# Leadership and Anxiety: Containment and Metabolism I: Anxiety in a VUCA-Plus Environment

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The leaders of organizations in the 21ˢᵗ Century often must deal with major challenges associated with the anxiety experienced by specific members of their organization, as well as the diffuse anxiety that pervades specific departments in the leader's organization or the entire organization. This anxiety can be induced in many different ways—and there are multiple sources of organizational anxiety. As leaders, we often face the "perfect storm" of organizational anxiety. Perhaps the easiest way to sum up the multiple sources of anxiety is to evoke the now commonly used acronym: VUCA (volatility, uncertainty, complexity and ambiguity). The challenges in a VUCA environment involve both determining what is "real" and how one predicts and makes decisions based on an assessment of this elusive reality.

## The VUCA-Plus Environment

I will dwell briefly on the meaning to be assigned to each of the VUCA terms and then suggest how we might expand on VUCA. *Complexity* concerns the many elements and dynamic interaction among elements that have to be taken into account, while *Volatility* refers to the rate and shifting rate of change among the elements. The other two terms have to do with epistemology (the way in which knowledge is acquired and reality is defined). *Ambiguity* concerns the assessment of both the evidence available regarding reality and the meaning assigned to this reality. The fourth term, *Uncertainty*, is about the stability of any assessment being made regarding reality. Does reality change over a short period of time? Why do an extensive assessment if our world is constantly shifting?

VUCA is deservedly becoming the coin-of-the-realm among contemporary organizational analysts. These four terms (volatility, uncertainty, complexity and ambiguity) clearly capture much of the dynamics swirling around in the perfect storm of contemporary organizational life. I have offered a similar description of our current environment (Bergquist, 2019a). However, my categories differ a bit and expand upon VUCA. I have identified four challenges: complexity, unpredictability (uncertainty), turbulence and contradiction. Two of these challenges align directly with VUCA, while the other two (turbulence and contradiction) expand on the VUCA environment.

In describing *Turbulence*, I turn to a metaphor offered by Peter Vaill (2008), who suggests that we are living in a "white water" world. I have suggested that this white water world represents a turbulent system (Bergquist, 2019a). Furthermore, I have proposed that this white water system incorporates four subsystems that are exemplified by the properties of a turbulent stream: (1) rapid change (flowing

segment of the stream), (2) cyclical change (the stream's whirlpools), (3) stability/non-change (the "stagnant" segment of the stream), and (4) chaos (the segment of a stream existing between the other three segments). With regard to *Contradiction*, I have identified the frequent presence of contradictory constructions and interpretations of reality and the differing meaning assigning to the reality that is being constructed (Bergquist, 2019b). I suggest that we are living and leading in a world of Irony and must make decisions that are contingent and subject to frequent review and modification. Obviously, Turbulence and Contradiction are strongly influenced by and tightly interweave with all four of the VUCA challenges. I will use the term *VUCA-Plus* with this expansion on the description of a VUCA environment.

Having identified the fundamental nature of the four VUCA terms, while adding two additional terms, I turn in this first essay to the nature of organizational anxiety that is evoked in this VUCA-Plus environment. In a second essay, I consider ways in which 21st Century organizations – and especially the leaders of these organizations—contain this anxiety and transform it (via something called "metabolism") so that the anxiety might be managed effectively (Bion, 1991; Bion, 1995). Finally, in a third essay, I identify several tools that can be used by these leaders in creating and maintaining these containers and transformational processes.

# The Nature of Anxiety

VUCA-Plus produces anxiety at both the individual and collective level. It seems that anxiety is quite contagious. One anxious person in an organization (or any group) can readily spread this anxiety to everyone else in the organization. In some ways this contagion is quite adaptive. When human beings were living on the African savannah, they were among the weakest and slowest creatures to populate this often threat-filled environment. It seems that we humans survived (and ultimately thrived) by working collaboratively via language and strong family and clan bonding. We all wanted to know if something was threatening one or more members of our group so that we could act together to fight or flee from the source of the threat. Anxiety served this purpose.

### Anxiety as a Signal

Many years ago, Sigmund Freud (1936) wrote about the signal function of anxiety. At the time, he was pointing to the way in which anxiety alerts us to an important psychic reality: we are moving into dangerous territory regarding unconscious processes. We can expand on Freud's analysis by considering the collective signaling function served by anxiety in warning us (as families or clans) about sources of danger that are real (such as predators, crop failure or the pending invasion of an adversarial clan)—or are anticipated or imagined.

We can probe for a moment into the neurobiological basis of collective (and contagious) signaling anxiety. In recent years, neurobiologists have recognized the very important role played by a specific neurotransmitter in the lives of human beings. This neurotransmitter is oxytocin. It is sometimes called the "bonding" and "nurturing" chemical – and we human beings have more of this chemical coursing through our brains and veins than most other animals. Oxytocin pulls us together and makes us particularly fearful of being alone and isolated from other members of our family and clan. We want to be close to others and feel threatened when others feel threatened.

This secretion of oxytocin could be considered the basis of empathy and might even be mediated by something called "mirror neurons" which are activated in us when we experience the wounding (physical or psychological) of other people. While the role played by mirror neurons is still quite controversial, there is very little dispute regarding the typical (and necessary) bonding of human beings with one another and the high level of sensitivity regarding our discomfort with witnessing the potential or actual suffering of other people with whom we are bonded – hence the contagious and signaling nature of anxiety.

**Real and Imagined Lions**

Clearly, we are attuned to the signal of threat transmitted by other people. This signal can be based on "legitimate" threats: the lion can be stalking us or the tribe living in the next valley can actually be plotting to take over our hunting ground or pastureland. However, as made famous by Robert Sapolsky (2004), we are also quite adept at imagining lions—and falsely concluding that our neighboring tribe is plotting against us. Thus, there can be "false alarms" that we have to manage with just as much skill as the alarms based in reality.

Part of our role as leaders is to discern the difference between valid signals and invalid signals. This can be quite a challenge in the world of VUCA-Plus—and this is an important element in the metabolism and re-introduction of anxiety into an organization. As parents we need to help our children sort out the difference between the "real" bad things in life and the "unreal" monsters lurking under their bed at night (equivalent in contemporary life to the imaginary lions of the African savannah). As leaders, we similarly have to assist with addressing the imagined VUCA-Plus monsters lingering under our organizational beds.

## A World of Problems, Dilemmas and Mysteries

The concept of VUCA has become quite commonly introduced into the identification and description of 21st Century organizational challenges. I would suggest that we can move beyond the VUCA and VUCA-

Plus environment by considering not just the content contained in these analyses, but also the nature of the issues embedded in this environment. I propose that there are four kinds of issues being addressed in this environment: *puzzles, problems, dilemmas* and *mysteries*. The most prevalent of these issues are not puzzles—but are instead problems, dilemmas and mysteries. I will briefly describe each of these issue types.

**Puzzles**

Puzzles are the everyday issues that anyone working in an organization must face. Puzzles have answers. They are uni-dimensional, in that they can be clearly defined and can readily be quantified or at least measured. Puzzles concern such things as changing a production schedule to accommodate a major new order or determining the appropriate fee for a new, longer training program. Puzzles also concern changes in organizational policies to accommodate new federal laws or re-arranging an office floor plan or a parking space distribution. With a puzzle, the parameters are clear. The desired outcome of a puzzle-solution process can readily be identified and is often important to (and can be decided by) a relatively small number of organization members. It is the sort of issue rightly passed to the lowest level of responsibility where the necessary information is available. Puzzles were quite common in pre-VUCA-Plus organizations.

Researchers who study complex systems use the metaphor of landscape to distinguish a complex challenge from other types of simpler challenges being faced in various systems, including organizations, (for example, Miller & Page, 2007). They point to the image of a single, dominant mountain peak when describing one type of landscape. Often volcanic in origin, these imposing mountains are clearly the highest point within sight. For those living in or visiting the Western United States, we can point to Mt. Rainer (in western Washington) or Mt. Shasta (in northern California). Mt. Fuji in Japan also exemplifies this type of landscape.

You know when you have reached the highest point in the region and there is no doubt regaining the prominence of this peak. Similarly, in the case of puzzles, one knows when a satisfactory solution has been identified and one can stand triumphantly at the top of the mountain/puzzle, knowing that one has succeeded and can look back down to the path followed in reaching the solution/peak. We know how the peak was reached or puzzle solved and can readily replicate the actions taken. Unfortunately, there are other landscapes that are much more challenging—and these represent the dominant environment of VUCA-Plus.

**Problems**

The second type of issue that a 21st Century leader faces with VUCA and VUCA-Plus can be labeled a "problem". Some other authors have described these as "wicked" issues. Problems can be differentiated from puzzles because there are multiple perspectives that can be applied when analyzing a problem. Several possible solutions are associated with any one problem and multiple criteria can be applied to the evaluation of the potential effectiveness of any one solution.

There are many more cognitive demands being placed on us when we confront problems than when we confront puzzles—given that problems do not have simple or single solutions. Problems are multi-dimensional and inter-disciplinary in nature. They are inevitably complicated in that they involve many elements (Miller and Page, 2007). Any one problem can be viewed from many different points of view—thus it is unclear when they have been successfully resolved. For example, we find a technical solution and realize that the problem has financial implications. We address the financial implications and soon find that there are a whole host of managerial concerns associated with the problem.

Researchers and theorists who are seeking to understand complicated problems often describe the settings in which problems emerge as "rugged landscapes." (Miller and Page, 2007, p. 216) This type of landscape is filled with many mountains of about the same height (think of the majestic mountain range called the Grand Tetons or the front range of the Rocky Mountains that citizens of Denver Colorado see every day), as compared with a landscape in which one mountain peak dominates (think of Mount Rainier). In a rugged landscape that is complicated, one finds many competing viewpoints about which mountain is higher or which vista is more beautiful. A similar case can be made regarding the challenging VUCA-Plus problems facing the 21st Century leader.

**Dilemmas**

When certain issues that managers face appear impervious to a definitive solution, it becomes useful to classify them as dilemmas. While dilemmas like problems are complicated, they are also complex, in that each of the many elements embedded in the dilemma is connected to each (or most) of the other elements (Miller and Page, 2007). We may view the problem from one perspective and take action to alleviate one part of the problem; we then immediately confront another part of the problem, often represented by an opposing stakeholder group.

Dilemmas are intimately aligned with the challenge of uncertainty in the VUCA model and with the challenge of turbulence in the VUCA-Plus model. We tighten up our policies regarding new product development and find that creativity is dropping off. We increase the price of a service that we deliver

in order to increase revenues and find that we are losing customers, thereby losing revenues. Leaders not always recognize a dilemma for what it is. New leaders who have not fully understood or acknowledge the unique nature of VUCA-Plus tend to see problems and dilemmas in a limited or simplistic way and attempt to deal with them as if they are puzzles. When that happens, leaders dig themselves deeper into the complexity, seriousness, and paradox of the "mess." (Schön, 1983)

At times we find that the issue is a set of nested dilemmas. One set of conflicting priorities exists within another set of conflicting priorities. For instance, we want to pay one employee a bonus, but are concerned that if we do so other employees who find out about it will be resentful and less likely to collaborate with their bonused colleague. This dilemma, in turn, rests inside an even bigger dilemma: we want to increase salary and benefits to all our employees, yet also are trying to keep down costs because the market in which our product is being sold is highly competitive. These are complex dilemmas - not readily solved puzzles. (Bergquist and Mura, 2014)

Living in a VUCA-Plus environment, contemporary leaders are likely to often confront the challenge of working with dilemmas and even nested dilemmas. As in the case of problems, dilemmas can be described as "rugged landscapes." (Miller and Page, 2007) However, because dilemmas involve multiple elements that are intimately interlinked, they are far more than a cluster or range of mountain peaks of similar size. This type of complex landscape is filled not only with many mountains of about the same height, but also with river valleys, forested plains and many communities (think of the Appalachian Mountains), as compared with a landscape in which one mountain peak dominates or in which a series of mountains dominate. In a complex, rugged landscape, one finds not only many competing viewpoints but also an intricate and often paradoxical interweaving of these differing viewpoints.

It is often even more challenging in a VUCA-Plus environment. As leaders, we are likely to find that we are living and leading not just in a complex rugged landscape—but in what Miller and Page (2007) call a "dancing landscape." Priorities are not only interconnected, they are constantly shifting, and new alliances between old competing polarities are being forged. Clearly, when a world of complexity collides with a world of uncertainty turbulence and contradiction, the landscape begins to dance, and leaders must learn how to dance. The dilemma-filled challenges and dancing landscapes that 21st Century leaders face in a VUCA-Plus environment make the process of metabolism and the creation and maintenance of a container in which the metabolism takes place very important (perhaps even imperative).

**Mysteries**

As we begin to address the challenges associated with dancing landscapes, we enter a domain in which problems and dilemmas seem to merge into mysteries. *Mysteries* operate at a different level than puzzles, problems and dilemmas. Mysteries are too complex to understand and are ultimately unknowable. It is inevitably viewed from many different perspectives that are systematic and deeply rooted in culture and tradition. Mysteries have no boundaries, and all aspects are interrelated.

A specific mystery is profound. Desired outcomes are elusive—yet are they are also of great importance to all members of an organization or society. They are beyond rational comprehension and resolution. Mysteries must be viewed with respect, for they are awe-inspiring or just awe-ful. A mystery is in many ways religious or spiritual in nature. Depending on one's perspective, they are the things "we take to God" or at least "take to heart".

The typical description of VUCA captures several of the most important dimensions of organizational mystery. The term unpredictable (U) is particularly relevant. As Taleb (2010) has noted, there are many "black swans" to be found in our 21st Century world. Many events that occur in a VUCA-Plus environment are like black swans—they can be imagined but are not likely to ever be encountered—until they actually occur. Specifically, some mysteries relate to traumatic and devastating events: Why did I get out of the World Trade Center while my desk mate perished? Why is there evil in the world? Why did lightning strike our freighter but not the one next to it? Why did my child die before me?

Mysteries also encompass many positive events and moments of reflection: How did I deserve all these talents? Why have I been so blessed in my professional life? How did I ever raise such an exceptional child? How did I earn so much affection from these people at my retirement party? What is my destiny? Why did I fall in love with this person? Why did this remarkable person fall in love with me? Operating in a container of safety, privileged reflections on these questions can occur.

**Locus of Control**

There is one additional dimension to be taken into account when describing the sources of anxiety and the need for containment and metabolism in an organization. This dimension concerns our assignment of control in a specific situation. We perceive mysteries as taking place outside our sphere of control or influence. Psychologists call this an *external locus of control* and note that some people are inclined to view most issues as outside their control (that is, as mysteries). By contrast, puzzles are usually perceived as being under our control. Psychologists identify this perspective as an *internal locus of*

*control* and note that some people are likely to view all issues as being under their control (that is, as puzzles).

Problems and dilemmas are usually complex mixtures of controllable and uncontrollable elements. To successfully address a problem or dilemma, one typically needs a balanced perspective regarding internal and external loci of control. This is an important discernment in which to be engaged—and is often quite difficult to engage when members of an organization (and particularly leaders of the organization) are anxious. Each of us is inclined to revert to our preferred perspective (internal or external locus of control) when we are anxious. One of the most helpful inquiries when confronting problems, dilemmas and (in particular) nested dilemmas is for us (individually and collectively) to identify what is and what is not under our control. A container and mode of anxiety-transformation are critical to this discernment. This process of discernment resides at the heart of the metabolism process (to be described in my second essay). A problem or dilemma that is embedded in a rugged landscape is more likely to have components that are under at least the partial control of a leader than is a problem or dilemma that is embedded in a dancing landscape..

## Conclusions

There are myriad VUCA-Plus challenges associated with identifying and addressing puzzles, problems, dilemmas and mysteries. First, leaders typically want their issues to be puzzles that they can control or perhaps mysteries for which they have no responsibility. Puzzles can be solved—and we know when we have solved them. Mysteries are outside our control, so we don't have to feel it is necessary to resolve them. But problems and dilemmas—these are much more difficult to address. We must determine which aspects of the problem or dilemma are under our control and which aspects are not.

This confusing mixture of internal and external control is inherent in problems and dilemmas. That's what makes them so difficult to address— and makes indispensable a container of safety and a process of metabolism. A second challenge concerns the values inherent in the typical role played by leadership. Leaders are often considered much more successful, in terms of both fortunes and fame, if they can "solve problems"—often by approaching them as puzzles. This criterion of success is prevalent even in a VUCA-Plus environment.

In essence, I am suggesting that we must fully appreciate the nature of a VUCA-Plus environment in which most contemporary leaders operate. In such an environment, effective and sustained organizational containers and processes of metabolism are needed. I turn to these important organizational concepts in the second essay.

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