

In the Loop: Locating leadership in transitions to circularity

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Models of circularity, including the circular economy, circular bioeconomy and circular business models, have been proposed as practical responses to the existential threat of climate change. Circular practices that challenge the traditional linear ‘take-make-use-dispose’ model of production and consumption (Klein, Deutz, & Ramos, 2022) have received considerable scholarly attention. Concerningly, while there are a small number of papers that review implementation strategies, particularly in public sector organisations, there are no empirical studies that investigate leadership in or of transitions towards a circular economy. Neither does there appear to be any emphasis within leadership studies to hone in on circularity, although sustainability and environmental leadership are both widely researched.

Consequently we argue that we urgently need research that unpacks tensions in the way that leadership actors experience and grapple with principles of circularity and linearity, specifically in the context of grand challenge leadership. This paper therefore explores how those in leadership experience and make sense of circularity and linearity and what can that tell us about the leadership required for sustainable, systems orientated transformations.

Reporting on case study analysis carried out within a government supported Research Institute in New Zealand, this article identifies and analyses tensions within discourses of circularity and linearity, using them to make contributions to current scholarship of leadership practice. This inquiry particularly draws from interviews with those who could be considered at the forefront of sustainable, systems orientated transformations-namely leadership actors from a national, public sector, government affiliated agency charged with researching, operationalising and leading sustainable, systems transformations. These interviews were then analysed for discourses of circularity and linearity and particularly the entanglement between them.

Initial analysis of the interview data reveals that linear discourses and thinking (including those associated with temporality) are widely normalised within organisations and appear to provide constraints on leadership action particularly at a systems scale. At the same time principles and discourses of circularity are evident-albeit in partial and often incomplete ways-that intersect with those assuming linearity in often unhelpful and confusing ways. This research seeks to firstly make this complex discursive terrain visible and secondly offer ways

of navigating through it discursively that open up potentially new leadership lines of sight and action. We argue paradoxically that ‘dissensual’ leadership (Barthold, Checchi, Imas, & Smolović Jones, 2022) bringing intentional entropy (leadership that challenges the utopian view of leadership as harmony/unity) is a core leadership strand as society moves to frameworks and solutions that assume at least some element of circularity.

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**Shaking Up the Federal Reserve Playbook:
Complexity, Change, and Leading Economic Resilience**

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As an entity institutionally and legally dedicated to the maintenance of economic stability, the Federal Reserve Bank of the United States (the Fed), like many international central banks, is restrained in its willingness and ability to adapt, innovate, and change in response to evolving and/or unprecedented economic conditions. To an extent, this tendency to “stick to the Fed’s knitting” (Blinder, 2013, p. 8) has cemented the Fed as an independent steward of national economic wellbeing, but this limited approach to economic leadership in times of significant disruption can stymie those objectives. During the onset of the financial crisis of 2007, reinterpretations of the Fed’s lending authority played an important role in managing the panic (Bernanke et al., 2020), but legislative changes in the interim have substantially limited that creative authority (Dodd-Frank, 2010; Labonte, 2010). More recently, Jerome Powell, current Federal Reserve Chair, invoked Blinder’s textural idiom to justify inaction in the face of issues like climate change and other “pursu[its of] perceived social benefits that are not tightly linked to [the Fed’s] statutory goals” (Powell, 2023, para. 1) of maintaining maximum employment and price stability.

Recent circumstances have challenged central bank orthodoxy and rendered the Fed’s playbook for addressing economic disruptions ineffectual. In 2021, as the global economy began to recover from the initial shocks of the COVID-19 pandemic, inflation rose across the United States (Bureau of Labor Statistics, 2023), Latin America (OECD, 2023), and the European Union

(Eurostat, 2023). Inflation peaked in June 2022, with Fed economists attributing the price instability to a variety of influences including oil and gas, durable goods, food, and labor market conditions (Hobijn et al., 2022). Despite the varied, complex global context for inflation, the Fed based its response to inflation on a 19th-century playbook (Bagehot, 1873/2010), advising the paradoxically painful course of raising interest rates to stabilize prices by decreasing growth. Even as inflation began to ebb in the United States, economists and commentators, critical of the Fed's response, demonstrated how the Fed's playbook failed in these circumstances and as such, the Fed deserved little credit for moving the economy toward price stability (Regmi, 2023; Stiglitz & Regmi, 2022).

Increasingly, the Fed has enacted its economic leadership by communicating with the public and financial institutions as part of its monetary policy strategies (Bernanke, 2015; Blinder et al., 2008). Thus, the Fed's approach to navigating troubled economic waters must combine both (1) complex and discursive approaches to leadership (Fairhurst, 2008; Fairhurst & Grant, 2010; Uhl-Bien, 2021) and (2) a communicative understanding of economic resilience (Betts & Buzzanell, 2022; Buzzanell, 2019). Talk plays a vital role in leading during times of overlapping, imbricated disruptions. Responding to disruptions requires leaders to adapt networks and practices, even if such systemic changes bruise propriety in temporary ways (Uhl-Bien, 2021). However, adaptation is not merely a feat of individual will. It is a collective, systemic act of organizational change that is led and constituted discursively (Fairhurst, 2008). As such, exploring the narrative logics through which leaders construct new normalcy is paramount (Betts et al., 2021). The social processes of creating normalcy following disruption adapt and transform the status quo (Buzzanell, 2018), and so understanding the Fed's navigation of complex disruption through reliance on antiquated and inadequate practices can offer insight into the Fed's current leadership practices and highlight ways to reimagine how this important institution responds to economic disruptions.

To these ends, we analyzed the Fed's communication addressing inflation, from March 2021 to June 2023. Specifically, we examined the press conferences that directly followed meetings of the Federal Open Markets Committee (FOMC). During these press conferences, representatives for the Fed discussed current actions and changes in monetary policy and offered a picture of (1) the leadership framing and narrative sensemaking processes surrounding economic conditions and (2) the justificatory schemes that legitimize action when it is taken. Specifically, through an antenarrative deconstruction approach (Boje, 2001; Derrida, 1967/1997), we interrogated the shifting meanings and narrative dynamics in the Fed's communication, seeking to explore how the Federal Reserve navigated economic paradoxes and tensions through its communicative, economic leadership. Thus, we uncovered how economists and officials at the Fed story their leadership when systemic social, political, and economic issues compound acute disruptions and challenge the existing playbook. By exploring these communicative, economic processes, we reimagine the role that central banks can play in leading the response to the complex of imbricated challenges facing contemporary economies.

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"Collective Leadership and Ethical Navigation: Activist Scholarship in the South African Accounting Profession"

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Abstract: This paper delves into the intricate ethical challenges of activist scholarship within the South African accounting industry. Utilizing a collaborative autoethnography research design, the study aims to redirect the accounting profession's public interest towards a more stakeholder-centric accountability. Through a series of interventions, causal layered analysis and narrative inquiry will be employed to examine the current perceptions of accounting professionals and their envisioned future roles in serving the public interest. As part of a participative action research approach, findings from each causal layered analysis iteration will be made accessible online, inviting the broader profession to engage and critique. The researchers' reflections on this feedback, coupled with public commentary, serve as dialogic interlocutors, drawing inspiration from the works of Alain Touraine.

The nature of the research question—exploring the impact of the proposed interventions on the public interest responsibility of the accounting profession—could place the researcher on a precarious edge, balancing the roles of a potential protagonist in a social movement and that of an objective scholar. This tension created a challenging ethical clearance process, given the potential blurring of the researcher / researched line. This challenge was overcome by a clear demarcation of lines that the researcher(s) were not allowed to cross. Given its longitudinal nature, the study will consistently benchmark data against framing analysis after each phase. This research will not only offer insights into the evolving ethos of the accounting profession in South Africa but will also provide a blueprint for scholars aiming to intertwine activism with their academic pursuits, all while navigating the complex ethical terrains inherent in such endeavours. The paper will conclude with ruminations of the parallels between activist scholarship and the collective leadership in bringing about systemic change in social movements.

Discursive Leadership in the Federal Reserve System: A Frame Analysis of Federal Reserve Chairman Communication during Economic Uncertainty

As head of an apolitical governmental institution, the chair of the United States (U.S.) Federal Reserve system plays an important role as both the emblematic figurehead and representative director of the Federal Reserve. The Federal Reserve is mandated with the maintenance of low levels of unemployment and inflation of the U.S. economy, using the Federal Open Market Committee (FOMC) to set monetary policy objectives designed to meet this goal (e.g., Hubbard & O'Brien, 2013). Of note, these two goals are in direct conflict with one another. Federal Reserve chair William McChesney Martin famously remarked his role was to remove the punch bowl from the party, just “when the party was getting good.”

The chair of the Federal Reserve is not only a symbolic leader of the Federal Reserve, but is also the chief monetary policy decision maker at the top of a system designed to feed information from the ground to the chair. A complex system comprised of 12 regional banks geographically dispersed across the U.S., each regional Board of Directors is comprised of practitioners, academics, economists, and other relevant stakeholders to provide the Federal Reserve system with information about the state of the U.S. economy and its impact on everyday Americans (Hubbard & O'Brien, 2013).

Given the Federal Reserve's organization, most everyone is a stakeholder in the Federal Reserve. The Federal Reserve is one of many central banks across the globe. As central bank monetary policy has evolved across the globe (Holmes, 2009), Holmes (2014) argues central banks have looked for “a new conceptual anchor for monetary affairs—no longer gold or fixed exchange rates, but an evolving relationship with the public. *Communication has become a fulcrum of policy.* Policy makers shape expectations and, thus, economic behavior” (para. 11, emphasis added).

This essay examines Janet Yellen's tenure as Chair of the Federal Reserve along with her successor, Jerome Powell, to explore how Yellen and Powell used communication to lead the

Federal Reserve System, and to understand the Federal Reserve's discursive leadership of the U.S. economy. The Federal Reserve's ability to communicate effectively is important for its ability to maintain legitimacy in itself, in Wall Street, and in the economy. The pressures on the Federal Reserve to provide stability during times of economic crisis or uncertainty are immense, considering the last ten years has also seen unprecedented actions taken by the Federal Reserve in response to the 2008 financial crisis and the long-term effects of quantitative easing, and the economic pressures of the COVID-19 pandemic.

To illustrate the economic pressures of the COVID-19 pandemic, one recent study of press conferences by Federal Reserve chairmen found market volatility to be more than three times higher during press conferences held by current chair Jerome Powell than market volatility during press conferences by previous chairs Janet Yellen and Ben Bernanke (Narain & Sangani, 2023). This increased volatility was mostly due to heightened market volatility during the COVID-19 pandemic, but text analysis found Powell's language correlated with market movements, ultimately reducing the effectiveness of Federal Reserve communications in reducing interest rate uncertainty (Narain & Sangani, 2023). In other words, an unprecedented global pandemic led to market volatility, as did the Federal Reserve chair's communication.

Discursive leadership as a theoretical frame recognizes that "Leadership...is socially constructed through interaction, emerging as a result of the constructions and actions of both leaders and led" (Smircich & Morgan, 1982, p. 258; Uhl-Bien, 2006). Building from a social constructionist perspective, leadership, in this view, is not simply unilateral directives from a leader to one's followers. Rather, discursive leadership perspectives argue that leadership is context dependent (Fairhurst, 2011), its meaning is constantly negotiated (Alvesson & Sveningsson, 2003), and emerges in tensions that are fluid and dynamic (Deye & Fairhurst, 2019). Specifically, this paper draws on Fairhurst's (2011) argument that leaders discursively "manage meaning" when others are

unable to do so. Stated differently, leaders interpret and frame “the current situation” in ways that “connect with others” (Fairhurst, 2011).

Using discursive leadership as a theoretical frame, we analyze 94 public speeches given by the Federal Reserve chairman over the last nine years. Speeches of the U.S. Federal Reserve Chair are archived on the Federal Reserve website ([federalreserve.gov](https://www.federalreserve.gov)). Between 2014 and 2018, Yellen gave 43 public speeches. Between 2018 and 2023, Powell gave 51 public speeches. Using Goffman’s (1974) frame analysis, this essay will identify frames used by Yellen and Powell in their speeches to shape public understanding of the economic realities of the last nine years. Moreover, given Yellen’s role as the first female head of the U.S. Federal Reserve, we will use a feminist, critical lens in our study of these frames (Mui, 2014).

Ultimately, this essay seeks to add to the body of literature on discursive leadership by engaging with the move toward systems thinking in leadership studies, especially work by Uhl-Bien (2021) that examines complexity pressures in systems and seeks to activate adaptive responses. Given the ongoing economic uncertainty of the last nine years, Yellen’s tenure as the first female head of the Federal Reserve system, and work that has highlighted the Federal Reserve’s discursive leadership failings during the COVID-19 pandemic (Hearit et al., 2022), this paper seeks to move past a gender binary comparison of Yellen versus Powell (as critiqued by Ashcraft, 2022), but rather understand what frames Yellen and Powell used to make sense of economic realities for the public during the economic uncertainties of the last nine years.

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