

By Michael J. Keegan

## Introduction: Leading in an Era of Complex Challenges

Today governments are facing very serious, seemingly intractable public management issues that go to the core of effective governance and leadership, testing the very form, structure, and capacity required to meet these problems head-on. These types of challenges run the gamut from the 2008 meltdown of the global financial system to the Y2K challenge, pandemics, and natural and man-made disasters. Many are more difficult to anticipate, get out in front of, and handle. In most manifestations, they don't follow orderly and linear processes.



Complex challenges, or so-called “wicked” problems,<sup>1</sup> tend to have innumerable causes and are hard to define, making their mitigation resistant to predetermined solutions or traditional problem-solving approaches. In certain instances, the scope, nature, and extent of these challenges eliminate the notion of quick fixes or one-size-fits-all solutions. The resources needed to properly address these wicked problems often transcend the capacity of any single agency. As a result, government leaders find it necessary to go beyond established parameters and institutional strictures, working across organizational boundaries in pursuit of multi-layered, networked approaches that are tailored to a specific challenge. As Ed DeSeve underscores in his latest IBM Center report, *Managing Recovery: An Insider's View*, “meeting complex, or wicked problems requires a new approach based on an integrated system of relationships that reach across both formal and informal organizational boundaries.” This often demands that today's government leaders be more innovative, collaborative, and flexible. It also may require government to supplement core skills with additional expertise that may be better suited to tackling complex, non-routine challenges. Unfortunately, there has been a tendency to solve, or at least, attempt to cope with many of these types of challenges by instituting equally complex structures and systems in response (i.e., establishing the U.S. Department of Homeland Security). As Professor Don Kettl points out, the current conduct of American government is a poor match for the problems it must solve. “If government is to serve the needs of its citizens in the 21st century, it must reconfigure itself—to shift the boundaries of who does what and, even more important, how its work gets done.”<sup>2</sup>

Since complex challenges confront people with the unknown and unpredictable, they also demand a different style of leadership—one that shapes vision and fosters alignment and commitment through collaborative action. It is about pursuing ideas and engaging in activities that resonate with the situation, combining a particular context and the attributes needed to lead in that context. Depending on the challenge faced, government leaders

<sup>1</sup> H. W. J. Rittel and M. M. Webber, “Dilemmas in a General Theory of Planning”, *Policy Sciences*, Vol. 4, No. 2, June 1973, pp. 155–69.

<sup>2</sup> Kettl, Donald F. and Steven Kelman. *Reflections on 21st Century Government Management*. IBM Center for The Business of Government. 2007.



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may need to fundamentally transform how their organizations operate to meet mission. For example, when facing the challenge of budget cuts and significant resource reallocation, transformational change that can deliver mission value more efficiently will be increasingly important.

Our forum highlights two recent IBM Center reports that offer lessons on how to tackle complex challenges, as well as the role transformational leadership can play in seizing the opportunities these types of challenges present to today’s government leaders. In the first contribution, Ed DeSeve, who was a special advisor to President Obama, overseeing the American Recovery and Reinvestment Act (ARRA) implementation, provides an insider’s view on managing the administration’s efforts. He describes a series of key decisions made by the administration at the outset in response to the worst economic crisis since the Great Depression. He identifies primary lessons learned from the implementation of the Recovery Act. These lessons are creating, to quote Vice President Biden, “a new way of doing business.” The approach used to implement the Recovery Act—the use of managed networks—reflects some of the guiding principles for how to successfully meet future challenges when acting on big problems. DeSeve concludes his report with lessons for how public leaders can address major government-wide challenges in the future.

The second contribution to this forum focuses on transformational leadership—insights from a select group of federal executives who have recently undertaken major transformation initiatives. Robert Reisner, an expert in government transformation, has culled these insights in his recent IBM Center report, *A Leader’s Guide to Transformation: Developing a Playbook for Successful Change Initiatives*. Based on these interviews, Reisner frames a series of interrelated steps that a government executive should consider when undertaking any transformation initiative. Whether it’s tackling complex public management challenges or seeking to use these challenges as an opportunity to change the way an agency operates, these five steps may offer a foundation for building structures that anticipate the future and, in fact, help leaders shape it.

For a more in-depth exploration of each report highlighted in this forum, you may download or order a free copy of the full report at [businessofgovernment.org](http://businessofgovernment.org). 

