

## Stress, fear and dysfunctional leadership

There is a notion that it is often necessary for leaders to work under stress and that they should be strong and robust. When it gets difficult they should “suck it up”.

Like many ideas, there is some truth in it. No-one wants leaders who fall apart at the first sign of difficulty. However, there is a deeper story to be told regarding the long term effects that cause leaders to make bad decisions and adopt strategies that are not for the benefit of the organisation. Often, although they may seem so to the individual, they are not in their own interests either, with potential impacts on both performance and health.

I am going to refer to this process as downshifting. Let me explain why. This analysis is based in a long-standing theory of psychological development, but I am not intending to be academic about this. I very much hope that what I say will make sense in terms of normal understanding. I should note that while is not the subject of this article, the effects of stress on fluctuations in cortisol, adrenaline, oxytocin, serotonin and dopamine levels all play a part in the patterns that will be described.

There is an established pattern to the way that humans grow. Physically this is obvious, we crawl, toddle and walk. We get teeth at certain ages and adult characteristics in our teens. There is a corresponding pattern for our psychological development. It may be less visible but I hope you will recognise aspects of what I will describe, which covers the first six stages. Between them they lay down the core of how we relate to the world. These are not personalities; your character is something different and more unique. But these stages all affect the way that you express that character. Put another way, your character will give a certain flavour to your journey through the stages.

### You may know these people

These stages I will describe have always been visible in the way leaders show up in organisations. You may put names to some of them as you read these descriptions. I will use a simple colour mnemonic to help memorise them for later reference.

Stage 1- BEIGE is the stage of doing whatever it takes for them, or possibly those closest to them to survive. That may mean ducking and diving and taking short-term risks. They may also be the ones who are giving up and going into apathy, finding how to get themselves carried. It is most commonly seen in organisations which are under severe threat, close to bankruptcy or facing takeover.

Stage 2 – PURPLE creates a sense of tribe and affiliation that provides a sense of the company, department or team ethos and identity. Such people may carry an aura of “elders” and an influence that is out of proportion to any structural power or authority. They can make the workplace feel like a family, giving others a sense of bonding. They can also be paternalistic, backward-looking and stifling. “That is not the way we do things here”

Stage 3 - RED can be very empowered, individually pioneering, putting in heroic efforts and inspiring others, leading from the front. They can also be corporate bullies, the ones who won't listen and who are clawing their way up the ladder, looking for power, no matter who they destroy on the way. This can sometimes be associated with sexism, sexual harassment and discrimination as tools for domination.

Stage 4- BLUE typically leads from expertise, knows the right ways and the processes that work. They can be the bedrock of an operation or the ones who ensure that the rules are not undermined in ways that put the enterprise at risk. Stage 4 can also bring the mind-set that stifles innovation, kills creativity and indulges in excessive bureaucracy, seeking authority through controlling the gates.

Stage 5 - ORANGE at its best is entrepreneurial, strives for excellence, is strategically creative, exploits the best of technology and leads with brilliance, seeing risks as opportunities. These people are motivated by the task, but they also greatly like the prizes and recognition. At their worst this desire becomes an end in itself, excessively and even destructively competitive, maybe seriously misjudging or simply ignoring the risks. They can be too driven by targets and KPIs such that they are unaware of changes and contextual shifts. In both healthy and unhealthy modes Orange may be blind to collateral damage, seeing it as a cost of doing business or as “somebody else’s problem”, and unaware of the effects on people.

Stage 6 – GREEN rebels against the lack of people skills and care that show up in Orange and Blue, where either rules or prizes come first. Green wants to make things work for everyone, valuing diversity, seeking consensus, concerned with feelings and looking to create fairness and caring. At its best this can work to bring the best from individuals, create stable and supportive teams, develop organisations that are high on the “best places to work” lists. Green can motivate those whose voices might otherwise be talked over and their contributions lost. Green doesn’t always appear efficient because it values some of the factors that are not easily measured. The downside of Green is that it can be so consensual that it will never reach a decision. It will fail to see where it is being ineffective as long as it is satisfied that there is harmony. It can be excessively disapproving of those who do not share its perspective.

All of these colours and ways of being are developed in us as we grow up. They are all important components of a healthy human. They also represent differing responses to life’s demands. In crisis, you need the heroic qualities; in times of stability the same qualities may be disruptive. It is because of this that stress may distort judgement. The ways people respond to the demands of difficult situations may or may not be functional. There is no guarantee that any stage will have developed to its full potential, or been drawn to express itself in a healthy form.

It is in the nature of stressful situations that they expose weaknesses in ways that are potentially damaging. The stress may trigger behaviours that are the reverse of what the organisation needs if it is to pull itself out of the difficulties. Indeed the results may be just the opposite, generating aspects of a death spiral. Unless we are aware of such patterns, able to spot when they are occurring and know what steps are required to counter them, we may be witnesses to a decline that appears inevitable, but need not have been.

### The stages of development

If we can gain some insight into how these patterns arise, it begins to place us in a position to see what to do.

1. Beige In our infancy we are helpless and have to be taken care of. Our **survival** is at stake. We are pre-verbal and our minds are not conscious of this. But our bodies are. We feel any deficit and it affects our physiology
2. Purple As we become toddlers, we begin to do things for ourselves, which may not be much, but we are learning to navigate our world and we develop the basics of behaviour – putting our own food in our mouths and learning to manipulate objects. We are also

learning about the people around us and what it means to be human. Parents and family are primary influences as we begin to establish the basics of identity, the core sense of who we are, and who we are is who they are. Family and “tribe” form a basis for our physical safety but we are also establishing **psychological safety** – what does it mean to be cared for, connected, part of a whole that provides us with belonging and bonding.

3. Red This is the time when children introduce serious words like “no” and “mine” into their vocabulary. What this signifies is that we are becoming individuals. New questions are being posed - Who am I? What can I do? This is when we learn about what it means to be **empowered**. It is also about having power over others. What can I have? Will Daddy give me sweets if I have a tantrum? What will Mummy let me do and what not? If I snatch a toy in toddler group, will I get away with it? Although Stage 3 coincides with early language this is not cognitive, not thought through. We are impulsive, emotional and learn by our experience of how others respond.
4. During the development of Blue we learn how to manage our impulses and we take on the codes, the **right ways** that we are expected to live by. We learn the rules. This is the age of our schooling, from around 5 to 11. This coincides with increasing levels of cognitive and rational ways of being. Instincts and impulses are relegated to the background or suppressed, sometimes strongly.
5. Orange arises around the start of teenage years. We begin to break out of the constraints, parental expectations and old rules in order to forge a new path. Stage 5 likes to make things better. It brings the opening to our adulthood and to our development of **strategy**, maximising our individual contribution and forging our identity in the context of the world we are encountering. This can make it quite competitive. However, it often comes on stream quite close to....
6. Green which is develops our collective engagement with others, our skills in collaboration and teamwork. Teenagers, stepping away from their parents, need someone else to **bond** with so they look to their peers, often forming identity groups as they explore who they and their generation will choose to be. Togetherness has high value. Where Stage 5 networks for itself and its own goals, Stage 6 is more inclined to form Communities of Practice and to be looking for the win-win, and for fairness.

### What is the organisation looking for?

Under pressure, the organisation may adopt a policy of retrenchment and defensiveness. This may well be necessary and bring with it the cost-cutting, down-sizing and budgetary restrictiveness that is required to survive.

That said, such policies tend to be emergency measures to avoid collapse. Rarely are they sufficient to deal with the turbulent background conditions, strategic weaknesses, failures to adapt to market shifts or internal culture flaws that created the problem. As such they rarely produce the shift that is needed for the organisation to find a new position of sustainability, let alone to thrive and be resurgent.

The assumption behind this analysis is that producing that shift will call for qualities in leadership such as creativity, collaboration, ability to listen to multiple views and intelligences, shared prioritisation of over-arching goals, willingness to assess risks carefully and when appropriate, take them. Such needs mean that protectiveness of personal position, hiding, turf wars, destructive internal competition, excessive fall-back on bureaucratic control or being the loudest voice will all cause damage. They rapidly become part of a death spiral.

## Being aware of the change dynamics

The death spiral often happens because the greatest pressure occurs when crisis is demanding a major shift. The conditions facing the organisation are typically part of wider changes affecting whole sectors or in the context of significant societal shift. The choices to be made are deep and cannot be avoided. The reality is “adapt or die”.

One way to recognise that these conditions apply is by the degree of turbulence. If it feels chaotic and beyond control, then you are already there. Since there are widespread conversations already taking place that refer to “VUCA” conditions, we might feel that this defines our times.

### Chaos Point



Adaptation is an evolutionary process. It is not only biological species that do this – social organisms do too. In past times Western humanity adapted to the industrial revolution and the arrival of rail travel. Now we are looking at all the implications of a globalised and electronically mediated economy. The death spiral threatens when we are at the cusp between emergency and emergence. The “adapt or die” imperative is our choice between crisis downshift and expansion mind-set

The diagram above presents this choice in very simple terms. You can follow the amber curve to its end or you can find your way to the blue curve. You can recognise that you are no longer the best fitted to survive, that old ways have to be let go and that something new is required if that healthy state is to be restored.

## Optimising the mix in the face of stressors

The table below presents a simplified list of the constructive and destructive ways in which each of the stages can show up in adult behaviour. The developmental priorities described above are embedded in our being, mentally, emotionally and neuro-physiologically. They are capacities for dealing with critical situations, so they don't disappear. But they were not evolved for long-term stresses. Under such conditions they become dysfunctional and we must learn how to manage them.

The table shows the earlier stages at the bottom to indicate the way that we build up our ways of operating, stacking the mind-sets one by one. It gives some simple indications of how to recognise what is happening, to see the potential choice between crisis response and expansion response and then to recognise what cultural conditions need to be fostered in order to enable the conditions for the latter. It is not merely a question of taking off the pressure. It is about our ability to discern what kind(s) of change we must nurture to be most effective, possibly varying by individual or team.

Age of origin	Stage priorities and needs	Crisis mind-set	Expansion mind-set	Cultural response Imperative
13-18 Stage 6 Generational emergence	<b>Caring</b> and Sharing Diversity and Equality Harmony and Humanity	Allergies to hierarchy Cliques, gossips and in-groups Tolerates incompetence Anti-capitalism	Values all people and contributions Cares about motivation and satisfaction Team-oriented, collaborative, consensual	Foster balance and integration including respect for technology, money and leadership
10-15 Stage 5 Learning independence	Striving for the best <b>Strategy</b> and Drive Winning	Disrespect of rules and procedures Destructive competition and status-drive Unable to factor in people and contexts	Strategic and out-of-box thinking Growth by striving for excellence Technology and innovation	Foster balance and integration including respect for individuals, processes and planet
4-10 Stage 4 Schooling	The right way to live Creating <b>order</b> and process Knowing the truth	Inflexibility - only one right way Attempt to control by "correct process" Hierarchical rigidity	Enough structure to prevent chaos Ability to meet compliance requirements Able to flex and adapt rules to new needs	Increase agility Balance order with flexibility Ensure visibility of risk evaluation
2-4 Stage 3 Exploring	Who am I? Empowerment and <b>power</b> Courage vs submission	Dominance, bullying and forcing Impulsive short-termism and risk-blindness Self-centredness	Initiative, and will to overcome obstacles Fearlessness, energy and inspiration Heroic and pioneering capacity	Eliminate blame Challenge bullies Foster empowerment Reward courage
1-2 Stage 2 Toddling	<b>Safety</b> and connection Bonding and Rooting Who are my tribe?	Departmental tribalism / closing ranks Reverting to traditions Paternalism and reliance on elders	The binding value of deep culture The security of knowing our roots The ability to create family-like care	Increase security, care and bonding
0-1 Stage 1	<b>Survival</b> Whatever it takes Take care of me	Hiding, apathy and hopelessness Getting by day to day	Will do whatever it takes Uses instincts and intuition well	Increase safety and provide hope

Crawling		Lack of awareness of others	Functions from hope and desire	
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Any individual will operate from a number of colours, but typically most of us adopt one or two “home territories”. It should be apparent that every stage contributes something to the mix of organisational capacities. Ideally we would learn how to optimise this mix of contributions and to avoid seeing other preferences as inherently wrong, and our own as superior. This awareness becomes even more crucial in difficult times and essential if the collective wisdom and collaboration are to produce coherent whole-system solutions.

Stress can have a negative or positive effect, be a prompt to the least or the most effective responses. When organisations are faced with crisis, the pressures tend to bring forth individual adaptive responses towards an earlier developmental stage (down the table) and towards more fearful or closed modes of expressing that stage (from column 4 to column 3). The even-numbered stages all have a leaning towards the importance of the “WE”. It is common for stress to increase the “I” focus and cause more self-oriented choices. Equally, it may bring the kind of “WE” response that closes ranks against change and closes eyes to reality.

Frequently people will try even harder to make older organisational ways work, to follow the human tendency for nostalgia and the belief in the “good old days”. This too is part of our adaptive neurophysiology; we are wired to forget the pain. So people perceive the earlier stages as more tried and tested and this may generate tendencies to function more from stages 1 to 4. Even the positive presentations of those stages, when you look at them, are not sufficient to deal effectively with a complex world and to deliver results for large-scale organisations. There are myriad manifestations of these various effects and strong reasons to take steps to deal with them.

### Why do the stages matter?

All of the negative behaviours might be addressed on their own by inhibiting the ones you don’t want and incentivising or training the ones you do want. However, the stages offer insight into how to gain leverage and efficiency, reducing the effort required at the individual level. Rather than making the individuals wrong for responses that are instinctive and not under conscious control, it is better to weaken the triggers.

When you can recognise that the behaviours match those arising from fear a potent option is to see how the organisation can avoid generating fears unnecessarily and how it can work on messages of optimism and channel the desire to create something new. When you see the behaviours that represent lack of safety, the organisation can foster an environment of mutual care and seek the bonding of its deeper roots.

In each case, with each stage, the nature of the dysfunction is a clue to the cultural messages that will create a context that is supportive of the growth mind-set attitudes. Leaders and culture stewards can work on these contexts in the expectation that the behaviours will respond adaptively to the improved conditions.

That said, when working with individuals, the stages also offer direct clues to the motivating factors affecting them. This fosters more functional, focussed and sensitive conversations that go more rapidly to the roots of the problems.

Lastly it is very helpful to know that the stages build on one another. Just as the direction of downshift is to the left and bottom of the table, the rebuild needs to be from the bottom up. Later stages draw energy and power from earlier ones. In all cases energy is released into the positive mind-sets by addressing stages beneath. The earlier the stage, the more it is instinctual, non-cognitive and impulse-driven. Embodied and somatic approaches are of greatest effectiveness in working with Beige, Purple and Red.

### What can be done about these dynamics?

This theoretical description is for the benefit of those who might need to plan or orchestrate an organisational response. It is not necessarily required that leaders themselves understand the theory in depth but they may need to experience the challenges in order to increase their capacity to recognise the symptoms. There are a few valuable and effective ways to respond to the scenarios the downshift leads to.

- 1) It is highly recommended to generate a culture which is geared to the expansion mind-sets in the table above, aware of what is effective and able to both recognise and respond constructively to the symptoms of downshift. This can be done through training and workshops, helping leaders to spot these behaviours in their teams and in the culture and to experience how their own responses are being influenced.
- 2) Considerable value can be derived from OD and HR specialists being aware of the symptoms and able to detect their presence in the system. Dysfunctional behaviours can be addressed directly with those involved. Equally, anticipation of such issues can support preventive actions to foster shifts toward the “growth” column.
- 3) Some of the stress is perceptual. That is to say, that it is not only the actual conditions in the organisation that causes difficulty. It is the presentation of those conditions. It is inevitable in tough times that tough messages will be propagated. People need to know what they are up against. However there is often a perception that fear will motivate people. This emergency mode can work individually and in the short term to trigger a surge of response. This comes at a cost however. Before long it can lead to demotivation, to fear and hopelessness. Those who can leave, do. Those who cannot hunker down to survive. An organisation that wishes to pull itself out up from the depths needs to learn how to construct effective messages that stimulate hope and positive action. Optimally those messages will address the needs of each stage.

### Conclusions

The above presentation is a very abbreviated presentation of a rich, powerful and proven perspective through which to understand organisational dynamics. It is based in a profound understanding of our human capacity to evolve our thinking so as to thrive in changing conditions. When we apply that understanding to organisational challenges, and when we deliberately develop our organisations to optimise the presence of all these mind-sets in their more expansive expressions, we can liberate great amounts of human energy, intelligence and creativity. This paper has focused on how we can apply the approach to help ourselves out of damaging responses to critical conditions. The tools can also be applied to gain advantage by optimising organisational responsiveness and adaptability so as to prevent such crisis situations from arising.

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