behaviour that are likely to be relevant in turbulent environments (and which therefore should be the basis on which we judge the effectiveness of a leader's plans and performance and hold him/her accountable) are those that reduce complexity and uncertainty by some combination of: (i) segmenting the environment, (ii) devaluing the worth/importance of others, (iii) lowering the emotional investment in goals, or (iv) by fostering shared values/ideals and collaborating with others based on those shared values/ideals. Emery argued that these four strategies were potential strategies for navigating in turbulent environments. However, he clearly recognized that some of these strategies are adaptive and some are maladaptive.

In practice, these strategies for building capability to live in a turbulent environment could involve:

> **A. Segmenting the environment** – striking bi-lateral agreements rather than grappling with multi-national agreements; promoting centres of excellence rather than omnibus institutions; fostering a return to local communities vs globalization; dividing the world into black/white categories such as those who are "with us" or "against us"; etc.

> **B. Devaluing the worth of others** – rejecting refugees as "queue jumpers" or potential terrorists; labeling certain religious and political groups as "evil"; cutting off communication and valuable business dealings with those who do not agree with us; criticising private equity funds as undermining the sound operation of business; describing civilian casualities in war as "collateral damage"; etc.

> **C. Lowering the emotional investment in goals** – discouraging the pursuit of energy-rich and materialistic lifestyles; shifting from "winning the war on terror" to "understanding and living with difference"; replacing goals of "growth" with a new focus on the dynamic processes that underpin sustainability, happiness and quality relationships; re-focusing on who we are rather than on what we have; etc.

> **D. Fostering shared values/ideals** – building or strengthening local, national and global governance systems founded on shared principles and ideals about how we might all live together in harmony with each other and with our environment. The values and ideals embraced here will influence the decisions our leaders (and the rest of us) make when selecting the "right" mix of strategies from A-C above.

We can today see political and corporate leaders and non-profit leaders incorporating a mix of many of these strategies into their party platforms and organizational strategies.

Holding Leaders Accountable
In evaluating the effectiveness of the leaders who espouse strategies for living in turbulent environments (and in holding them accountable for the outcomes of their strategies and their leadership) we should be asking ourselves:

- Do the leader's strategies and policies help us live flexibly and tolerantly with the uncertainty and complexity of our turbulent Type 4 environment rather than striving fruitlessly for control, goal achievements and types of influence that were only relevant in a simpler and more stable environment that no longer exists?
- Do the strategies selected for reducing uncertainty and complexity and for living harmoniously and sustainably in an uncertain and complex world reflect the values and shared ideals that define the desired identity of the community/organisation being led? In other words, do we like who we are becoming as individuals, families, communities, and nations by following a particular leader?
- Is the leader enhancing our understanding of and strengthening our relationships and our ability to work together with the other nations, organizations, groups and individuals who live in our shared environment and have effects on it?
- Do they build our capacity to learn, to understand and to incorporate our shared ideals and values in everything we do – and our capacity to help others to do so as well?

In turbulent environments, it is not acceptable for leaders to claim that successes are due to them and failures are due to factors beyond their control. The important forces will always be beyond their control in these environments. It is how the leader helps us to learn about ourselves and others and the world around us and build our capability to live with uncertainty and diversity that is, in today's world, the real test of leadership.

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