

Leading with inner agility

Disruptive times call for transformational leaders with a knack for addressing complex problems. To navigate effectively, we must learn to let go—and become more complex ourselves.

We live in an age of accelerating disruption. Every company is facing up to the profound changes wrought by digitization. Industry boundaries have become permeable. Data, algorithms, and artificial intelligence are changing the nature of forecasting, decision making, and the workplace itself. All this is happening at once, and established companies are responding by rethinking their business models, redesigning their organizations, [adopting novel agile-management practices](#), and embracing design thinking.

We've had a front-row seat at many such [transformation efforts](#). Their importance, and the challenge they pose for institutions, has been well documented by management writers. But comparatively little attention has been paid to the cognitive and emotional load that change of this magnitude creates for the individuals involved—including the senior executives responsible for the success or failure of these corporate transformations. What makes the burden especially onerous is the lack of clear answers: the very nature of disruption means that even the best, most prescient leaders will be steering their company into, and through, a fog of uncertainty.

You aren't alone if you feel threatened by this—everyone does, whether consciously or subconsciously. Even seasoned leaders internalize the acute stress of such moments—so much so that their judgment and decision-making skills seem insufficient. The result? They fall back on old habits, which, unfortunately, are almost always out of sync with what the current context demands.

The *problem* isn't the problem; our *relationship* to the problem is the problem. In other words, we have many of the skills needed to handle

what's being thrown at us. But when faced with continual complexity at unprecedented pace, our survival instincts kick in. In a mental panic to regain control, we fight, flee, or freeze: we act before thinking (“we’ve got to make some kind of decision, *now!*”), we analyze an issue to the point of paralysis, or we abdicate responsibility by ignoring the problem or shunting it off to a committee or task force. We need inner agility, but our brain instinctively seeks stasis. At the very time that [visionary, empathetic, and creative leadership](#) is needed, we fall into conservative, rigid old habits.

You can't [steer your company through constant change](#) if you are relying on the safety of your own cruise control. To spot opportunities—and threats—in this environment, we must teach ourselves how to have a more comfortable and creative relationship with uncertainty. That means learning how to relax at the edge of uncertainty, paying attention to subtle clues both in our environment and in how we experience the moment that may inform unconventional action.

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Developing this kind of inner agility isn't easy. In some ways, it goes against our very nature, which wants to simplify a problem by [applying our expert mind-set and best practices](#). To address complex problems, we need to become more complex ourselves. We need to recognize and appreciate emergent possibilities. That's how the complexity we face can become manageable, even exciting.

In our experience, five personal practices can meaningfully contribute to the mind-set needed for leadership effectiveness during transformative times. They are extensions of timeless principles of centered leadership; taken together, they can be the building blocks of your personal inner agility:

1. *Pause to move faster*. Pausing while remaining engaged in action is a counterintuitive step that leaders can use to create space for clear

- judgment, original thinking, and speedy, purposeful action.
2. *Embrace your ignorance.* Good new ideas can come from anywhere, competitors can emerge from neighboring industries, and a single technology product can reshape your business. In such a world, listening—and thinking—from a place of *not* knowing is a critical means of encouraging the discovery of original, unexpected, breakthrough ideas.
 3. *Radically reframe the questions.* One way to discern the complex patterns that give rise to both problems and windows of emergent possibilities is to change the nature of the questions we ask ourselves. Asking yourself challenging questions may help unblock your existing mental model.
 4. *Set direction, not destination.* In our complex systems and in this complex era, solutions are rarely straightforward. Instead of telling your team to move from point A to point B, join them in a journey toward a general direction. Lead yourself, and your team, with purposeful vision, not just objectives.
 5. *Test your solutions—and yourself.* Quick, cheap failures can avert major, costly disasters. This fundamental Silicon Valley tenet is as true for you as it is for your company. Thinking of yourself as a living laboratory helps make the task of leading an agile, ever-shifting company exciting instead of terrifying.

To be clear, these steps are not panaceas but a set of interrelated touchstones. Nor are they trivial to tackle. (See sidebar, “Micropractices that help you find stillness.”) But with conscious, disciplined practice, you stand a better chance of rising above the harried din of day-to-day specifics, leading your team effectively, and surveying your company and its competitive landscape with creative foresight. Let’s look now at how this played out in some real-life examples, starting with two leaders who were trying to save a merger that had unfolded in unpredictable, troubling ways.

1. Pause to move faster

Anticipating tough questions at an upcoming board meeting, the CEO and CFO of a global manufacturer met to review the status of a substantial merger they had engineered about 12 months earlier. It wasn't a pretty picture. Despite following the integration plan closely, despite intensive scenario planning, and despite clear, achievable targets, productivity was falling. The more the two dug into the results of their grand plan, the more heated the discussion. The CFO wanted to shutter a dozen factories in the company's expanded portfolio. The CEO, who had promised that the merger would lead to bold innovation, wanted to increase funding of those very plants, since they were making the ambitious products the company would need in the long run. Despite having worked together for quite a while, the two men had such differing views that neither knew how to move forward together.

The stakes were highly personal. The CFO feared that the board and his executive colleagues would blame him for failing to identify the true cost structure of the combined companies. He gave serious thought to resigning. The CEO feared that the board would begin to doubt his strategic rationale for the merger. With their competence threatened, each had reverted to fallback positions, insisting that their own experience justified the solution they proposed. That's why their two days of nonstop meetings had led to an impasse.

Then they agreed to temporarily halt their discussions. Given the urgency each man felt, this was not an easy decision. But they believed they had no other choice—they weren't going to arrive at a solution by continuing to butt heads. They agreed to cut off their conversation for a week and committed to spending the time investigating the productivity failure on their own, hunting for clues they might have missed.

The two leaders had decided to pause, in order to move faster. This kind of pause isn't an abdication; it isn't even a concession that finding an answer will take a long time. Instead, it's a real-time pause that allows you to decouple from the immediate challenge so that you can find new ways of responding. Instead of being limited by old habits, you're trying to give

yourself greater freedom of choice.

Most executives have trouble pulling back from obsessive engagement with the issue at hand; for many, in fact, that focus has been a key to success. But trying to survive one crisis after another by relying on the tried and true isn't enough these days. [Pausing in the chaos of great change is a counterintuitive action](#) that can lead to greater creativity and efficiency. It carves out a safe space for self-awareness, for recentering yourself, for something new to emerge.

Claiming this space is hard, and there are no silver bullets. [Some CEOs like daily meditation](#). We know one CEO who takes a ten-minute walk through the neighborhood around his office—leaving his cell phone on his desk. Others regularly catch a minute's worth of deep breathing between meetings. The repetition of such practices helps them pause in the moment, interrupt well-grooved habits that get triggered under duress, and create space to practice something different.

Pausing requires substantial self-awareness, and you may not get immediate results. Every bit of benefit counts, though, and if you don't start the journey of learning how to decouple from your context and the immediate response it provokes, you'll find it harder and harder to be open to new ideas, or to become a better listener—both traits that are critical at moments where your own vision is clouded.

2. Embrace your ignorance

During their week apart, the CEO and the CFO dug around for answers. The CFO met with plant managers, who described a pattern of project delays caused by costly reworking of product designs. Several HR leaders told the CEO that people at all levels—hourly workers, supervisors, and managers—were frustrated. Trying to meet the unrealistic assumptions made during the merger process, managers were serving up impossible and confusing directives to supervisors, who in turn were leaning heavily on workers.

The information was interesting. But the CEO and CFO agreed that they were still largely in the dark. They decided that they would next meet with all the members of the executive team. They needed the help of many voices.

With the whole team gathered, the CEO and the CFO listed their assumptions about what might have caused the productivity slump. Then they went around the room, asking questions: How may we be wrong? What else is happening? Who sees this differently? The chief human-resources officer, a quiet fellow during most discussions about operations, spoke up to say that absenteeism was at an all-time high. The vice president of marketing mentioned that the company's largest customer had complained recently about the call center. As more managers weighed in, patterns started to emerge, patterns that had nothing to do with numbers. The vice president of strategy, who was in the process of moving into a new house with her new husband and children, said, "This reminds me of my kids. Joe and I were so focused on making the move happen efficiently that we completely missed the fact that our kids were anxious. They needed to be reassured, not told they were moving into the perfect room! I wonder if fears and anxieties in our employee base could be driving this." Together, the managers came to a jarring realization: they had failed to reassure employees about this massive change in their lives.

The CEO and CFO would never have uncovered this answer without acknowledging their own ignorance, and without [listening carefully and openly](#). Furthermore, as everyone around the table acknowledged, their conclusion raised a whole set of new questions, some potentially more important than the productivity problem. How could the executive team have missed this? How could they have been so wrong? Even more broadly, what kind of culture were they creating at this company? A productivity problem had become an existential question about the mental health of the company. Sometimes, ignorance can push you further than expertise. In fact, ignorance is a necessary asset in this age of disruption. Expecting that you can know everything is a hubristic concept of the past.

But embracing your ignorance is hard. Letting go of your need to know means [challenging your own identity as exceptionally competent](#). One CEO we know pretends to have a long dinosaur tail that represents all her life experience. In meetings, she imagines that she tucks it away beneath her. It's comforting that it's there. It allows her to lean back and access a sense of self-sufficiency that can be summed up by the thought, "I am enough." That comfort shifts her into a deeper listening mode, where she's unencumbered by the urge to provide a quick answer. She feels that she's able to hear not just the words and ideas of others, but the subtext of conversations. Since adopting this practice, she's received feedback that people feel more empowered and creative when meeting with her.

A dinosaur tail isn't for everyone. Another CEO makes a conscious practice of listening with his heart instead of listening with logic. He finds himself more fully digesting what the other person is saying. His curiosity is piqued as he pays better attention to their concerns, needs, and ideas. He believes he has become more patient, which has created more space for creative dialogues.

The embrace of ignorance cuts against the grain for most of us and can take a lifetime to master. To get started, ask yourself some probing questions. First: "Do I suspend judgment and listen for what is below the words, or do I listen for what I already know or believe?" If it's the latter (as it is for so many of us), go on to this second one: "What would I have to let go of to truly listen?" Third: "What is the very worst that could happen?" The answer to that can help you find the hidden fear that you may need to befriend. And, finally, there's a fourth: "Am I the leader I want to be?" If the answer is "not yet," then you know why embracing ignorance must become a priority. Asking these questions may not dissolve the reactive habits that hold us back, but they can begin a process of letting go to find new capacities within ourselves.

3. Radically reframe your questions

The CEO and CFO of our global manufacturer could have reacted in two

ways to that boardroom discussion. They might have said, “Let’s get back to basics and just attack productivity. After all, *that* is the problem we set out to solve.” But they chose to pursue a bigger question: “What kind of culture do we want to create?”

After the meeting with the executive team, the CEO and CFO set out on a “listening tour”—a valuable executive response that becomes even more important as technology increases the clock speed of our lives. For ten days, the two leaders toured plants and visited regional offices, listening to shop-floor workers, managers, division-level HR executives, and operations specialists. They didn’t go in with predetermined questions. Instead, they posed open-ended questions designed to surface multiple, and often hidden, perspectives. They relentlessly asked, “and what else?” to unearth viewpoints that had gone untapped for so long.

Then the CEO and CFO again assembled the executive team. Now, armed with a panoply of varied, often colliding perspectives, the team could [dig into the root causes of those productivity decreases](#). This wide-open, wide-ranging dialogue reset the direction of the merger. New goals were set on new timetables, based on a better understanding of what employees needed and the way employee networks in the merged company fed off one another. The CEO and other leaders revived the sense of purpose that employees had felt for so long by transparently recentering the company’s transformation on the customer. They also empowered a set of shop-floor change agents to drive the shift through every layer of the company. It wouldn’t be hyperbole to say that answering the bigger question—what kind of culture do we want to create?—saved the merger.

Radically reframing the question isn’t just good for the company. It’s a critical skill for any modern executive, and it takes time to build. Start by challenging yourself. Revisit the diversity of your personal network, which for many of us looks too familiar, too much like *us*, to provide significant exposure to alternative viewpoints. Another useful prod is asking yourself challenging questions, such as, “What is wrong with my assumption? What am I missing? Am I expanding the boundaries of the problem, to allow for

unexpected factors?” Identify those who most oppose your view, and understand the story from their point of view. These kinds of questions and conversations take you into the unknown, which is where you’ll find the most valuable answers.

When you step into the unknown, you also boost your odds of getting a glimpse of “inner blockers” that can inhibit you from leading with inner agility. The CFO realized that his initial stubbornness was driven by a deep fear of failure that had been with him for years. The CEO came to understand his own actions in very personal ways. Ever since he was 16, when his father had passed away, he had assumed responsibility for providing for his mother and for his extended family. Providing for those around him was a value that carried through to his work life and had helped him succeed. But in this case, he had been *over*protective. Too focused on his own need to deliver on his promises, he hadn’t listened carefully and openly to his people. After working his way through this crisis, he would never infantilize his workforce again. Since then, his people have become his most important source of innovation and ideas.

4. Set direction, not destination

Let’s turn to another situation. The new CEO of a supplier to a major manufacturing sector wanted to signal quickly and clearly where the company was headed. The 150-year-old company had lost ground to overseas competitors, so he believed a transformation was in order, and fast. He replaced 60 percent of his executive staff with newcomers from entrepreneurial companies and announced that the company would be the low-cost provider of its most important part. He dubbed it the “three-dollar plan.” He was sure that this clear, concrete plan would pay off in many ways: existing customers would be pleased, new ones would be won, profits would rise, and employees would be cheered by the turnaround.

One year later, however, the numbers told a different story. Expected cost savings from manufacturing efficiencies weren’t showing up. Profits and sales were flat. Employee engagement, as measured by participation in the

annual survey, had dropped by 20 percent. Uncertain about how to respond, he took a step back: he and some top advisors began asking a lot of questions of people at all levels of the company.

As he listened, he came to understand his big mistake: instead of sharing a vision of the general direction for the company, he had pointed employees to a destination, and given them no context for his decision. The company had long been admired for its great customer service, and many longtimers didn't understand how the "three-dollar plan" could coexist with that reputation. His clarity had denied their creativity: they saw the plan for what it was, a productivity goal, not a vision that demanded their best work and thinking. Without a supportive, engaged workforce, the plan had failed.

Fast forward to today: two years after that realization, pride in the work has been reestablished, and the company is on solid financial ground. What changed?

The CEO changed. As he was reflecting on why his staff had lost motivation, several family portraits that adorned his office caught his eye. Family was important to him, and he suddenly realized that he managed that part of his life very differently from his company. He didn't give deterministic outcomes to his children. Instead, he tried to point them in certain values-based directions and give them the tools to succeed, knowing that the outcome would depend much more on their talents than his dictates. He accepted his children's independence, but not his workers'. He determined to manage his company the way he parented. He engaged the staff in determining the direction of the company; he tasked a diverse group of employees with figuring out whether the three-dollar plan could coexist with the customization that had given the company such a great reputation for customer service and innovation. They came to believe it could, and even developed a tagline that nodded to the past while pointing to a new direction: "Building the business together for the next 150 years on a proud heritage."

We'd be the first to acknowledge that applying techniques from the home

front won't work for everyone: after all, some executives are more autocratic at home than in the office! Still, we think any leader of a business that depends on the creativity of its people will find value in bringing this directional mind-set into the office.

Setting a [direction that is rooted in purpose and meaning](#) can inspire positive action and invite others to stretch out of their comfort zone. Make it personal by starting with your own personal vision: What really matters for you? What do you want to create through your leadership? What do you want to be remembered for? What do you want to discover? These are the kinds of questions that help you set a meaningful, values-based direction, for yourself and others.

5. Test your solutions, and yourself

Developing inner agility is a process of accepting less control than makes you feel safe. But that doesn't mean you're embracing chaos.

Most Silicon Valley companies are networks, designed so that ideas will spark from many different corners of the organization. How do they surface the best ones? By testing often, [creating “safe to fail” experiments](#) and then rewarding learning. Testing fast and small is critical for agile companies. It ensures that you can respond quickly to technological shifts or changed market conditions. And microfailures reduce the chance of macrofailures.

Applying this testing concept to yourself is a critical part of developing inner agility. Try to create mindful experiments for yourself. A baby step: ditch your slideshow presentation for an important meeting, and instead try to [stimulate unconventional thinking by telling a story](#). You may bomb, but that's OK—you're starting to learn how to unearth new viewpoints. Using everyday leadership situations as a practice ground can help you build comfort with uncertainty and develop the learning mind-set needed to provide leadership at a time when, as Andy Grove once said, “None of us have a real understanding of where we are heading.”¹

Testing and experimentation is tightly intertwined with the other four

practices of inner agility. The experiments we conduct move us in the direction we have set, while the process of setting a direction that's rooted in purpose helps us build the courage to experiment. Pausing helps us to decouple from our context and develop comfort with *not* knowing, a necessary condition for any meaningful experiment. And reframing and expanding the questions we ask ourselves gives us the broad perspective we need to create experiments that will move us in the right direction.

In times of complexity and high stress, we find our sense of our own competence (and sense of self!) continually challenged. We have two choices: try to reduce discomfort by falling back on trusted habits, or embrace the complexity and use it to learn and grow. Bold leaders will develop a new relationship to uncertainty. We must grow more complex from within. Taken together, the five practices we have discussed here are the foundation of a mind-set that is comfortable with leading despite, and through, uncertainty. The more you practice these steps, the more you will develop inner agility, tap into creativity, and enjoy the ride! Each small failure will teach you something, and each success will help confirm that it is possible to lead effectively without having all the answers. Today's leaders must be like eagles, who don't flap their wings harder or strain against the wind stream when they encounter great turbulence. Instead, they become even more still, knowing that they have the agility and self-possession to soar even higher.

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