

# Navigating Change in Complex Multi-Actor Settings

A Practice Approach to Better Collaboration

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The article examines successful patterns for collaboration in large-scale, multi-actor sustainability initiatives across the boundaries of private sector, public sector, and civil society. Sustainability challenges have moved on the agenda of every nation, every organisation and many citizens. These challenges require new forms of collaborative inventiveness as well as change-makers able to implement change jointly across all levels of the global society. The author presents a methodology, based on extensive literature reviews of conceptual thought as well as research with cross-cultural leaders and intervention strategies of sustainability practitioners, for invigorating human competences that foster result-oriented and value-based collaboration. The methodology presented—the *Collective Leadership Compass*—is a navigating tool enabling leaders to, through constructive and reliable collaboration, effect change in complex multi-actor settings by paying attention to patterns of human competences in the dimensions of *future possibilities, engagement, innovation, humanity, collective intelligence, and wholeness*. A case example, showing a practical application by a sustainability platform project leader, explores how the methodology is applied in practice. It suggests further research into the understanding of how to build the capacity of groups of actors to become catalysts for large systems change.

- Collaboration
- Multi-actor
- Complexity
- Leadership
- Competences
- System change

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IN JULY 2006, 45 PEOPLE met in Salvador Bahia in a small meeting room of one of the local hotels. Despite the unbearable heat, the group of stakeholders, from across the global coffee chain, passionately concentrated on a written document projected onto the wall. Different versions had been under discussion for months—causing conflicts, threats, and waves of mistrust between the global coffee industry and international NGOs. After a long day they finally agreed on a document that would enable an operational mainstream standard for sustainable green coffee production. The meeting was a breakthrough in a challenging initiative that led to the founding of the Common Code for the Coffee Community Association (4C) in 2007.<sup>1</sup> This association is an international strategic alliance for responsible supply chain management in the coffee sector. More than 100 representatives from over 25 coffee producing countries participated in the development process.<sup>2</sup> Today more than 350 members of the association come from 40 countries and represent producer organisations in all coffee producing countries as well as trade and industry, civil society, research, and support organisations.

The stakeholders involved were frontrunners with regard to acting in a complex multi-actor setting. Since then, engaging with expected impacts of complex sustainability mega-forces has moved on the agenda of every nation, every organisation as well as an increasing number of citizens. Sustainability concerns might lead to a change in how corporations approach business as climate change, ecosystem decline, energy security, water scarcity, resource management, food security, demographic change, and population growth will continue to impact businesses over the next 20 years (de Boer and van Bergen 2012). As these challenges cannot be dealt with in isolation, it is important to develop multi-stakeholder collaboration as a response to the complexity of the challenges ahead (Lozano, 2007; Kuenkel and Schaefer, 2013). This is an emerging field of practice that is characterised by:

- ▶ Multiple actors, often with conflicting interests, who need to align around a joint improvement approach (e.g. expanding the production and marketing of sustainably produced coffee)
- ▶ The effectiveness of the collaboration being dependent on engaging actors, who would not normally work together, into a joint approach
- ▶ Multi-dimensional problems which require solutions that are, first, *complicated*—e.g. ensuring good practices in the production of the commodity; second, *complex*—requiring a testing and learning approach, emerging solutions and innovation for scalability; and, third, *chaotic*—subject to unforeseen market or political influences (see also Snowden, 2007)

Despite a strong belief in the ability of collaboration to solve challenges, the complex multi-dimensionality of problems faced in the sustainability arena is often not considered (Fadeeva, 2005). The question therefore arises how to

1 [www.4c-coffeeassociation.org](http://www.4c-coffeeassociation.org)

2 4C official press conference, 23 April 2007

best approach multi-stakeholder collaboration in multifaceted environments. A starting point could be a better understanding of different types of complexity. While Otto Scharmer (2007) distinguishes between three types of complexity, generative complexity, dynamic complexity and social or institutional complexity, Barrett (2014) also emphasises value complexity.

- ▶ **Dynamic complexity** refers to circumstances where cause and effect relationships are not traceable or easily planned. Systemic, whole systems approaches to complex change, such as the above example in green coffee production, require multi-stakeholder collaboration to ensure all aspects of a system are represented
- ▶ **Generative complexity** implies that past solutions are often not appropriate for the future. Instead, radically new innovations are frequently required in order to shift behavioural habits, solidified mind-sets, and systemic structures and, as a result, collaboration across think-tanks and institutions, research and practitioners is called for
- ▶ **Social and institutional complexity** refers to the diversity of actors involved in sustainability challenges and extends into different cultures, interests, and territorial boundaries. However, most complex challenges require aligned, yet differentiated action that can most likely be achieved through multi-stakeholder collaboration
- ▶ **Value complexity** refers to the intricacies introduced by conflicting personal values, institutional values and societal values found both globally and locally. Despite the differences in interest, multi-stakeholder collaboration has the potential to—if not align values—at least negotiate between the differences

Many of the sustainability challenges mentioned above display more than one, if not all types of complexity. Kaufmann (1995) suggests that, where complexity is high, the capacity to adapt, to evolve, to coordinate, to innovate, and to change is equally high. In the case of the Common Code of the Coffee Community initiative this turned out to be true—the actors learned how to successfully navigate all four types of complexity throughout the five-year process. Although the development of the code was not an easy process, but subject to internal and external conflicts, lingering mistrust, and severe differences in opinions, the leaders learned to operate and to deliver in a multi-actor setting, across institutional boundaries, mind-sets, and world-views, and made a decisive step towards managing complex change. But what made success in this multi-actor setting possible?

The call for collaboration in multi-actor settings can be a substantial requirement to realise. The process of partnering between different stakeholders is generally slow, with many different levels of understanding around partnering, high transaction costs and a tendency to duplicate already existing solutions in an inefficient effort. As a result, many existing multi-stakeholder collaborations are not yet delivering at full efficiency or effectiveness (Biermann *et al.* 2007). Stakeholders can get lost in a jungle of impeding structures, get trapped in the

measuring of questionable results, or become severely disappointed by a lack of understanding across sectors, organisations, cultures, race, or gender. This in turn, may well result in their enthusiasm and commitment declining and they might become cynical towards weaker or mistrustful towards stronger stakeholder groups.

This article explores navigating stakeholder collaboration in complex change by looking at underlying effective patterns of collaboration that enable actors to manage all four types of complexity and turn them into opportunities. It does so through presenting a methodological approach to navigating change in a multi-actor setting—the *Collective Leadership Compass*—a framework reflecting mutually supportive factors for effectiveness in collaboration. Used as a guiding tool for mental attention the compass can become critical to the transformation of a group of fragmented, mistrustful or competitive actors into a functioning collaboration pattern. It can also help leaders take the invisible into account, ask new questions, design more successful process intervention strategies and guide collective action. Collective Leadership is here seen as the capacity of a group of leaders to catalyse systems change in a multi-actor setting (Pór, 2008; Kellermann, 2012; Kuenkel and Schaefer, 2013).

The methodological approach presented—the *Collective Leadership Compass*—suggests six dimensions that, consciously attended to, have factually led to more constructive and reliable collaboration efforts in complex multi-actor settings. The methodology is based on 20 years’ experience in assisting collaboration efforts to succeed, backed by a large body of literature and research into success factors for collective action. Although the six dimensions are not new, what is new is paying attention to their *joint* presence and the positive effect this has on the quality of collaboration. Such attention invigorates a pattern of interactive human competences that subsequently ease navigating complexity in an integrative and inclusive way. Table 1 shows the dimensions and related competences.

**Table 1** The Dimensions of the Collective Leadership Compass

<b>Dimension</b>	<b>Related competence</b>
Future possibilities	Our competence to take responsibility and consciously shape reality towards a sustainable future
Engagement	Our competence to create step-by-step engagement towards building effective collaboration systems
Innovation	Our competence to create novelty and find intelligent solutions
Humanity	Our competence to reach into each other’s humanness, both the collective experience and individual experience of being human
Collective intelligence	Our competence to harvest differences for progress
Wholeness	Our competence to see a larger picture and stay connected to the common good

Every change endeavour starts with people considering **future possibilities**. At times individuals sense a potential future and at times a vision for a future is developed by a group of people. Over time the potential then grows into a more structured change initiative or even a movement. The dimension of future possibilities refers to the human competence to take responsibility and consciously shape reality towards a sustainable future. However, even the greatest visions for change are futile if not enough stakeholders are prepared to commit to action.

Effective multi-actor settings therefore require sufficient **engagement** of stakeholders—the powerful and the less powerful, the influential and the affected. Meaningful stakeholder engagement processes can create trust and cohesion, invigorate network connections, and foster collective action that leads to tangible outcomes. The dimension of engagement refers to the human competence to create step-by-step engagement towards building effective collaboration ecosystems.

However, if novelty does not also enter a collaboration system, the process might not move forward, if actions and behaviours that led to the current situation are re-created. Although learning from the past is valuable it should not limit leaders to simply create new variations of existing solutions. The dimension of **innovation** refers to the human competence to create novelty and find intelligent solutions. However, innovation that does not take our shared humanity into account can create unsafe environments.

Awareness of the human story has both an individual and a collective perspective. Collaboration systems are able to shift towards constructive solutions when there is mutual respect and acknowledgment of the intrinsic value of all people, regardless of different opinions and viewpoints. The dimension of **humanity** refers to the ability of each person to connect to their unique human competence in order to reach out to each other's shared humanity. Increasing awareness, however, requires exchange with others about the actions to be taken.

Life thrives on diversity, and so do human collectives. Meaning-making frameworks—offline or online—rooted in dialogue between human beings are essential to multi-stakeholder collaboration—if balanced with all other dimensions. The dimension of **collective intelligence** refers to the human competence to harvest differences for progress.

However, all collective moves towards sustainability need to also be embedded in people's ability to sense **wholeness**. When leaders are able to distance themselves from any given situation, they are often able to shift to new insights, better understand the coherence of a situation or attend to the needs of a larger whole. Gaining perspective and seeing a collaborative change effort from within a larger context is a relative, yet important step, in mastering complexity. Leaders are trained to focus on fragments of reality, on a small fraction of a larger story, or on their own field of expertise. The dimension of wholeness refers to the competence to see a larger picture and stay connected to the common good.

It is important to understand that these six dimensions are interlinked and related. Rather than simply adding to one another they lead to results through their interconnectedness as a recurring pattern of human competences. Once this pattern emerged in the complex sustainability initiative mentioned above,

people were more forthcoming, conflicts could be laid to rest with an acknowledgement of difference, and generally collaboration was leading to better results in less time. This gave rise to developing the compass as a navigating framework to enhance collaboration effectiveness based on both observation and research. A model valid for complex multi-actor-settings, however, needs to include these aspects:

- ▶ Multi-actor settings in complex change endeavours are geared towards an outer change with regards to sustainability—often with sole focus on the issue, the solving of a problem or finding new solutions. Little attention is placed on the process of how individuals and collectives bring about a **more sustainable** future. Hence developing a guiding model needed to **support awareness of co-creative processes**.
- ▶ Multi-stakeholder collaboration takes place in a rational issue-based environment, yet when it fails, the failure can most often be traced back to non-rational aspects like trust, misunderstanding, pressure, disrespect, etc. Hence, developing a guiding model would need to **integrate rational and non-rational aspects**.
- ▶ The urgency of addressing sustainability issues often resulted in too little time for extensive and joint reflection. Although it is obvious that, like all other leadership challenges, navigating change in multi-actor settings requires reflection, such could only be partly realised in the collaboration systems I experienced. Hence, a guiding model would need to function both at a **superficial level** by enhancing minimum actions that just about make a collaboration system operational, and at a **deeper, more reflective level** of fostering the cohesiveness and effectiveness of a collaboration system.
- ▶ Complex challenges around sustainability, as argued, require responses in multi-actor settings which in themselves are complex. A guiding model for multi-stakeholder collaboration needed to **adequately reflect the complexity**, but still be useful and action oriented.

In order to take these aspects into account and with the assumption that multi-stakeholder collaboration is exemplary for co-creative human evolution, respective knowledge streams were explored. To depict all of the literature reviewed would go beyond the scope of this article. The following selected conceptual thought had the most significant influence on developing the Collective Leadership Compass.

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## Shaping the future

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Multi-stakeholder collaboration is a way of forming temporary, goal-oriented systems of human interaction. Because of their temporary nature and—in contrast with institutions—their loose structure, they could become catalysts

for changing the behaviour of participating institutions and individuals. Peter Senge argued that the essence of leadership is ‘...learning how to shape the future. Leadership exists when people are no longer victims of circumstances, but participate in creating new circumstances’ (Senge quoted in Jaworski, 1996, p. 3). For a long time, leadership has been regarded as an individual capacity. However, this paradigm is shifting as a result of increasing research into leadership as a competence of a collective—be it a team, the core group of a multi-stakeholder collaboration initiative, or the senior leadership group of a corporation (Kellermann, 2012). Peter Senge further addressed this when he said that leadership ‘...is the capacity of a human community to shape its future and specifically to sustain the significant processes of change required to do so (Senge, 1999, p. 16). Extending the insights gained through Senge’s work through reading widely into a vast number of additional literature on leadership, as well as my personal experience that people are drawn to the potential of making a difference, enabled me to define the dimension of *future possibilities*—with aspects such as **future orientation**, **empowerment** and **decisiveness** as important lenses through which a collaboration system could be enhanced or improved.

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## Shared value creation

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A whole body of literature, particularly in development cooperation, but also in leadership, hints to the importance of participation as a way of ensuring that people are better at implementing that which they have helped to create (Cernea, 1985). This understanding is crucial to the global sustainability challenges, irrespective of whether we are creating responsible supply chains, developing innovative technology for climate adaptation, or coordinating better water resource management. A brilliant example of this is the concept of creating shared value as outlined by Michael E. Porter and Mark R. Kramer (Porter and Kramer, 2011). Multi-stakeholder collaborations not only create learning advantages, for the public sector as much as for the private sector, they can also save time and costs. These savings occur because implementation is eased when people are part of shaping their own future. Combining these insights with my personal experience of the importance of high quality, step-by-step engagement in change management, gave rise to defining the dimension of *engagement* with aspects such as **process quality**, **connectivity** and **collective action** as important lenses through which a collaboration system could be enhanced or improved.

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## The creation of novelty

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Joe Jaworski suggested that ‘...the deeper territory of leadership [is] collectively “listening” to what is wanting to emerge in the world, and then having the courage to do what is required’ (Jaworski, 1996, p. 182). Otto Scharmer further

developed this underlying idea into his approach of the Theory U, which is essentially built on the capacity of a group of people to change their structure of attention and subsequently their collective pattern of thought and action (Scharmer, 2007). As individuals and teams carry more and more responsibility in complex multi-actor change initiatives, this capacity to jointly become inventive grows in importance. A whole body of research and practice has emerged around the approach of design thinking (IDEO 2008)—a methodology that systematically involves a collective in creating novelty. The methodology focuses on diverse perspectives by integrating human, business and technological factors as well as multiple levels of expertise into an interactive process of idea creation, prototyping and iterative improvement. Together with my personal experience that navigating result-oriented stakeholder collaboration needs both content expertise and entirely new perspectives, this gave rise to defining the dimension of *innovation* with aspects such as **creativity**, **excellence** and **agility** as important lenses through which a collaboration system could be enhanced or improved.

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## Ethical know-how

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In their dialogue on *The Future of Humanity* (Krishnamurti and Bohm, 1986) the Western physicist David Bohm and the Eastern metaphysician J. Krishnamurti explored the assumption that human thought creates divisions—between ‘me’ and ‘you’ and between ‘me’ and ‘the world’. They suggest that people act on these mental divisions as if they were realities, resulting in polarisation in the world: difference, disparity, and conflict. In his lectures on *Ethical Know-How*, Francesco Varela noted that human perception is not the representation of a pre-given external world, but in itself a co-creator of reality (Varela, 1999). We create reality, as we perceive it. Hence, ethical expertise, for Varela, is not a skill, which we acquire, but a natural state that we unearth when we remove layers of obscured consciousness and begin to see into the very nature of reality. We become empathetic with humankind and the world if we enact or free this inner disposition. Together with my personal experience that mutual respect despite difference in opinion is a cornerstone of successful collaboration, this gave rise to defining the dimension of *humanity* with aspects such as **mindfulness**, **balance** and **empathy** as important lenses through which a collaboration system could be enhanced or improved.

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## Meaning-making interaction

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All systems, including multi-stakeholder collaboration systems, need to balance their autonomy with the rules and relational patterns of the larger system

they are part of (Sahtouris and Lovelock, 2000). This balance applies to both actors within a multi-stakeholder collaboration, and to a collaboration system in relation to other initiatives. A key to negotiated balance is diversity, in nature a crucial requirement for the resilience of a system. The greater the diversity, the more sustainable a system becomes over time. Similarly, multi-stakeholder collaboration initiatives are built on internal relationship patterns as well as a shared context of meaning (Luhmann, 1990) sustained by continuous conversations. Many authors (Berry, 1999; Elgin, 2001; Capra, 2003) have argued that in order for the collectively meaningful to emerge, diversity must be seen as an asset and endeavours must belong to the collective. The importance of dialogue, as a contributor to quality communication, has long since also been adopted in the corporate world (Isaacs, 1999; Wheatley, 1999; Jaworsky *et al.*, 1996). Together with my personal experience that navigating complex change, in multi-actor settings, requires space for structured dialogue, this gave rise to defining *collective intelligence* with aspects such as **dialogic quality**, **diversity** and **iterative learning** as important lenses through which a collaboration system could be enhanced or improved.

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## Networked patterns

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An important feature of natural (including human) systems is the ability to relate through relational patterns, ordered in the form of networks, with constant internal communication. Multi-stakeholder collaboration can be best understood as networked action (Waddell, 2011) that recognises power differences between actors rather than falling into hierarchical relationships. Consequently the structure supporting co-creation should consist of a networked composition of actors, with differences in power, expertise and influence, rather than the layered organogram typically found in organisations. In my experience, collaboration systems seem to emerge when a sufficient degree of a common identity, even though temporary, develops linked to a pattern of mutual support. As a result, I realised that navigating tools needs to mirror patterns of referential relationships. The most relevant conceptual approach, depicting structured patterns, which create aliveness, can be found in the work of Christopher Alexander (2002). He suggests that vitality (or life) of a given space is the result of the composition of what he calls ‘centers’, elements of structure in a given space that interact and influence each other. My personal observation was that areas of attention in a collaborative space similarly functioned as a pattern—and subsequently fostered or prevented collaborative effectiveness. This assumption has given rise to developing the six dimensions as centres of attention as a whole as well as defining *wholeness* with aspects such as awareness of the larger **context**, **mutual support** and **contribution** as lenses through which a collaboration system could be enhanced or improved.

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## From the individual to the collective

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The literature reviewed suggests a deeply human capacity to consciously act and reflect as a collective. Multi-stakeholder collaboration within the global sustainability agenda requires us to become more knowledgeable about how to best utilise these capacities. The Collective Leadership Compass (see Fig. 1) suggests one way of unearthing them by paying attention to the joint presence of all dimensions over time. In order to cross-check this proposition and the initial design of the six dimensions arrived at from both literature and the field of collaboration practice, a qualitative study with 30 practitioners, from local and international multi-stakeholder collaboration initiatives (Kuenkel *et al.*, 2013), was carried out. The interviewees reflected that success in their initiative hinged on the application of the following strategies:

- ▶ **Fostering trust building** through respect for difference, invigorating passion for the future and putting effort in finding common ground. This resembled the importance of enhancing *humanity* and *future possibilities*.
- ▶ **Modelling evolutionary change processes** through a step-by-step engagement of stakeholders with focus on creating results collectively and ensuring a good flow of communication. This resembled the importance of enhancing *engagement* and *collective intelligence*.
- ▶ **Invigorating connectivity** through developing personal networks that grow into interconnected movements for change, as a contribution to the common good. This resembled the importance of enhancing *engagement* and *wholeness*.
- ▶ **Creating patterns of vitality** through enabling actions of mutual support, able to create balanced flexible containment by balancing agreed rules and structures with creativity and the capacity to learn and adapt quickly. This resembled the importance of enhancing *innovation* and *wholeness*.

The Common Code for the Coffee Community<sup>3</sup> initiative, mentioned at the beginning of this article, is only one example where the compass yielded results. So far it has also been tested in a variety of other multi-actor settings such as: creating a momentum for public–private partnerships in infrastructure in Southern Africa; enhancing water resource management in Tunisia; building a sustainable textile alliance in Germany; supporting the Government of Laos to build its sustainable forestry strategy; developing a draft land policy in Cambodia; and creating a functioning collaboration system for economic development in Rwanda. The compass has also been applied in situational diagnosis, continuous process planning, team reviews and event planning.

Rather than prescribe action, the application of the compass enables actors to acknowledge reality *as it is* (the current collaboration pattern observed). This opens a pathway into the evolutionary potential (see Snowden, this issue) of a current reality. Once people are able to recognise a present pattern, through the lens of the six dimensions, they are also able to more effortlessly sense what is needed to allow a more collaborative pattern to emerge.

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<sup>3</sup> [www.4C-coffeeassociation.org](http://www.4C-coffeeassociation.org)

Figure 1 Collective Leadership Compass



The compass is a navigating tool that gives leaders a frame for evaluating whether they enhance a field for effective collaboration. One way to describe how the compass creates effectiveness is to compare it with a balanced scorecard (Kaplan and Norton, 1996). A balanced scorecard leads to results if all its elements get sufficient attention in an appropriately balanced way. It can be used as diagnostic tool, planning tool and evaluation tool. The same applies to the compass. The decisive difference, however, is that the compass addresses collaboration competence and quality—as important contributors to complex change and the resilience of a system. It does not measure in any way the overall performance of a company, institution or even a multi-stakeholder partnership. Rather than placing key performance indicators behind the six dimensions, it should be used as a lens that guides planning, action and reflection. Rather than serve as a substitute for important management aspects of multi-stakeholder collaboration, such as getting governance structures in place, ensuring sufficient resources, creating agreed upon action plans or keeping communication transparent, the compass places all these issues into the larger context of enhancing a collaborative field. Applying the methodology can help leaders navigate through human difficulties and enhance the vitality of individuals and collectives, especially when applied to collaboration systems. As a collective, collaboration systems become more *resilient*—a capacity needed for driving complex change.

**Box 1** Using the Collective Leadership Compass as a navigating tool in complex change

In order to achieve joint results in a complex change environment with multiple actors, it is important to create sufficient cohesiveness in a system of collaborating actors. Trust and mutual respect, coupled with an acknowledgment of difference, reduce the transactions costs of a collaboration system. Rather than preventing conflicts, the compass helps actors move through conflicts productively, while staying in a collaborative field. In the case example, found below, the compass was used by the project secretariat as an overall process guiding tool, a process quality check and a preparatory tool for the planning of stakeholder events. Its application followed this overall sequence:

- ▶ Observing the current situation with the compass as a lens
- ▶ Defining the momentary goal or challenge (the more specific the better) in relation to the overall goal of the initiative
- ▶ Identifying the entry point dimensions—the current starting points to enact the compass and defining correspondent focus actions
- ▶ Identifying supporting actions in all or at least most dimensions
- ▶ Evaluating results and starting afresh

Conversations in process planning and evaluation, guided by the six dimensions, gain perspectives that strengthen the awareness of the co-creative processes and help to integrate both rational and non-rational issues.

The following brief exemplary case example shows the practical application of the compass in development of the Common Code of the Coffee Community (referred to throughout the article). Conscious collaboration—setting up a temporary or lasting system of multi-stakeholder actors—is a form of creating life. The ability of leaders to bring a sufficient degree of life to a system determines its success. A people-centred and planet-sensitive future requires us to build many nested **collaboration systems**—issue-based systems of (institutional) actors, aiming to change the status quo (usually a common good) for the better. The example that follows is far from perfect, but it shows that, even under difficult circumstances, navigating change in complex multi-actor settings can make a difference. The compass was used as a navigating tool for process planning by the project secretariat of the initiative.

The Common Code for the Coffee Community Association (4C) developed out of a cross-sector partnership between three stakeholder groups: coffee trade and industry; coffee producer organisations; and international civil society organisations. The 4C association is a remarkable example of the creation of a global community, who joined forces to improve the social, environmental, and economic conditions for those earning their living from coffee. The most important improvements were the application of a code of conduct, support

mechanisms for farmers, and a verification system. The 4C initiative, like many other multi-stakeholder initiatives, moved through four different phases (Kuenkel, 2009). Even though it is important to keep the six dimensions of the Collective Leadership Compass in a healthy balance throughout the overall process, the phases require a difference in focus.

### Phase 1

Phase 1 (preparing the system for collaboration) was about shaping the idea in dialogue, understanding the context, and initiating the multi-stakeholder initiative. In the 4C initiative the emphasis was placed on building trusting relationships, testing existing and possible future cooperation, and learning from past positive and negative experiences. A small cross-sector team met, exchanged ideas, and received inputs from interested and knowledgeable people. Informal conversations became a melting pot for the screening of possibilities. The idea to develop a mainstream standard for sustainable green coffee production matured, was criticised, was further refined, and developed a healthy level of resilience. As a result, a network of interested people emerged, even prior to the official launching of the initiative. Phase 1 focused on the dimensions and aspects of the Collective Leadership Compass as shown in Table 2.

**Table 2** Focus of Collective Leadership Dimensions in Phase 1

Dimension	Aspects	
Humanity	Empathy	Building relationships between diverse and controversial stakeholders
Engagement	Process quality	Building a core group of visionary actors and designing step-by-step engagement of more stakeholders
Future possibilities	Future orientation	Exploring possibilities and variations of what a standard could resemble and the requirements to jointly develop it
Collective intelligence	Dialogic quality	Building resonance for the purpose of the initiative through informal conversations during a number of coffee-related conferences
Innovation	Agility	Being flexible in the process design and utilising emerging opportunities
Wholeness	Contextuality	Researching existing niche market standards and their features in relation to the proposed mainstream standard
	Contribution	Always reminding stakeholders of the potential impact of shifting the dysfunctional structure of an entire value chain towards sustainability

Using the compass for planning and process management helped actors from all sectors stay in dialogue around the initial idea to influence the mainstream market towards greater sustainability. Because people met repeatedly to collaborate on similar issues and specific topics with regards to coffee and sustainability, the idea of developing a mainstream standard slowly began to take root. The challenges were tremendous: The attempt to create an international mainstream coffee standard had to take into consideration that, with several big roasting companies involved, the European and American antitrust authorities would begin to scrutinise the initiative. Any suspicion that the initiative would intervene into the free market laws or distort open competition would have caused an intervention by antitrust authorities. However, despite the challenges and the absence of easy answers, the initiative found support in many different countries in Asia, Africa, and Latin America. People realised that there was a real chance to have a structural effect on the imbalances in coffee production.

## Phase 2

Phase 2 (building a collaboration system) was about reshaping the goal, clarifying resources, creating a structure for the initiative, and agreeing on a plan of action. Once the official launching of the initiative took place, most of the stakeholders already felt that they were an integral part of the initiative. Selecting this group of stakeholders was based on finding the right balance between ‘engaging the interested’ and ‘engaging the official representatives’. The former were important to drive the process, the latter crucial for the legitimacy of the process. Because of the quality of the preparatory phase, these two groups of stakeholders had almost merged. The service attitude and expertise of a project secretariat not only ensured consensus-building meetings, integration of multiple perspectives, and reliability of process but were also drivers of the vision and helped to include the expertise needed to explore all possible solutions to coffee mainstream market challenges. Phase 2 focused on the dimensions and aspects of the Collective Leadership Compass as shown in Table 3.

**Table 3** Focus of Collective Leadership Dimensions in Phase 2

Dimension	Aspects	
Engagement	Process quality	Developing and jointly agreeing on a roadmap for implementation
	Connectivity	Creating structures (agreement, organisational set-up, working groups) sufficient to ensure the cohesiveness of the collaborating stakeholders
	Collective action	Ensuring that all meetings are focused on jointly agreed results
Collective intelligence	Diversity	Ensuring all perspectives could be heard, appreciating diverse contributions

Dimension	Aspects	
Humanity	Balance	Creating opportunities for informal interaction and people to get to know each other as people during all meetings
Future possibilities	Empowerment	Creating a steering committee composed of all stakeholder groups that functioned as decision-making organ for the implementation process
Innovation	Excellence	Bringing in expertise on the issue of sustainability standards, certification, and capacity building for farmers
Wholeness	Contextuality	Regularly reassessing the stakeholder analysis and the wider field of actors

The result was an agreed implementation plan, a budget plan for future financial contributions by the industry involved, and an allocation of roles between the stakeholders. Expert working groups started to focus on the technical aspects of the standard.

### Phase 3

Phase 3 (implementing collaboration) emphasised the development of the standard and the agreement on the rules of participation or for new industry members to join. It required a regular reinforcement of the power of the potential impact during stakeholder meetings, which were not free of conflicts. Mistrust never completely disappeared, yet all stakeholders learned to stay in a collaborative field and move towards tangible results. After two years, the standard had been developed and the initiative moved into phase 4.

### Phase 4

In phase 4 (taking collaboration to the next level), the stakeholders unanimously agreed in 2006 to establish a non-profit organisation that would become the future formal structure for the initiative, a global membership organisation—the 4C Association—dedicated to implementing sustainability in the coffee sector and open to coffee chain participants ranging from small coffee farmers to large roasting companies as well as to all others on a supportive basis.

## Conclusions and way forward

In order to address global challenges, the joint capacity of leaders to become catalysts for change is called for. Navigating complex change in multi-actor settings, as mentioned at the beginning of this article, is becoming the day-to-day

business of most cross-sector initiatives addressing sustainability challenges. If we look at poor collaboration we can easily calculate the opportunity costs of well-intended collaboration initiatives that go astray or do not deliver (see also Tandon, this issue). Some of them may fail because they are poorly designed, but most struggle with impact because of the human factor and not because of a wrong goal. Better building and sustaining humanly driven collaboration systems is an art we need to master, if we want to lead towards a more sustainable future. In the case example the compass was used as a lens to assess and plan a stakeholder process that aimed at addressing complex challenges. It was not a substitute for existing change management tools, but a way of integrating tools and approaches into an overall guiding structure. Almost like a 'balanced collaboration scorecard' the compass functioned as a continuous quality-check for a collaboration pattern to work best. When challenges arose and collaboration efforts became difficult, the compass was an impactful guide that created a field of attention.

Leadership development often refers to the individual; however the article suggests that we need to invest in research on how to build the capacity of groups of actors to become catalysts for large systems change. It proposes to use the Collective Leadership Compass for both research and action in the area of large systems change. Further research could include:

- ▶ The application of the compass as a diagnosis, planning and evaluation tool as much as for personal leadership development with emphasis on collaboration skills
- ▶ An updated review of the literature to see what new thoughts and developments have been made in the fields which informed the Collective Leadership Compass
- ▶ A review of other methodologies and practices focusing on collaboration and how these are different or complement the methodology outlined in the Collective Leadership Compass
- ▶ An independent study by a researcher/researchers—other than the author—on the application of the methodology in a real environment, in order to gain a better understanding and unbiased opinion of third party application of the compass

Navigating complex change in multi-actor settings requires attention to how leaders from different stakeholder groups become joint drivers for change while navigating their differences, overcoming internal and external conflicts, and keeping the purpose of the joint initiative high on the agenda. Such initiatives are of high value for strategically oriented companies as they provide in-depth experience of stakeholders' perspectives. But the collaboration experience gained is also of value for the strategic moves companies need to make towards sustainability internally, because most of them require cross-departmental—often complex—change. The need for more and better collaboration for sustainability requires us to scale-up both research and practice into better functioning collectives.

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