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# LEADERSHIP CHALLENGES IN THE 21ST CENTURY: THE FUTURE OF INTEGRATED LEADERSHIP APPROACHES<sup>1</sup>

ABSTRACT: In his article, the author argues that in the contemporary complex our organizational and leadership methods are quickly becoming obsolete. He takes us through the leadership theory development of the last century and focuses on the newest leadership trends, where every organization has to make sure to treat all personnel as potential leaders and provide them opportunities to grow and learn. Such circumstances preclude direct hierarchical-bureaucratic supervision, and leadership must rely on the expertise of employees with selective skill-sets and experiences. The author presents an integrated approach to leadership, and suggests that understanding, developing and practicing integrated leadership will better prepare all leaders to handle difficult situations under pressure.

KEYWORDS: Leadership, integrated leadership, holacracy, ambidexterity, organizational transformation, cynefin, lean, agile

On an overcast mid-afternoon the commander of the United States premier counterterrorism force was terminating an exercise in Budapest. The highly classified joint readiness exercise<sup>2</sup> (JRX) was aimed at observing and capturing a hybrid force of players who have been trafficking weapons of mass destruction.

But the exercise had barely begun, and operators were just starting to chase terrorists, when the news hit them. It was 11 September 2001, and the JSOC commander stared in disbelief at a TV screen showing Fox breaking news as the World Trade Center in New York was collapsing. The war on terror has begun and JSOC<sup>3</sup> was at the forefront of this war. On that day, they did not realize that the highly efficient organization was not set up for the challenges they would encounter in the next couple of years.

Two years later, in order to make JSOC more operationally effective, Stanley McChrystal (who was commanding the unit at that time) partnered with agencies to fuse intelligence, and

<sup>&</sup>lt;sup>1</sup> The work was created in commission of the National University of Public Service under the priority project KÖFOP-2.1.2-VEKOP-15-2016-00001 titled "Public Service Development Establishing Good Governance" in the Ludovika Research Group.

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A mű a KÖFOP-2.1.2-VEKOP-15-2016-00001 azonosítószámú, "A jó kormányzást megalapozó közszolgálatfejlesztés" elnevezésű kiemelt projekt keretében működtetett Ludovika Kutatócsoport keretében, a Nemzeti Közszolgálati Egyetem felkérésére készült.

The exercise was called *Jackal Cave*, and the goal was to practice advance force operations (AFO) in a highly complex situation. JSOC operators during this exercise were conducting deep reconnaissance operations, often undercover in preparation of a possible "direct action" mission.

<sup>&</sup>lt;sup>3</sup> The Joint Special Operations Command (JSOC) is a subordinate command of US SOCOM (Special Operations Command) most of the time only identified by codenames (TF11, TF 6-26, TF 121). It carries out highly classified operations throughout the world.

synchronize operations.<sup>4</sup> They collectively redesigned the bureaucratic ways that information travelled up the pipeline, and developed a real-time information sharing environment<sup>5</sup>.

In the next phase of organizational transformation they have combined all elements: intelligence (finding the enemy); drone operators and SIGINT specialists (fixing the target); various teams of Special Forces operators (for finishing); as well as analysts and experts in exploitation and crime scene investigation (pulling immediate information and exploiting it in order to feed it back to the cycle for further analysis).

From a leadership point of view, the linear and cumbersome bureaucratic conventional methods were replaced by a shared informational and operational environment. As a result of this process, there has been a mindset and an organizational cultural shift as well, which enabled a common purpose in the various organizations.

These changes meant a whole lot more than just an experiment. This was a game changer in modern warfare<sup>6</sup> and had a strategic effect. As it has been reported in Foreign Policy<sup>7</sup> and in Foreign Affairs,<sup>8</sup> by reorganizing and changing the organizational culture, the newly organized teams were able to turn around the F3EAD cycle<sup>9</sup> three times a night! This meant that by August 2006 they were conducting up to 300 raids a month. This meant that the operational effectiveness has improved 17-fold, compared to the numbers two years previously. That is an unbelievable 1,700% improvement in productivity without spending additional resources.

It seems to be very clear that a success rate like the Special Forces have achieved in the face of adaptive and critical challenges is remarkable. The JSOC organizational transformation is an excellent example of the capability of special operations teams but the question still remains: what are the leadership approaches that enable these teams to become the best in the world?

This military example, however, is part of a global phenomenon. Leadership has been going through a remarkable transformation in the past couple of years and in this article my goal is to look at the most recent leadership trends to figure out how they can be applied to warfare in particular?

Though leadership science has ancient origins and prominent representatives as Plato, Sun Tzu and Machiavelli have studied it; it has only become part of the contemporary aca-

<sup>&</sup>lt;sup>4</sup> The recent book of General Stanley McChrystal, who has been the JSOC Commander from 2003, and recent articles published in open sources magazines, shed some light on the organization and leadership used to track down and eliminate a highly elusive and networked enemy in Iraq. McChrystal, S. My Share of the Task: A Memoir. New York: Portfolio Harcover, 2013.

According to Pulitzer Prize-winning Washington Post reporter Bob Woodward, beginning in late spring 2007 JSOC and CIA Special Activities Division teams launched a new series of highly effective covert operations that coincided with the Iraq War troop surge of 2007. They did this by killing or capturing many of the key al-Qa'ida leaders in Iraq. Woodward, B. The War Within: A Secret White House History 2006–2008. New York: Simon & Schuster, 2008.

<sup>&</sup>lt;sup>6</sup> Peter Bergen also credits McChrystal with transforming and modernizing JSOC into a "force of unprecedented agility and lethality," playing a key factor in the success of JSOC efforts in subsequent years and in the success of the war in Iraq. Bergen, P. Manhunt: The Ten-Year Search for Bin Laden From 9/11 to Abbottabad. New York: Broadway Books, 2012. 152–158.

McChrystal, S. "It takes a Network". Foreign Policy. 22 February 2011. http://www.foreignpolicy.com/articles/2011/02/22/it\_takes\_a\_network, Accessed on 12 Jan 2016.

<sup>8</sup> Rose, G. "Generation Kill: A conversation with General Stanley McChrystal". Foreign Affairs. 2013. http://www.foreignaffairs.com/discussions/interviews/generation-kill?page=show, Accessed on 12 Jan 2016.

<sup>&</sup>lt;sup>9</sup> F3EAD = Find-Fix-Finish-Exploit-Analyze-Disseminate

demic research in the past sixty years, particularly in the most recent decades. Therefore, in this article, I will first introduce briefly a few leadership development theories of the past century, which had a great influence on how people thought about leadership. This will be followed by an explanation of the modern security landscape and the unpredictable VUCA context focusing on how it has changed leadership thinking. Finally, I will describe in detail the phenomenon of integrated leadership and its influence on warfare in the 21st century.

## THEORIES OF LEADERSHIP

During the last century the very definition and understanding of who a leader really is changed quite a lot and today more and more people define leadership as an influence process, where the main function of the leader is to gain followers.<sup>11</sup> It is fascinating to see that although the main function has changed throughout the ages, the concept of leadership remains a relatively new phenomenon.

Throughout history a duality in mindset toward leadership seemed to exist. In a paper submitted to the Asymmetric Warfare Conference<sup>12</sup> I describe this *asymmetry as a fundamental difference in mindset*. I argue that the distinction between warfighting cultures<sup>13</sup> (and as a result leadership styles) creates asymmetry on the battlefield.

There are two main warfighting cultures. The first one is *traditional*, based on the *bié* mindset and it has two main forms (annihilation and manoeuvre warfare). The second one, is *irregular* and it is based on the *métis* mindset and it also has two distinct forms (guerrilla warfare and terrorism). We can talk about *asymmetric warfare*, when two different warfighting cultures collide.

This duality has existed through the ages and we can witness this through reading Homer's Iliad, Sun Tzu's The Art of War, or Machiavelli's The Prince (just to name a few of the major writings). However, the focus of this article is to look at the last century, more importantly the last two decades, and concentrate on analyzing the major leadership trends during this time.

In the generations of warfare model the *first generation* begins after the Peace of Westphalia in 1648, which ended the Thirty Years' War and established the state's need to organize and conduct war.<sup>14</sup> This war of line and column tactics, where the battles were formal and the battlefield was orderly was very structured and organized compared to today's battlefields. The battlefield of order created a military culture of order. Most of the things that distinguish "military" from "civilian" – uniforms, saluting, careful gradations or rank – were products of the first generation and intended to reinforce this culture of order. The dominating form

VUCA - Volatility, Uncertainty, Complexity And Ambiguity. https://en.wikipedia.org/wiki/Volatility,\_uncertainty,\_complexity\_and\_ambiguity, Accessed on 12 Jan 2016.

Bakos, Cs. "Hagyományostól eltérő hadviselés, hagyományostól eltérő vezetés". Társadalom és Honvédelem 19/3. 2015. 50–51.

<sup>12</sup> Keynote address delivered by the author at the Assymetric Warfare conference. Porkolab, I. "The context of asymmetry: an integrated strategy for shaping the future and leading on the edge of chaos". In Asymmetric Warfare: Conflict of the Past, the Present and the Future. 2016. (to be published)

Warfighting cultures research goes back a long way. In this paper I would like to acknowledge the work done by LTGen Jenő Kovács and note the importance of the work he had done on this field. I am building on his findings and slightly modify his structure in this paper.

Lind, W. S. "Understanding Fourth Generation Warfare." Antiwar.com. 15 Jan 2004. http://www.antiwar.com/lind/index.php?articleid=1702, Accessed on 12 Jan 2016.

of leadership style in the military was the *bié* mindset: the strong autocratic leader, who heroically leads his troops in battle, had prevailed since the Greek and Roman times.

During that time, the trait approach to leadership was widely accepted. The trait approach arose from the above mentioned military style "great man" theory and suggested that critical leadership traits can be isolated and people with such traits should be identified for leadership positions. The problem with this approach was that researchers could not agree on the traits that were most sought after. <sup>15</sup> Moreover, it was based on the belief that their skills were fixed (thus cannot be developed, a person either has them or not).

Ever since Winslow Taylor produced the "theory of scientific management", bureaucratic institutions have been considered to be finely tuned machines. The focus in this age was on increasing productivity and workers were following precise instructions. Workers were motivated to keep their jobs, in return they got paid, and were expected to advance through the ranks of bureaucracy in a relatively predictable manner.

This leadership trait approach had a great influence on business as well, and large bureaucratic companies were applying the military style of organization and leadership. But in the mid 19th century, the battlefield of order began to break down. Mass armies equipped with rifled muskets, then machine guns, made the old line and column tactics first obsolete, then suicidal.

Similarly, in business in 1924 some studies started to question the trait leadership approach. At the Western Electric Hawthorne factory in Chicago, a series of studies, <sup>16</sup> led by Elton Mayo and Fritz Roethlisberger, were conducted with the goal of gaining worker loyalty and increasing productivity at the same time. The idea that the supervisor should also be a psychotherapist was later called the Hawthorne Effect.

The main findings of the research suggested that workers are motivated not only by money, but also by a caring boss. Mayo believed that first-line supervisors should get human relations training. It was a departure from *Taylorism* (which considered people in the workforce as cogs in the machine). The newly developing human relationships approach was very much in need, because at that time managers in an organization failed to develop human relationship skills.

Thus, attention shifted to behavioural theories emphasizing the focus on human relationships. Leadership theories during the second and third generation of warfare had undergone significant changes, and great deal of what was taught about leadership concentrated on motivating workers within an industrial bureaucracy.

This idea took a long time to penetrate the conventional leadership thinking in business and to support this line of thought, in the 1960s more psychology based experiments were carried out. One of these experiments by Douglas McGregor was especially interesting. McGregor's Theory Y¹¹ was based on Maslow's hierarchy of human needs, and it was a revolutionary approach at that context and time. Theory Y recognized that employees can

A comprehensive list of traits and skills was compiled by Ralph M. Stogdill. Trait Theory. http://www.leadership-central.com/trait-theory.html, Accessed on 12 Jan 2016.

<sup>16</sup> The Hawthorne Works had commissioned a study to see if their workers would become more productive in higher or lower levels of light. The workers' productivity seemed to improve when changes were made, and slumped when the study ended. It was suggested that the productivity gain occurred as a result of the motivational effect on the workers of the interest being shown in them.

McGregor's Theory highlights the motivating role of job satisfaction and encourages workers to approach tasks without direct supervision.

be ambitious, self-motivated and exercise self-control. It was believed that employees enjoy their mental and physical work duties. They were believed to possess the ability for creative problem solving, but in the bureaucratic industrial context workers were powerless to make changes in their work even when their ideas would have improved their work effectiveness.

McGregor looked at Taylorism as Theory X (where people need to be forced to work) and realized that those workers whose lower level needs for security are satisfied cannot reach their peak performance, because their work doesn't let them satisfy their higher needs (self-esteem, recognition and, beyond that, self-fulfilment).

Other concepts, like Blake and Mouton's Managerial Grid also tried to capture the behavioural side of leadership and proposed that "team management" is the most effective type of leadership. Whilst behavioural theories helped executive leaders and managers to develop particular leadership behaviours, they gave little guidance as to what effective leadership really is and they were optimized to simple or complicated contexts.

As we can see throughout these examples, the context of leadership has been definitely changing towards the end of the last century. The  $20^{\text{th}}$  century phenomena of the industrial paradigm dominated by the traditional bureaucratic mindset and influenced by the second and third generation warfare military leadership styles are becoming outdated.

In the global security context, at the beginning of the 21st century, there is a resurgence of fourth generation open-sourced irregular warfare groups 18 and western cultures (whose organizational constructs are still based on last century models) seem to be very uncomfortable to deal with the chaos, the myriad of actors, and the non-traditional methods coupled with indirect approaches. 19 Trends suggested these challenges were about to get even more pressing in the near future. Researchers started to suspect that as the context changes, different leadership styles are necessary, and theories contributing towards this school of thought are described in the next part of this paper. 20

## THE CONTEMPORARY CONTEXT OF LEADERSHIP

In the contemporary complex environment<sup>21</sup> people need extreme attitude and stress tolerance to be able to make decisions. The shifting context<sup>22</sup> and constantly reforming alliances are pushing organizations towards a more adaptive stance. The strategic approaches that worked in the past seem to be irrelevant today and a different organizational mindset

<sup>18</sup> Porkolab. "The context of asymmetry."

<sup>&</sup>lt;sup>19</sup> Bakos, Cs. "Korunk változó hadviselésének hadelméleti alapja". Hadtudomány online. 24/1. 2014. 210–218. http://mhtt.eu/hadtudomany/2015/1\_2/2015\_1\_2\_9\_ONLINE.pdf, Accessed on 12 Jan 2016.

<sup>&</sup>lt;sup>20</sup> Jobbágy, Z. "A háború antropológiája: primitív hadviselés, gerilla hadviselés és a szövetséges összhaderőnemi műveletek sikere". *Hadtudomány*, 25/3-4. 2015. 67–78.

Things that are complex (living organisms, ecosystems, national economies) have a diverse array of connected elements that interact frequently. Being complex is different from being complicated. Things that are complicated may have many parts, but those parts are joined, one to the next, in relatively simple ways, the workings of a complicated device might be confusing, but they ultimately can be broken down and reassembled to be the same. Complexity on the other hand occurs when the number of *interactions* between components increases dramatically. This is where things quickly become unpredictable. McChrystal, S. et al. *Team of teams: New Rules of Engagement for a Complex World.* New York: Penguin Random House, 2015. 57.

Matus J. "A globalizáció gazdasági, politikai és társadalmi hatásai". In Matus, J., Kertész-Bakos, F. and Fülep D. (eds.), Globalizáció és társadalom. Budapest: John Henry Newman Oktatási Központ Kft., 2015. 7–27.

is necessary to build a strategy, which has a high success rate. But building or formulating a strategy is only the first step.

During the implementation phase of the strategy, success depends largely upon using the right balance of leadership skills. Leaders can use a variety of skills, like trust building, communication, and even misdirection, or showmanship but these are merely tools. True influence results from seeing and understanding future trends, formulating a vision and communicating an ideology, or a cause. Through this process, we can build trust and influence with other people who share the vision.

Most recently, we seem to be living in increasing turmoil, where there are no predictable outcomes, the traditional rules do not apply, the number of stakeholders in an operational theatre has increased significantly, and the interactions between these stakeholders (both ally and foe) have increased exponentially, leading to overall uncertainty and ambiguity.

The environment has shifted from complicated to a VUCA state<sup>23</sup> and threats are shape-shifting much faster than it was traditionally the norm. To explain this paradigm shift, I use the *cynefin*<sup>24</sup> model, which differentiates among four distinct contexts.

In a nutshell, it states that simple and complicated contexts are relatively predictable, while complex and chaotic contexts are unpredictable, thus require a different leadership approach. In more detail the cynefin model distinguishes among four different contexts:

- Simple is a context which is part of the history of the military at an age, where the
  connection between input and output was right in front of you. This is the classical era,
  where someone could gather forces (resources), and was able to predictably calculate
  the effect or the outcome of the battle.
- Complicated After the Napoleonic Era, when massive armies with increasingly sophisticated equipment were fielded, the complicated context emerged and this model has been perfected for generations. With the transition into the industrial age, this was the backbone of scaling large military forces and creating stable nations. This is how the military was educated for generations: understand enough information about potential threats, analyse them, and told that we can predictably budget our spending, and get a relatively good assumption to what the outcome might be. This was the mindset/mentality that we brought with ourselves into the information age.
- Complex (VUCA) This is the place we found ourselves in the majority of the last decade. It seems that in this context our planning based decision-making systems and approach does not work as promised. But many of the (irregular) threats adapted and developed complex systems. They don't play by the traditional rules, yet have the ability (with technology) to scale and fight. This environment looks like an agile network. Traditional systems lack the speed and agility that enables the organization to move/adapt like the adversaries.

<sup>&</sup>lt;sup>23</sup> "Korszerű hadviselés, korszerű vezetői felfogás". Speech delivered by Imre Porkoláb at the Joint Forces Command's Conference on 10 february 2016. Németh J. L. "Korszerű hadviselés, korszerű vezetői felfogás I. – összefoglaló Dr. Porkoláb Imre dandártábornok előadásáról az MH ÖHP-n". http://biztonsagpolitika. hu/cikkek/korszeru-hadviseles-korszeru-vezetoi-felfogas-i-osszefoglalo-dr-porkolab-imre-dandartabornok-eloadasarol-az-mh-ohp-n, Accessed on 12 Jan 2016.

<sup>&</sup>lt;sup>24</sup> I am using the Cynefin model by David Snowden to illustrate this. http://cognitive-edge.com/, Accessed on 12 Jan 2016. Cynefin is a Welsh (https://en.wikipedia.org/wiki/Welsh\_language) word meaning haunt, habitat, acquainted, accustomed, familiar.

• Chaos – In chaos the rulebook is out the window. Disruptions are constant, and they are hitting us with increasing speed and volume. Our traditional approach and instinct says that we should face these situations head on, and come up with solutions, but the frequency of challenges in this state will not allow us to do this. If we try to stick to traditional methods, they result in burnout.

From a leadership perspective this means that in the contemporary context leaders have to deal with different attitudes (the workforce is changing, 25 thus different behavioural aspects present a challenge). In a rapidly changing context, where unpredictability seems to be the norm, and where the old ways of doing things seem not to work any longer, we have to use different leadership approaches.

In the field of leadership development, the contingency and situational theories were gaining ground. Fiedler's Contingency Model for example suggested that there is no single best way to lead, instead different leadership styles have to be used in different situations. Fiedler looked at three situations that had a major influence on the leadership style: the leader-follower relations; the task structure; and position of power, concluding that relationship oriented leaders did better in all kinds of situations.

The Hersey-Blanchard model of leadership also took a situational perspective and suggested that the developmental levels of followers (or subordinates) play the greatest role in determining which leadership style should be applied. It distinguished between four different leadership styles (directing, coaching, supporting, delegating) based on the maturity of the subordinates.

Nevertheless, there have been many criticisms levelled at leadership styles as well, on the grounds that the various styles mostly looked at leadership issues in black and white terms, while in reality things were not so simple. Autocratic and democratic styles have been juxtaposed, and their relative effectiveness debated. It seems that a choice must be made by leaders (just as they had to make a choice between *bié* and *métis* in ancient times).

This dilemma was addressed by contingency theorists, like Tannenbaum and Schmidt, who looked at leadership behaviours as a continuum. As one moves away from one extreme (autocratic style) to the other (democratic style), where subordinate participation and involvement in decision making and strategy formulation is more important, one can realize that several other styles (like persuasive and consultative) exist in between. The research also concluded that in some situations (e.g. in an emergency) an autocratic (telling) style is more effective, while in other situations (e.g. when international coalitions must be aligned) a more persuasive or consultative approach must be used. Finally, in a complex and unpredictable context (where there are multiple players and alliances are shifting constantly) the democratic (joining) style seemed to be most effective.

Looking at leadership from a contextual point of view suggests two important things.

First of all, leaders should change their behaviour and adjust leadership style on the
basis of context. However, there are limits to behavioural plasticity and when a leader
is stressed, personality prevails. What is necessary though, is to build up the leadership

<sup>25</sup> The workforce in the not so distant future will prefer a flexible work environment. They are no longer bound to the office where they are forced to commute an hour each way, sit in a cubicle, and work 9-5. Many employees are becoming location independent and will be able to work when and where they want using modern technology. The workplace itself is a moving environment and being hired in one role for a long-term career is quickly disappearing. Employees have more say than ever to shape their career and choose the projects they work on.

skill-set arsenal (both the autocratic as well as soft power) and have it ready when needed, but leaders must pay attention to recognize the need (the context they are in).

• Second, when the time comes, and our newly developed leadership superpowers are required (e.g. in a chaotic situation), it is very rare that a leader can think straight, and ponder about the best personal style. In these situations there is simply too much stress and uncertainty so it is not enough to recall skills but we also need to be able to navigate through chaos and cope with stress in order to lead in times of turmoil and rapid changes (which requires an extreme character).

#### THEORIES OF LEADERSHIP IN A CONTEMPORARY CONTEXT

The contemporary context has an effect on every aspect of our lives. Beyond the extraordinary challenges of the increasing trend of terrorist attacks, we witness challenges posed by crises (like natural disasters) and witness more uncertainty than ever before. Most complex challenges do not have existing solutions, new approaches are necessary and they demand new learning ability as well as agile decisive actions. Clearly, we are in need of a new way of thinking about leadership.

In the age of knowledge workers, leaders who are still using (solely) an autocratic approach are obsolete. Today predictability and security is all but the past, and a leader is being defined more broadly, as "anyone whose role allows him to influence a group, regardless of direct reporting relationships." <sup>26</sup>

It is not a coincidence that several contemporary leadership approaches concentrate on the team aspect of leadership. John Adair, in his model, emphasized the action-centred leader, who gets the job done through building an effective team. In this model an action-centred leader must direct the job to be done (task orientation); support individuals (people orientation); as well as co-ordinate and foster teamwork (team orientation) at the same time. The famous three-circle diagram might be a simplification, but it is a useful model to look at from a leadership perspective. The challenge in this case is the ability to manage all aspects of the diagram.

Another school of thought led by Robert Greenleaf took this approach to the extreme and introduced the notion of Servant Leadership. This leadership style is a practical philosophy, which advocates that leaders should serve first, and then lead as a way of expanding service to individuals and institutions.<sup>27</sup> An emphasis of serving a higher purpose made this leadership style widely accepted by institutions where meaning is important, like the church but even the military as well.

Although we assume a logical connection between leader and follower, as if it was an unchangeable logical structure, people realize that the most interesting leadership operates without anyone experiencing anything remotely similar to the experience of "following."<sup>28</sup>

More than half of global companies increasingly define leaders not by their position on the organization chart but by their influence and performance, according to a survey of nearly 1,200 senior business and human resource executives from more than 40 countries by American Management Association. "Global Survey: 'Leader' Now Defined More Broadly". Training Industry. 15 Jul 2013. http://www.trainingindustry.com/leadership/press-releases/global-survey-%E2%80%98leader%E2%80%99-now-defined-more-broadly.aspx, Accessed on 12 Jan 2016.

<sup>&</sup>lt;sup>27</sup> Center for servant Leadership. https://www.greenleaf.org/, Accessed on 12 Jan 2016.

<sup>&</sup>lt;sup>28</sup> I came across this school of thought first in Ronald A. Heifetz's Anchoring Leadership in the Work of Adaptive Progress (Leader of the Future).

Indeed most leadership mobilizes those who are sitting on the fence, in addition to supporters and friends. This change in perception is a relatively new phenomenon and will be explained in detail in the next part of this paper.

Modern leadership trends started to emerge, where workers were more empowered (a term not used until the 1980s) and allowed to think creatively. When people were able to make suggestions and participate in making decisions on how to do their job, managers have started to transform into teachers and coaches. Towards the end of the last century many large companies started to apply, what business schools have been teaching, and were retraining the managerial force.

As people were rediscovering Sun Tzu, this influence was discussed in several articles<sup>29</sup> as well as portrayed in films.<sup>30</sup> Those who read *The Art of War*,<sup>31</sup> understood that warfare was an art to gain advantage through unconventional ways in dynamic and fluid situations. They also recognized that the ability to better understand our own capabilities as well as constantly monitor the context and not just the opponent was a useful alternative in a time when a total business war concentrated on eliminating the opposition.

People felt that a revolution would take place over the coming decades, and the economist-focused approach was changing slowly. In 1978 James McGregor Burns<sup>32</sup> has laid another milestone in leadership development theory. His definition of transforming leadership was based on an understanding that leadership is a social process (involving both leaders and followers).

This revolutionary new approach advocated that the purposes of both leaders and followers are intertwined. The traditional transactional leadership view (where only an exchange of values was acknowledged) was slowly replaced by an alternative transformational approach (where people needed to be motivated by other means, not just simple value exchange) and encouraged leaders to focus on the beliefs, needs and values of their followers.

This new approach was grounded in change, and many others built upon Burns' initial concept spreading the idea of transformational leadership. Bass in particular<sup>33</sup> was explaining the psychological mechanisms that underlie transforming and transactional leadership. Bass suggested that the leader transforms and motivates followers through his idealized influence, intellectual stimulation and individual consideration. In addition, he emphasized that a leader encourages the followers to come up with new and unique ways to

<sup>&</sup>lt;sup>29</sup> In addition to the original The Art of War it is worthwhile to read other pieces like Foo, C. T. and Grinyer, P. H. Organizing Strategy: Sun Tzu Business Warcraft. Butterworth: Heinemann Asia, 1994.; Michaelson, G. A. Sun Tzu: The Art of War for Managers: 50 Strategic Rules. Avon, MA: Adams Media Corporation, 2001.

<sup>&</sup>lt;sup>30</sup> One of the famous instances was in the cult business film Wall Street, where Bud Fox used unconventional philosophy to prevail over Gordon Gekko, the ruthless moneymaker, quoting Sun Tzu: if your enemy is superior, evade him. If angry, irritate him. If equally matched, fight and if not, split and re-evaluate. The appeal of Sun Tzu can be understood. Leaders need intelligence, imagination and cunning.

<sup>&</sup>lt;sup>31</sup> Griffith, S. B. Sun Tzu: The Art of War. Oxford: Oxford University Press, 1963.

Burns has shifted the focus of leadership studies from the traits and actions of great men to the interaction of leaders and their constituencies as collaborators working toward mutual benefit. He is best known for his contributions to the transactional, transformational, aspirational, and visionary schools of leadership theory. Burns, J. M. *Leadership*. New York: Harper and Row, 1978.

<sup>&</sup>lt;sup>33</sup> Bernard M. Bass extended the work of Burns in 1978 by explaining the psychological mechanisms that underlie transforming and transactional leadership. Bass introduced the term "transformational" in place of "transforming". Bass added to the initial concepts of Burns to help explain how transformational leadership could be measured, as well as how it impacts follower motivation and performance.

challenge the status quo and to alter the environment. Bass's research introduces four elements of transformational leadership:

- Individualized Consideration the degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self-development and have intrinsic motivation for their tasks.
- Intellectual Stimulation Such leaders encourage their followers to be innovative and creative. They encourage new ideas from their followers and never criticize them publicly for the mistakes committed by them. The leaders focus on the "what" in problems and do not focus on the blaming part of it. They have no hesitation in discarding an old practice set by them if it is found ineffective.
- Inspirational Motivation the degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers to leave their comfort zones, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning provide the energy that drives a group forward. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks; they are encouraged and optimistic about the future and believe in their abilities.
- *Idealized Influence* the degree to which the leader acts as a role model for their followers. Transformational leaders must embody the values that the followers should be learning and mimicking back to others. If the leader gives respect and encourages others to be better, those influenced will then go to others and repeat the positive behaviour, passing on the leadership qualities for other followers to learn. This will earn the leader more respect and admiration from the followers, putting them at a higher level of influence and importance. The foundation of transformational leadership is the promotion of consistent vision, mission, and a set of values to the members. Their vision is so compelling that they know what they want from every interaction. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment.

Based on these new developments, in the context of contemporary conflicts and in light of the recent technological changes of our time we can witness a rise of knowledge work ever since the 1990s. Knowledge workers' productivity does not depend on processes and getting them to abide by the rules. They need a leader who instils meaning and common sense at the workplace, thus gives them a purpose and a common goal to work towards.

It's safe to say, that in a constantly changing context, the employee of tomorrow is not the same person as the employee of yesterday<sup>34</sup>. It is important to point out that people realize: everyone can become a leader in certain situations. In the context of the fourth generation

<sup>&</sup>lt;sup>34</sup> Seven aspects are detailed in Jacob Morgan's book, The Future of Work. Morgan, J. The Future of Work: Attract New Talent, Build Better Leaders, and Create a Competitive Organization. New York: Wiley, 2014.

warfare, small teams, and even super-empowered individuals can wage warfare against much stronger opponents.<sup>35</sup>

For the first time in the history of warfare, people have the unique opportunity to become leaders by sharing their ideas and feedback in a transparent way. This last point needs further explanation and in the last section of this paper I describe a few modern experiments with leadership methods, and analyze their implications on warfare and war-fighters.

### MODERN EXPERIMENTS WITH INTEGRATED LEADERSHIP

Centuries have passed since the publication of *The Art of War* or *The Prince*, but leaders throughout the ages have never stopped looking for advice. A recent research carried out by CLL<sup>36</sup> has suggested that the very definition of leadership has changed in the past five years. The study suggested, that the nature of understanding leadership shift even further towards the "soft-skills" of building relationships, collaboration and change management. These skills are becoming crucial.

Another recent Global Survey carried out in 2013 suggests<sup>37</sup> that the majority of people throughout the world define leaders not by their position (based on the organizational chart), but by their influence and performance<sup>38</sup>.

This signifies a major change in how people think about leaders worldwide. Therefore, I propose an overarching and simplistic definition of a leader in the contemporary context. This definition defines a leader as a person, who is *someone people follow*. This definition aims to emphasize that leadership is a relationship and in an unpredictable context, it is a very important aspect, as we will see throughout the experiments described below.

In the past ten years, several experiments have been carried out both by the military, as well as other organizations. During this time, the rapidly changing nature of warfare resulted in integrated forms of warfighting. Several leadership lessons can be drawn from studying modern manifestations of irregular warfare.

- The most important one is that the two distinct warfighting cultures (traditional and irregular) are not just coexisting any more, but are *completely integrated* by some actors. This integration is a conscious strategic choice, which enables them to communicate their ideology to a huge number of people, and transforms the fight into a network centric one. It also results in new leadership constructs.
- The second observation is based on winning in asymmetric conflicts, which requires a capability to influence masses of people. An understanding of the human psyche and social trends is a requirement to efficiently utilize the moral and cognitive domains. At the small-team level people can best be influenced through trust and by understanding the various needs of individuals. Between teams leaders need to

<sup>35</sup> Jobbágy, Z. "On the Shifting Balance of Command and Control: A Tale of the Genes and Xenophon". Science and Military 6/1. 2011. 28–34.

<sup>&</sup>lt;sup>36</sup> A team headed by André Martin at the Center of Creative leadership have prepared a report based on the study titled "*The Changing Nature of Leadership*".

<sup>37</sup> The survey, which was based on 1200 senior business and human resource executives from more than 40 countries by the annual Global Leadership Development (GLD) study conducted by Training magazine, the American Management Association (AMA), and the Institute for Corporate Productivity (i4cp).

<sup>&</sup>lt;sup>38</sup> According to the survey, another 14% of people, a leader is anyone, whether they manage others or not, who is a top-performer in his or her specific role. Moreover 39% of people have believed that a leader is anyone, whose role allows them to influence a group, regardless of direct reporting relationships.

- provide and constantly communicate a compelling ideology, which is easy to connect to. The tendency toward a network centric nature of warfare<sup>39</sup> is inevitable, and the end result will be more complex organizational structures.
- Masters of irregular warfare have always understood that small units can reduce the conventional opponent's capability to mass forces. 40 If the conventional forces are scattered, and chasing the elusive irregular forces throughout the battlefield, they will be more prone to surprise attacks. This is the *force divisor effect*<sup>41</sup> and it is very effective against traditional forces in a prolonged battle. So the *third* significant change we can observe, is the way dispersed small teams are employed: the operational term is *swarming*<sup>42</sup> as it enables irregular warfare proponents to strike unexpectedly, at vulnerable points of the opposing force.
- Developing this ability is a question of whether a force is willing to change its ways to adapt constantly to the demands of the context.<sup>43</sup>
- The modern application of swarming is best described by John Arquilla and David Ronfeldt<sup>44</sup> who suggest abandoning the term command and control in favour of agility, focus, and convergence. *Agility* is the critical capability that organizations need to meet the challenges of complexity and uncertainty, and is a characteristic of an organization or unit capable of swarming. *Focus*, which provides the context and defines the purposes of the endeavour, can be the designation of a goal by a higher-level person in the organization, or by a peer unit detecting a target. *Convergence*, the goal-seeking process that guides actions and effects, is the key feature which, while it can be distributed, causes swarming units to coordinate their actions, apply force, and know when to stop applying force.
- Moreover, recent technological advances in information technology (fuelled by the
  4<sup>th</sup> industrial revolution) have increased the ability to synchronize a large number of
  dispersed forces. As a result, strikes in a contemporary conflict appear not only in
  one, but in multiple domains at the same time and simultaneously.
- The *final* observation is a result of the irregular warfare evolution. Organizational constructs (combined with an integrated strategy and the right leadership approach)

<sup>&</sup>lt;sup>39</sup> This danger was identified by John Arquilla and David Ronfeldt in 1993, when they published their article: *Cyberwar is Coming!* in Comparative Strategy. Later on Arquilla has authored several books on netwar and emphasized the networked aspect of the enemy, popularizing the Swarming concept.

<sup>&</sup>lt;sup>40</sup> Besenyő, J. "Gerillaháború Nyugat-Szaharában: Polisario vs. Marokkó és Mauritánia". *Hadtudomány* 25. 2015. 48–58

<sup>&</sup>lt;sup>41</sup> Arquilla, J. Insurgents, Raiders and Bandits: how masters of irregular warfare have shaped our world. Chicago: Ivan R. Dee, 2011. 11.

Warm behaviour, or swarming, is a collective behaviour exhibited by animals of similar size, which aggregate together, perhaps milling about the same spot or perhaps migrating in some direction. As a term, swarming is applied particularly to insects, but can also be applied to any other animal that exhibits swarm behaviour. The term flocking is usually used to refer specifically to swarm behaviour in birds, herding to refer to swarm behaviour in quadrupeds, or schooling to refer to swarm behaviour in fish. By extension, the term swarming can be applied also to warfare where opposing forces are not of the same size, or capacity. In such situations, swarming involves the use of a decentralized force against an opponent, in a manner that emphasizes mobility, communication, unit autonomy and coordination or synchronization. Arquilla, J. and Ronfeldt, D. "Swarming and the Future of Conflict". RAND Corporation, 2000. http://www.rand.org/content/dam/rand/pubs/documented\_briefings/2005/RAND\_DB311.pdf, Accessed on 21 Nov 2016.

<sup>&</sup>lt;sup>43</sup> Arquilla, J. Insurgents, Raiders and Bandits... 273.

<sup>&</sup>lt;sup>44</sup> Arquilla and Ronfeldt. "Swarming and the Future of Conflict".

can evolve to be super-resilient, resembling something that Nassim Nicholas Taleb calls *antifragile*. As Taleb suggests in his book<sup>45</sup>antifragile gets better when shocked, and can thrive in complex situations or even in chaos.

These observations change organizations and the way they are led significantly. In the past couple of years there have been several attempts to experiment with new organizational and leadership methods, and the results so far are promising.

It seems that a somewhat enhanced version of transformational leadership is being tested and promoted by many organizations. Most modern contemporary frameworks integrate several leadership approaches advocating emergent and collective leadership development. The Learning and Skills Research Centre developed a useful model, <sup>46</sup> which uses two dimensions. The model suggests that leadership development initiatives differ in a degree to which they focus on processes (individual vs. collective) and approaches (prescriptive vs. emergent).

The study concludes that only 5% of leadership initiatives are collective. It proves that (although there are several attempts to explore the edges of leadership) the majority (95%) of focus is still on individual leadership development and little attention is being paid to the leadership process itself.

However, we can witness several academic and real life experiments, which can help to get a glimpse at the possibilities of future leadership. In a review of the Experienced Chief executives program<sup>47</sup> Activity Theory was tested<sup>48</sup> through a program designed for participants to step back from daily pressures (chopping wood) and instead focusing on exploring new options (forestry).

In the information age, when technology is developing exponentially the study of complex adaptive systems is more important than ever. In these systems, multiple players and exponentially increasing connections between these players are being analyzed. These "emergent" behaviours<sup>49</sup> can also help to understand future leadership options as well.

Biological systems are also being analyzed and the concept of evolution and adaptation<sup>50</sup> can also help scientist understand how future organizations might behave and what the most effective ways to lead people, teams<sup>51</sup> in complex<sup>52</sup> and chaotic situations are.<sup>53</sup>

<sup>&</sup>lt;sup>45</sup> Taleb, N. N. Antifragile: Things That Gain from Disorder. New York: Random House, 2012.

<sup>46</sup> Rodgers, H. et al. "The Rush to Leadership". Presented at Management Theory at Work conference, Lancaster University, 2003.

<sup>&</sup>lt;sup>47</sup> Blacker, F. and Kennedy, A. "The Design of a Development Programme for Experienced Top Managers from the Public Sector". Lancaster University, 2003.

<sup>&</sup>lt;sup>48</sup> Engestrom, Y. Learning By Expanding: An activity the oretical approach to developmental research. Helsinki: Orienta-Konsultit, 1987.

<sup>&</sup>lt;sup>49</sup> Bertalanffy L. Modern Theories of Development. New York: George Braziller, 1968. Maturana, H. R. and Valera, F. J. "Autopoiesis: The Organization of the Living". In Maturana H. R. and Varela, F. J. Autopoiesis and Cognition: The Realization of the Living. New York: D. Reidel Publishing Company, 1980.

Mueller-Hanson R. A. et al. Training Adaptable Leaders: Lessons from Research and Practice. Arlington, VA: U.S. Army Research Institute for the Behavioral and Social Sciences, 2005.

<sup>51</sup> Hackman, J. R. Leading Teams: Setting the Stage for Great Performances. Boston, MA: Harvard Business School Press, 2002.

<sup>&</sup>lt;sup>52</sup> Burke, C. S., Pierce, L. G. and Salas, E. Understanding Adaptability: A Prerequisite for Effective Performance Within Complex Environments. London: Emerald Group Publishing, 2006.; Contrada, R. J. "Type A Behavior, Personality Dardiness, and Cardiovascular Responses to Stress," Journal of Personality and Social Psychology 57, 1989, 895–903.

<sup>&</sup>lt;sup>53</sup> Zaccaro, S. J. and Banks, D. "Leader Visioning and Adaptability: Bridging the Gap Between Research and Practice on Developing the Ability to Manage Change." Human Resource Management 43. 2004. 367–380.

The US DSB's document also proposes a definition regarding adaptation. The Study identified a strategy to promote the elements of adaptability for the US DoD with the ultimate goal of improving mission effectiveness. Key elements of the strategy are: aligning organization functions to support mission outcomes; reducing uncertainty through building better global situational awareness; preparing for degraded operations; enhancing adaptability of the workforce; and changing the culture of the organization.<sup>54</sup>

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Leadership research most recently supports the idea that in today's complex and unpredictable context no one person is able to carry out all leadership functions and styles effectively. This has led to the research of complex adaptive leadership.<sup>55</sup> In this school of thought, leadership is complex, because the leader is not necessarily the person in an authority role or position. This means that only a detailed social (or network) analysis can reveal where real leadership lies in any given organization. This theory builds upon Heifetz's work, in which he had distinguished between leadership and command.<sup>56</sup>

Raelin took this idea further and spoke of leaderful organizations,<sup>57</sup> where leadership roles are fulfilled by different personnel (with the right mix of skillset) at different phases of the project. This theory has focused more on the leadership process and not on the individual leader itself. This leadership theory also has its challenges. The major one is that the leader needs to focus on monitoring ongoing processes, and develop the future through disruptive innovation at the same time.<sup>58</sup>

This duality is very similar to the one (*bié* and *métis*) described throughout this article. Traditional (efficiency focused) organizations find it very difficult to cope with flexibility and adaptability. Disruptive innovation can only thrive in a different organizational culture and requires a different mindset as well as different leadership approaches as well. The solution is a dispersed approach to leadership, where the two systems (traditional and irregular) must be aligned. This approach is best implemented through ambidexterity.<sup>59</sup>

In an environment where changes are slow, there is sufficient time to react to the radical changes by constructing dual structures and strategies. However, in a highly-competitive environment, balanced structures may be better prepared to deal with the constant need for

<sup>&</sup>lt;sup>54</sup> Defense Science Board, Enhancing Adaptability of U.S. Military Forces. Washington, DC: Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, 2011. 3.

<sup>55</sup> Complex adaptive leadership (CAL) is a complementary approach to leadership based on a polyarchic assumption (i.e. leadership of the many by the many), rather than based on an oligarchic assumption (i.e. leadership of the many by the few). Leadership in this theory is seen as a complex dynamic involving all, rather than only a role or attribute within a hierarchy. The theory calls for skills, attributes and roles which are additional to the demands of traditional leadership.

<sup>&</sup>lt;sup>56</sup> Heifetz, R. A. Leadership Without Easy Answers. Boston: Belknap Press of Harvard University Press, 1994.

<sup>&</sup>lt;sup>57</sup> Raelin, J. Creating Leaderful Organizations. San Francisco: Berrett-Koehler Publishers Inc, 2003.

<sup>&</sup>lt;sup>58</sup> Heifetz, R.A., Grashow, A. and Linsky, M. "Vezetés (tartós) válság idején." Harvard Business Review: Hungarian edition November 2009. 16–28.

<sup>&</sup>lt;sup>59</sup> Jobbágy, Z., "The Efficiency Aspect of Military Effectiveness". *Militaire Spectator*, 2009. 504–516.

alignment<sup>60</sup>. Resolving this contradiction requires *ambidexterity*,<sup>61</sup> the ability to both explore new approaches and exploit existing ones.

Organizations in stable, simple environments do not require ambidexterity—they can thrive by emphasizing operating efficiently, but most others<sup>62</sup> need to pursue ambidexterity. In the most complex cases,<sup>63</sup> organizations, like the Hungarian Defence Forces (HDF), may need to orchestrate a diverse ecosystem of external parties<sup>64</sup> in order to source the strategy approaches they require. This is the *external ecosystem* component of the ambidextrous organization. This approach is only appropriate in the most complex cases because the cost of building platforms and incentivizing partners to participate, and the risks associated with dilution of control over the organization's operations are high.

To build ambidexterity, the HDF must understand the diversity and dynamism of the security environment and choose and implement an integrated strategic approach.<sup>65</sup> This approach requires different set of organizational interventions and implies different leadership styles to be considered for use.

Academic research and concept development is only one side of the coin though. There are real life examples as well, which aim at proving that modern leadership approaches are in fact working. An excellent example of these experiments is holacracy, <sup>66</sup> which is a practical approach towards irregular organizational constructs using the theory of complex adaptive systems and emergence.

Holacracy fully integrates the modern leadership trends described above and can best be described by a constantly changing organizational structure (small teams organized into a network) led through shared decision making and very high level of autonomy. Started in 2009 by Brian Robertson, this movement replaces the traditional management hierarchy with a "peer-to-peer" operating system that increases transparency, accountability and organizational agility.

<sup>&</sup>lt;sup>60</sup> Raisch, S. and Birkinshaw, J. "Organizational ambidexterity: Antecedents, outcomes, and moderators". *Journal of Management* 34, 2008. 375–409.

<sup>61</sup> The need to develop ambidexterity is widely acknowledged in the business world as well. In a recent BCG survey of 130 senior executives of major public and private companies, fully 90 percent agreed that being able to manage multiple strategy styles and transition between them was an important capability to develop. Reeves, M. et al. " Ambidexterity: The Art of Thriving in Complex Environments". BCG Perspectives. 19 Feb 2013. https://www.bcgperspectives.com/content/articles/business\_unit\_strategy\_growth\_ambidexterity\_art\_of\_thriving\_in\_complex\_environments/, Accessed on 20 Nov 2016.

<sup>&</sup>lt;sup>62</sup> A recent BCG study in the business sector about the financial performance of approximately 2,000 publicly listed U.S. companies found that only about 2 percent consistently outperformed their industry in both turbulent and stable periods.

<sup>&</sup>lt;sup>63</sup> For example, fighting in the grey zone against a highly adaptive enemy requires rapid adaptation to changing needs and fast-moving competition, while deterring a resurgent Russia is scale intensive and requires a more traditional approach. It is an environment which is extremely diverse and dynamic and it is hard to produce the required range of approaches internally.

<sup>&</sup>lt;sup>64</sup> Apple has used it with great success in the smart phone arena, where winning requires multiple strategy styles.

<sup>65</sup> Porkolab. "The context of asymmetry".

<sup>66</sup> Holacracy is a specific social technology or system of organizational governance developed by HolacracyOne, LLC in which authority and decision-making are distributed throughout a holarchy of self-organizing teams rather than being vested in a management hierarchy. Koestler, A. *The Ghost in the Machine*. New York: Penguin Group, 1967.; Robertson, B. J. *Holocracy: The New Management System for a Rapidly Changing World*. New York: Henry Holt and Co., 2015.; Brian Robertson's TED presentation "Holacracy: A Radical New Approach to Management". https://www.youtube.com/watch?v=tJxfJGo-vkI. Holacracy website: http://www.holacracy.org, Accessed on 29 Oct 2016.

Several companies have been experimenting with this organizational and leadership method in Australia, France, Germany, New Zealand, Switzerland and UK as well as the US. Maybe the best recognized company of all is Zappos,<sup>67</sup> which was acquired by Amazon, but still retains autonomy in how to organize and lead inside the company.

A detailed study has been published recently<sup>68</sup> shedding light onto the inner operating mechanisms of Zappos and explaining the most important aspects of Holacracy. The trend definitely seems to be using small independent teams in a dispersed fashion, who can reorganize, self-govern and collaborate in a networked fashion. This is all too familiar to the swarming military concept<sup>69</sup> and is a real life manifestation of using irregular leadership methods in a creative and effective way.

Other experiments, like GoogleX<sup>70</sup> led by Astro Teller prove that a team of brilliant and creative engineers and scientists can develop solutions to dozens (perhaps hundreds) of the world's toughest problems. Some of their publicly known projects include: the self-driving cars, the smart contact lenses, high-altitude wind-power generation, and Project Loon.

The other Google experiment, re: Work<sup>71</sup>, is a website sharing curated guides, case studies and research about how businesses, like Google and others, rethink business to put people first. Their goal is to provide resources to help other organizations design workplaces to make people happier, healthier and more productive. This leadership approach promotes managers acting as role models for continuous growth and improvement; advocates for treating employees like owners; and removes subconscious bias through replacing them with education, measurement and accountability.

Rather than on delivering mass-scaled products or services, the focus of these organizations is on creating data-based platforms, that enable a number of stakeholders, such as customers, partnering companies, and third party contributors to participate in co-creating highly contextualized solutions.<sup>72</sup>

To increase speed and agility The LEAN method is being widely used by start-ups and large organizations alike. It focuses on streamlining processes by eliminating overburden or unbalanced workloads. This type of movement is best demonstrated by Toyota, which summed up its ideals in 2001, calling it "*Toyota Way*." They base their management style on 14 principles. The method promotes building a culture of stopping to fix problems, to get quality right the first time. It also advocates for a learning environment through reflection and continuous improvement. This culture removes trust issues by using visual controls so no problems are hidden.

<sup>&</sup>lt;sup>67</sup> Groth, A. "Zappos is going holacratic: no job titles, no managers, no hierarchy". Quartz. 2013. https://qz.com/161210/zappos-is-going-holacratic-no-job-titles-no-managers-no-hierarchy/, Accessed on 29 Oct 2016.

<sup>&</sup>lt;sup>68</sup> Bernstein, E. et al. "Beyond the Holacracy Hype". Harvard Business Review. 2016. 38–49.

<sup>&</sup>lt;sup>69</sup> SCO Swarming experiment – 103 swarms in unison. Martin, D. "New generations of drones set to revolutionize warfare". CBS News. 8 Jan 2017. http://www.cbsnews.com/news/60-minutes-autonomous-drones-set-to-revolutionize-military-technology/, Accessed on 29 Oct 2016.

<sup>&</sup>lt;sup>70</sup> Diamandis, P. "How X (Google) Experiments". LinkedIn. https://www.linkedin.com/pulse/how-x-google-experiments-peter-diamandis, Accessed on 29 Oct 2016.

<sup>71 &</sup>quot;re:Work 2016 highlights". https://www.youtube.com/watch?v=npBmZKJYrbM, Accessed on 29 Oct 2016.

Popular examples are: Apple's App Store, Google Play, GE, Amazon, Alibaba, Kickstarter, AirBnB, 3M or Ebay. Regalado, A. "The Economics of the Internet of Things". MIT technology Review. 20 May 2014. https://www.technologyreview.com/s/527361/the-economics-of-the-internet-of-things/, Accessed on 21 Nov 2016.

Started in 2015, Responsive Org<sup>73</sup> also aims to redefine how organizations operate in the era of rapid development in digital and social technologies. Their mission is centred on a collective of organizations sharing concrete change toward a more responsive management system that fosters transparency, agility and openness. Introduced in the book Reinventing Organizations by Frederic Laloux in 2014<sup>74</sup>, this movement advances the idea of soulful workplaces that focus on their impact on the world versus management targets. By focusing less on the bottom line and shareholder value and by implementing agile practices, Teal organizations are reaching new heights in financial results and are outpacing their competitors.

To sum up the latest leadership approaches, which will have a major influence on how we lead in the 21<sup>st</sup> century, we can conclude that:

- Social relations in the leadership contact will play an integral part in leadership and the ability of leaders to influence masses of people (even outside of their organizations) will be crucial.
- It also seems that no one individual can possess all necessary leadership skills and "informal" or "dispersed" leadership styles will dominate future organizations.
- In this construct the leader's role might be disassociated from the organization, and certain individuals can fulfil leadership roles at different phases of the project completion process.
- As a result, leadership (a process of gaining situational awareness, and making necessary decisions to guide others) might become more important than the leader (who can only be identified through careful social analysis of the emerging network).
- This also means that present HR approaches (in talent identification and leadership development) need to be re-imagined. A shift from individual leader development towards the identification of what constitutes effective leadership will be the key to success.

## **SUMMARY**

In times of relative peace a leader should not forget that when crisis hits the organization, extreme skills will be very much in demand, and these skills must be built well before the crisis breaks out. This requires a different approach to leadership, where the *bié* and *métis* mindset is not a choice, but instead people realize that they need to be combined and integrated.

Based on the leadership trends above every organization has to make sure to treat all personnel as potential leaders and provide opportunities to grow and learn as a leader. In the contemporary complex context the appointed (positional) leader cannot give much input for dealing with a problem. Such circumstances preclude direct hierarchical-bureaucratic supervision and leadership must rely on the expertise of employees with selective skill-sets and experiences.

More importantly, it seems that creating loyalty not to a specific leader, but rather to a winning concept, or idea and a shared purpose can unify knowledge workers. This theory is focused more on the leadership process and not on the individual leader him/herself and in the future we will be seeing more dispersed approaches to leadership, where the two

<sup>73 &</sup>quot;Manifesto". Responsive.org. http://www.responsive.org/manifesto, Accessed on 22 Nov 2016.

<sup>&</sup>lt;sup>74</sup> Laloux, F. Reinventing Organizations. New York: Nelson Parker, 2014.

systems (traditional and irregular) must be aligned. This is best approached through an integrated strategy and this strategy must be implemented through ambidexterity.

When we are fusing the traditional method with other strategic methods (designed for the contemporary context) the end result is an *integrated strategy*. The *main challenge* in this endeavour is that we have to find a way to create adaptability and agility, while preserving many of the traditional strengths of a well established bureaucracy. There is no manual for this transformation and we have to carry this out while facing multiple disruptions at once.

I believe that most organizations (including the HDF) ultimately need to transform themselves to an *integrated warfare system capable of continuous innovation and adaptation*. A similar approach has been advocated by Zoltán Orosz,<sup>75</sup> Zoltán Szenes and several other Hungarian experts,<sup>76</sup> who promote the idea of supporting research and innovation activities in order to serve the HDF mission requirements.

A system or a network developed parallel to the bureaucracy is not a threat to the existing traditional bureaucratic system, (which maintains stability and dependability), but instead layers in the right communication and decision-making methodology that allows the organization to be as agile and disruptive as the adversary networks we are facing.

Implementing this strategy through ambidexterity is tough to master, but it is an increasingly critical necessity as we are struggling with the apparent paradox of having to carry out multiple strategies at the same time. The imperative to achieve ambidexterity will only rise as technological change and economic turbulence increase the diversity and dynamism of the security environment. The HDF thus should begin to build organizations that can both explore and exploit.

Finally we need to understand that change is about people. Processes will not change an organization, people will do! In a rapidly changing context the capability of being more agile than the opposing forces is the key to survival. There is no alternative to being agile, decisive and adaptive, being first to comprehend trends and the context and building strategic alliances.

Understanding integrated leadership is a lifelong commitment since what is unconventional and unfamiliar today, becomes familiar and even the norm tomorrow. The search for the Holy Grail, out-thinking and out-performing adversaries, has been in the forefront of all leaders' to-do list for ages, and will continue in the future as well. Integrated leadership methods are skills that can give leaders a cutting edge advantage, and additional skills to choose from their toolkit in complex and uncertain situations, when they most need it. Understanding, developing and practicing integrated leadership will better prepare all leaders to handle difficult situations under pressure.

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<sup>&</sup>lt;sup>76</sup> Boda, J. et al. "A hadtudományi kutatási irányok, prioritások és témakörök". Államtudományi Műhelytanulmányok 16. 2016. 1–23.

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