where best practice meets next practice

THE MOBIUS STRIP

SUMMER 2018

Magenta Mountains by Mobius Featured Artist, Michael Robbins

MOBIUS
EXECUTIVE LEADERSHIP™

MOBIUS EXECUTIVE LEADERSHIP
U.S. +1 781-237-1362
LONDON + 44 20 3286 8388
info@mobiusleadership.com
www.mobiusleadership.com

THE
NEXT PRACTICE
INSTITUTE

Dear Friends:

Welcome to the latest issue of our transformational leadership magazine the *Mobius Strip.*

Special announcement: We are delighted to use the occasion of this edition to announce our unique new collaboration with Egon Zehnder, a global leadership advisory firm, to bring the best of transformational leadership to our clients. Together, Mobius and Egon Zehnder are offering multi-client immersive sessions for current and future CEOs (Executive Breakthrough Program), other senior most executives (Executive Discovery Program) and customized leadership sessions for specific client organizations (In-House Voyager Programs). More on our pioneering partnership and these offerings can be found on our website.

Each of these joint client programs are based on Mobius Chief Thought Leader Erica Ariel Fox's *Winning From Within: A Breakthrough Method for Leading, Living and Lasting Change.* Erica's *New York Times* bestselling book sets out a development road map for increasing leadership agility, unlocking executive potential and helping leaders address key performance gaps. The featured article in this edition captures Erica in conversation about the Executive Breakthrough Program, discussing the methodology behind our joint offering with Egon Zehnder to develop aspiring and new CEOs.

More broadly, this edition is the first of two companions to our 3rd Annual Gathering which will be taking place in October outside of Boston. This global practitioner event is sponsored by the professional development arm of our organization, Next Practice Institute (NPI). NPI has been established to codify the disciplines of transformational leadership, spread thought leadership in its interrelated fields of study, and professionally develop a generation of facilitators, coaches, mediators, consultants and team interventionists deeply skilled in the arts of transformational change.

NPI sponsors professional development programs, like our Annual Gathering, designed for senior leaders, HR and OD professionals, consultants and for our practitioners and partners alike. These programs operate at the nexus of "best practice" in such areas as organizational development, culture change, and adaptive leadership and "next practice" in neuroscience, somatics, energy work, music, yoga, and other expressive and devotional arts.

In this edition we offer thought leadership from the truly exceptional line up of Annual Gathering faculty. Herein you will find articles and book excerpts from senior practitioners guiding the immersive tracks during the week's program and from distinguished keynote speakers: Mobius Senior Expert Zander Grashow with an excerpt from his seminal work, *The Practice of Adaptive Leadership,* with Ron Heifetz and Marty Linsky; Mobius Senior Expert Zafer Achi on how to work with complexity; Mobius Alliance Partner and Egon Zehnder Board Member Jill Ader shares her thoughts with us on the challenge of CEO succession; and we include an excerpt from the stunning new book *The Art of Gathering* by Mobius Senior Expert in innovation and mediation, Priya Parker. Other members of the 2018 faculty are contributing to the Autumn edition of the magazine, and on page 87 we highlight where you can find more material from our world-class NPI faculty.

Given both the enormity of the challenges we face in the world and the outstanding scholarship available to us from NPI faculty, past and present and other Mobius colleagues, this edition highlights a selection of readings in *systems theory* and *leading change in complex times.* We are honored to include book excerpts specially curated for us from recent publications representing the work of Mobius Senior Expert and dear friend Doug Silsbee (also our featured artist in this edition); Mobius Senior Expert, 2016 NPI Faculty, and MIT Lecturer Otto Scharmer; and Mobius Friend Giovanna D'Alessio. Each of these pieces has been carefully put together to deepen our understanding of what complexity is and how to guide organizations, leaders and ourselves through it.

Finally, we include two complementary pieces to round off this edition. *Standing at the Edge* comes from Mobius Friend Roshi Joan Halifax's most recent book. Joan is known to the world for her exceptional contributions as a Buddhist teacher, anthropologist, ecologist, civil rights activist, hospice caregiver and spiritual teacher. This book is an incredibly timely set of lessons on the principles of compassionate action.

Where Did You Learn to Behave Like That? by Mobius Friend Sarah Hill builds on her work with the leading systems thinker and team dynamics expert David Kantor, also a Mobius Senior Expert. Sarah's work goes deep into the territory of how to coach leaders to revisit and rewrite the personal narratives that drive so much of our unconscious and most harmful behavior – a highly practical and important addition to the transformational leadership canon.

We encourage you to read, reflect and share this rich collection of leadership scholarship. The magazine is also available to download and share online at www.mobiusleadership.com under Thought Leadership.

During the Annual Gathering we come together for a week of learning, renewal and friendship as an investment in our own development, with the aim of leaving rejuvenated, reconnected and better equipped to make our contributions to the world. At the time of going to print, there are spaces left to join us in October at the Next Practice Institute. For more information visit the Next Practice Institute section of our website. We hope you will consider registering for the session and in helping us spread the word to colleagues and friends who might be interested.

Please enjoy our magazine. We look forward to our continued journey together.

Warmest best,

Amy Elizabeth Fox

THE NEXT PRACTICE INSTITUTE

2018 ANNUAL GATHERING
OCTOBER 21-26, 2018

BABSON EXECUTIVE CONFERENCE CENTER
BOSTON, MASSACHUSETTS

To reigster
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SAVE THE DATES

2019
ANNUAL GATHERING
DECEMBER 8 – 13, 2019
BOSTON, MA

2020
ANNUAL GATHERING
OCTOBER 4 – 9, 2020
BOSTON, MA

Details to follow
For more information, please email NPI@mobiusleadership.com

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OTHER SELECTED READINGS

FEATURED ARTIST *DOUG SILSBEE*

The images in this edition are taken by our dear friend and Mobius Senior Expert faculty member Doug Silsbee. Doug is a pioneer in the field of presence-based coaching and has spent a lifetime developing his own enormous body of work on receptivity, attunement, compassion and immediacy. He is a master practitioner, teacher, guide and counsellor. I've had the great honor and joy to teach with him these last years and it has been a wonder to watch him work and share all he knows so generously. Equally preciously, and more personally, I've also had the chance to speak with him of deep matters, to receive and give confidences, to savor life and to inspire each other forward as cherished friends. We include the photographs herein in tribute to his lifetime of loving and his enduring contributions to the field of human transformation and evolution. *— Amy Elizabeth Fox*

The Practice of Adaptive Leadership:
Tools and Tactics for Changing Your Organization and the World

A book excerpt by Ronald Heifetz, Marty Linsky, and Zander Grashow

We are honored to include an excerpt from this seminal work and to have author Zander Grashow as faculty for the 2018 Next Practice Institute where he leads one of the week-long learning immersives: Adaptive Leadership and Alignment to Change. In this track, Zander will delve into the art and practice of individual and collective evolution which emerged from thirty years of research at Harvard University. To learn more about Zander's work please visit the Next Practice Resources section of the website.

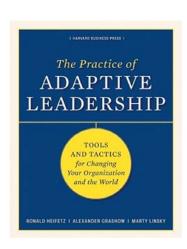### Distinguishing Technical Problems from Adaptive Challenges

The most common cause of failure in leadership is produced by treating adaptive challenges as if they were technical problems. What's the difference? While technical problems may be very complex and critically important (like replacing a faulty heart valve during cardiac surgery), they have known solutions that can be implemented by current know-how. They can be resolved through the application of authoritative expertise and through the organization's current structures, procedures, and ways of doing things. Adaptive challenges can only be addressed through changes in people's priorities, beliefs, habits, and loyalties. Making progress requires going beyond any authoritative expertise to mobilize discovery, shedding certain entrenched ways, tolerating losses, and generating the new capacity to thrive anew. Figure 1, adapted from *Leadership Without Easy Answers,* lays out some distinctions between technical problems and adaptive challenges.

As figure 1 implies, problems do not always come neatly packaged as either "technical" or "adaptive." When you take on a new challenge at work, it does not arrive with a big *T* or *A* stamped on it. Most problems come mixed, with the technical and adaptive elements intertwined.

Here's a homey example. As of this writing, Marty's mother, Ruth, is in good health at age ninety-five. Not a gray hair on her head (although she has dyed a highlight in her hair so that people will know that the black is natural). She lives alone and still drives, even at night. When Marty goes from his home in New York City up to Cambridge, Massachusetts, to do his teaching at the Kennedy School

Figure 1 DISTINGUISHING TECHNICAL PROBLEMS AND ADAPTIVE CHALLENGES			
	Problem definition	**Solution**	**Locus of work**
Technical	Clear	Clear	Authority
Technical and adaptive	Clear	Requires learning	Authority and stakeholders
Adaptive	Requires learning	Requires learning	Stakeholders

at Harvard, Ruth often drives from her apartment in nearby Chestnut Hill to have dinner with him.

Some time ago, Marty began noticing new scrapes on her car each time she arrived for their dinner date. Now one way to look at the issue is: the car should be taken to the body shop for repair. In that sense, this situation has a technical component: the scrapes can be solved by the application of the authoritative expertise found at the body shop. But an adaptive challenge is also lurking below the surface. Ruth is the only one of her contemporaries who still drives at all, never mind at night. Doing so is a source of enormous pride (and convenience) for her, as is living alone, not being in a retirement community, and still functioning more or less as an independent person. To stop driving, even just to stop driving at night, would require a momentous adjustment from her, an adaptation. The technical part is that she would have to pay for cabs, ask friends to drive her places, and so forth. The adaptive part can been found in the loss this change would represent, a loss of an important part of the story she tells herself about who she is as a human being, namely, that she is the only ninety-five-year-old person she knows who still drives at night. It would rip out a part of her heart, and take away a central element of her identity as an independent woman. Addressing the issue solely as a technical problem would fix the car (although only temporarily, since the trips to the body shop would likely come with increasing frequency), but it would not get at the underlying adaptive challenge: refashioning an identity and finding ways to thrive within new constraints.

In the corporate world, we have seen adaptive challenges that have significant technical aspects when companies merge or make significant acquisitions. There are huge technical issues, such as merging IT systems and offices. But it is the adaptive elements that threaten success. Each of the previously independent entities must give up some elements of their own cultural DNA, their dearly held habits, jobs, and values, in order to create a single firm and enable the new arrangement to survive and thrive. We were called in to help address that phenomenon in an international financial services firm where, several years after the merger, the remnants of each of the legacy companies are still doing business their own way, creating barriers to collaboration, global client servicing, and cost efficiencies. Whenever they get close to changing something important to reflect their one-firmness, the side that feels it is losing something precious in the bargain successfully resists. The implicit deal is pretty clear: you let us keep our entire DNA, and we will let you keep all of yours. They have been able to merge only some of the basic technology and communications systems, which made life easier for everyone without threatening any dearly held values or ways of doing business. In a similar client case, a large U.S. engineering firm functions like a franchise operation. Each of its offices, most of which were acquired, not homegrown, goes its own way, although the firm's primary product line has become commoditized, and the autonomy that has worked for these smaller offices in the past, and is very much at the heart of how they see themselves, will not enable them to compete on price for large contracts going forward.

We have seen the same commoditization of previously highly profitable distinctive services also affecting segments of the professional services world

such as law firms, where relationship building has been an orienting value and core strategy and where competing primarily on price is a gut-wrenching reworking of how they see themselves. Yet as previously relationship-based professions are coping with the adaptive challenge of commoditization of some of their work, the reverse process is simultaneously going on in many businesses that have been built on a product sales model and mentality.

In an increasingly flat, globalized third-millennium world, where innovation occurs so quickly, just having the best product at any moment in time is not a sustainable plan. So, like one of our clients, a leading global technology products company, these companies are trying to adapt, as they struggle to move from a transaction-based environment, where products are sold, to a relationship-based environment, where solutions are offered based on trust and mutual understanding.

The need to make this transformation is stressing many firms, from professional services to insurance to digital hardware. These companies have had great success with an evolving product line, talented salespeople, and brilliant marketing strategies. Now they are finding that the skills required are more interpersonal than technical, both in their relationship with each other within the organization and in connecting with their customers. A workforce that has been trained and has succeeded in a sales framework is not prepared by experience or skill set to succeed when relationship building and response is the primary lever for growth. Successful people in the middle third or latter half of their careers are being asked to move away from what they know how to do well and risk moving beyond their frontier of competence as they try to respond adaptively to new demands from the client environment.

Like Marty and his mother, systems, organizations, families, and communities resist dealing with adaptive challenges because doing so requires changes that partly involve an experience of loss. Ruth is no different in principle from the legacy elements of the newly merged company that do not want to give up what they each experience as their distinctiveness.

Sometimes, of course, an adaptive challenge is way beyond our capacity, and we simply cannot do

> " **The most common cause of failure in leadership is produced by treating adaptive challenges as if they were technical problems.** "

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OBSERVE, INTERPRET, INTERVENE

Adaptive leadership is an iterative process involving three key activities:

1 <u>observing</u> events and patterns around you

2 <u>interpreting</u> what you are observing (developing multiple hypotheses about what is really going on)

3 <u>designing interventions</u> based on the observations and interpretations to address the adaptive challenge you have identified

Each of these activities builds on the ones that come before it; and the process overall is iterative: you repeatedly refine your observations, interpretations, and interventions.

anything about it, hard as we might try. Vesuvius erupts. But even when we might have it within our capacity to respond successfully, we often squander the opportunity, as with the American automobile industry in the past decades.

You know the adage "People resist change." It is not really true. People are not stupid. People love change when they know it is a good thing. No one gives back a winning lottery ticket. What people resist is not change per se, but loss. When change involves real or potential loss, people hold on to what they have and resist the change. We suggest that the common factor generating adaptive failure is resistance to loss.

A key to leadership, then, is the diagnostic capacity to find out the kinds of losses at stake in a changing situation, from life and loved ones to jobs, wealth, status, relevance, community, loyalty, identity, and competence. Adaptive leadership almost always puts you in the business of assessing, managing, distributing, and providing contexts for losses that move people through those losses to a new place.

At the same time, adaptation is a process of conservation as well as loss. Although the losses of change are the hard part, adaptive change is mostly not about change at all. The question is not only, "Of all that we care about, what must be given up to survive and thrive going forward?" but also, "Of all that we care about, what elements are essential and must be preserved into the future, or we will lose precious values, core competencies, and lose who we are?" As in nature, a successful adaptation enables an organization or community to take the best from its traditions, identity, and history into the future.

However you ask the questions about adaptive change and the losses they involve, answering them is difficult because the answers require tough choices, trade-offs, and the uncertainty of ongoing, experimental trial and error. That is hard work not only because it is intellectually difficult, but also because it challenges individuals' and organizations' investments in relationships, competence, and identity. It requires a modification of the stories they have been telling themselves and the rest of the world about what they believe in, stand for, and represent. [For more on revising our personal narratives, see Sarah Hill's work on page 76.]

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Helping individuals, organizations, and communities deal with those tough questions, distinguishing the DNA that is essential to conserve from the DNA that must be discarded, and then innovating to create the organizational adaptability to thrive in changing environments is the work of adaptive leadership.

Distinguishing Leadership from Authority

Exercising adaptive leadership is radically different from doing your job really, really well. It is different from authoritative expertise, and different from holding a high position in a political or organizational hierarchy. It is also different from having enormous informal power in the forms of credibility, trust, respect, admiration, and moral authority. As you have undoubtedly seen, many people occupy positions of senior authority without ever leading their organizations through difficult but needed adaptive change. Others with or without significant formal authority, but with a large admiring group of "followers" also frequently fail to mobilize those followers to address their toughest challenges. To protect and increase their informal authority, they often pander to their constituents, minimizing the costly adjustments the followers will need to make and pointing elsewhere at "the others who must change, or be changed," as they deny and delay the days of reckoning.

People have long confused the notion of leadership with authority, power, and influence. We find it extremely useful to see leadership as a practice, an activity that some people do some of the time. We view leadership as a verb, not a job. Authority, power, and influence are critical tools, but they do not define leadership. That is because the resources of authority, power, and influence can be used for all sorts of purposes and tasks that have little or nothing to do with leadership, like performing surgery or running an organization that has long been successful in a stable market.

The powers and influence that come from formal and informal authority relationships have the same basic structure. The social contract is identical: Party A entrusts Party B with power in exchange for services. Sometimes this contract is formalized in a job description or an authorization establishing a task force, organizational unit, government agency, or organizational mission. Sometimes the contract is left implicit, as it is with charismatic authorities and their constituents, or with your subordinates and lateral colleagues, who may to varying degrees trust, respect, and admire you, and therefore give you the key power resource of their attention. However, all authority relationships, both formal and informal, appear to fit the same basic definitional pattern: power entrusted for service—"I look to you to serve a set of goals I hold dear."

Authority, then, is granted by one or more people on the assumption that you will then do what they want you to do: centrally in organizational life to promptly provide solutions to problems. People will confer authority or volunteer to follow you because they are looking to you to provide a service, to be a champion, a representative, an expert, a doer who can

You know the adage "People resist change." It is not really true. People are not stupid. People love change when they know it is a good thing. No one gives back a winning lottery ticket. What people resist is not change per se, but loss. Adaptive leadership almost always puts you in the business of assessing, managing, distributing, and providing contexts for losses that move people through those losses to a new place.

FOUR ADAPTIVE CHALLENGE ARCHETYPES

ARCHETYPE 1
Gap Between Espoused Values and Behavior

How you behave can at times differ from what you say you value and believe about yourself.

- Our friend Harold thinks of himself as someone who wants to end world hunger. Yet when he looks back over the past year to see how he has invested his time and energy, he realizes that, in actuality, he has done little to mitigate the problem.

- A CEO named Alice always tells her family that she is committed to balancing her nonwork obligations with her professional duties. But when she steps back and compares how much time she is spending at the office or on business trips versus at home with her family, she realizes the scales are tipped heavily toward work.

In these examples, there's a gap between the person's espoused values and his or her behavior.

ARCHETYPE 2
Competing Commitments

Like individuals, organizations have numerous commitments. And sometimes these commitments come into conflict.

- A multinational consumer products corporation with operations in numerous countries tries to create one unified brand while also seeking to preserve the unique brand associations it has in each country where it operates.

- A law firm wants to grow its practice while also allowing older partners and those with family responsibilities to work shorter hours.

To resolve such competing commitments, organizational leaders must often make painful choices that favor some constituencies while hurting others. (And this constitutes another adaptive challenge archetype.)

ARCHETYPE 3
Speaking the Unspeakable

Whenever members of an organization come together, there are two types of conversation going on. One is what people are saying publicly. The other is unfolding in each person's head. Only a small portion of the most important content (radical ideas, naming of difficult issues) ever gets surfaced publicly.

The organizational system does not want you to say these things out loud; doing so will generate tension and conflict that will have to be addressed. Indeed, anyone who has the courage to raise unspeakable issues may become immediately unpopular and could lose standing in the organization (or even her job).

The presence of a senior authority in the room makes it even riskier.

But getting people to share what seems unspeakable is essential. Only by examining the full range of perspectives can a group of people increase their chances of developing adaptive solutions.

ARCHETYPE 4
Work Avoidance

In every organization people develop elaborate ways to prevent the discomfort that comes when the prospects of change generate intolerable levels of intensity.

They change the subject or make a joke when someone insists on discussing the problem. Or they treat an adaptive challenge as a technical problem—for example, by moving a retail item to a more prominent position in a store when sales are down due to better competitors' products in the marketplace.

These behaviors are all ways of avoiding the harder work of mobilizing adaptive change.

We find two common pathways in the patterns by which people resist the potential pain of adaptive change: diversion of attention and displacement of responsibility.

provide solutions *within the terms that they understand the situation*. And if life presented exclusively technical problems, people would get what they need looking routinely to authorities for solutions to problems.
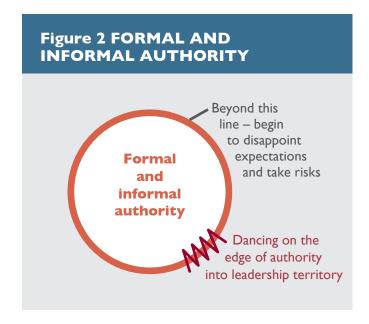
Take a closer look at the difference between authority and adaptive leadership. In your organizational life, your authorizers (those who grant you authority) include bosses, peers, subordinates, and even people outside your organization, such as clients or customers and possibly the media. An authorizer is anyone who gives you attention and support to do your job of providing solutions to problems.

In any of your roles, whether parent or CEO or doctor or consultant, you have a specific scope of authority (see figure 2) that derives from your authorizers' expectations and that defines the limits of what you are expected to do. As long as you do what is expected of you, your authorizers are happy. If you do what you are supposed to do really well, you will be rewarded in the coin of the realm, whatever it is: a pay raise, a bonus, a bigger job, a plaque, a more impressive title, a better office.

And one of the most seductive ways your organization rewards you for doing exactly what it wants—to provide operational excellence in executing directions set by others—is to call you a "leader." Because you, like most people, aspire to have that label, conferring it on you is a brilliant way of keeping you right where the organization wants you, in the middle of your scope of authority and far away from taking on adaptive leadership work.

Twenty years ago, Ron taught in a Harvard executive program for senior officers in the U.S. military. Six weeks into the program, an Air Force colonel came into the seminar room looking crestfallen. Ron asked him, "What happened?" The colonel responded, "When I was commissioned an officer many years ago, they told me that I was a leader. Now I realize I've been an authority figure, and I'm not sure I've exercised any leadership at all." The following week, he came to the same seminar room having reflected on this disturbing idea, but he looked energetic. "Now I see options for leadership that I never saw before."

When your organization calls you a leader, it is rewarding you for doing what your authorizers want

Figure 2 FORMAL AND INFORMAL AUTHORITY

Formal and informal authority

Beyond this line — begin to disappoint expectations and take risks

Dancing on the edge of authority into leadership territory

you to do. Of course, meeting authorizers' expectations is important. In medicine, doctors and nurses save lives every day fulfilling the hopes of patients who entrust them to provide trustworthy service. But doing an excellent job usually has nothing to do with helping your organization deal with adaptive challenges. To do that, you have to possess the will and skill to dance on the edges of that circle shown in figure 2, on behalf of a purpose you care deeply about. Adaptive leadership is not about meeting or exceeding your authorizers' expectations; it is about challenging some of those expectations, finding a way to disappoint people without pushing them completely over the edge. And it requires managing the resistance you will inevitably trigger. When you exercise adaptive leadership, your authorizers will push back, understandably. They hired you, or voted for you, or authorized you to do one thing, and now you are doing something else: you are challenging the status quo, raising a taboo issue, pointing out contradictions between what people say they value and what they actually value. You are scaring people. They may want to get rid of you and find someone else who will do their bidding.

Imagine a cardiac surgeon, for example, telling patients that he will refuse to do the operation unless the patients do their part of the work: quit smoking and put an exercise regime and a healthy diet into their daily routines after the surgery. Moreover, to ensure compliance, the surgeon insists that patients

Figure 3 LEADERSHIP FROM A POSITION OF AUTHORITY		
Task	**Technical**	**Adaptive**
DIRECTION	Provide problem definition & solution	Identify the adaptive challenge; frame key questions & issues
PROTECTION	Protect from external threats	Disclose external threats
ORDER		
Orientation	Orient people to current roles	Disorient current roles; resist orienting people to new roles too quickly
Conflict	Restore order	Expose conflict or let it emerge
Norms	Maintain norms	Challenge norms or let them be challenged

place 50 percent of all their assets in an escrow account controlled by a third party for six months. It's likely that most patients will find another surgeon, someone who will do the operation and let them off the hook. And the cardiac surgeon who was eager to mobilize adaptive work among his patients will lose his business.

No wonder there is so little adaptive leadership going on in daily organizational life. Exercising adaptive leadership is dangerous. The word leader comes from the Indo-European root word *leit,* the name for the person who carried the flag in front of an army going into battle and usually died in the first enemy attack. His sacrifice would alert the rest of the army to the location of the danger ahead.

The dangers reside in the need to challenge the expectations of the very people who give you formal and informal authority. Yet very often, leadership challenges are about managing conflicts within your authorizing environment. For example, elements of the multiple-faction and overlapping-faction authorizing environments that politicians cobble together to win elections are sometimes not only conflicting but mutually exclusive. That may be true for you at times as well. If you have been or are now a middle manager, you probably have had moments when you were squeezed between the expectations of your subordinates that you would protect them and advocate for them, and those

of your senior authorities that you would control costs on salaries, expenses, and year-end bonuses, or even fire some of your subordinates. As a parent, you might have been caught between your spouse or partner and your children, or worse, between your spouse or partner and your own mother!

Conflating leadership and authority is an old and understandable habit. We all want to believe that we can exercise leadership just by doing really, really well at the job we are expected to carry out. But the distinction between exercising leadership and exercising authority is crucial. By practicing adaptive leadership beyond authoritative management, you risk telling people what they need to hear rather than what they want to hear, but you can also help your organization, community, or society make progress on its most difficult challenges.

Whether you are the president of a country or company, a hospital administrator or the head of an advocacy organization, or simply (simply?) a parent, your functions in your authority role are largely the same. You have three core responsibilities, to provide: (1) direction, (2) protection, and (3) order. That is, you are expected to clarify roles and offer a vision (direction), make sure that the group, organization, or society is not vulnerable and can survive external threat (protection), and maintain stability (order). Because addressing adaptive challenges requires stepping into unknown

space and disturbing the equilibrium, it is an activity that is inherently uncertain, risky for the organization as well as for the individual, and, for these reasons, often disruptive and disorienting. (See figure 3.)

Living in the Disequilibrium

To practice adaptive leadership, you have to help people navigate through a period of disturbance as they sift through what is essential and what is expendable, and as they experiment with solutions to the adaptive challenges at hand. This disequilibrium can catalyze everything from conflict, frustration, and panic to confusion, disorientation, and fear of losing something dear. That is not what you are paid to do and will certainly not be as well received as when you are mobilizing people to address a technical issue that is within their competence or requires expertise that can be readily obtained. Consequently, when you are practicing adaptive leadership, distinctive skills and insights are necessary to deal with this swirling mass of energies. You need to be able to do two things: (1) manage yourself in that environment and (2) help people tolerate the discomfort they are experiencing. You need to live into the disequilibrium.

Honoring the reality that adaptive processes will be accompanied by distress means having compassion for the pain that comes with deep change. Distress may come with the territory of change, but from a strategic perspective, disturbing people is not the point or the purpose, but a consequence. The purpose is to make progress on a tough collective challenge. ■

ABOUT THE AUTHORS

Ronald Heifetz founded the Center for Public Leadership and is the King Hussein bin Talal Senior Lecturer in Public Leadership at Harvard Kennedy School. He first defined the distinction between technical and adaptive challenges in the classic text *Leadership Without Easy Answers*. In a second book, *Leadership on the Line,* Heifetz and co-author Marty Linsky highlighted the individual and organizational dangers of leading through deep change in business, politics, and community life. *The Practice of Adaptive Leadership* from Heifetz, Linsky, and co-author Alexander (Zander) Grashow takes the next step, offering a hands-on, practical guide containing stories, tools, diagrams, cases, and worksheets to help you develop your skills as an adaptive leader, able to take people outside their comfort zones and assess and address the toughest challenges. The authors have decades of experience helping people and organizations create cultures of adaptive leadership. In today's rapidly changing world, *The Practice of Adaptive Leadership* can be your handbook to meeting the demands of leadership in the midst of complexity.

A recognized authority on leadership development, personal development and business evolution, Zander Grashow has made it his mission to know how to transform the way we live and work. He is a renowned facilitator, speaker and advisor to leaders around the world, with a broad reach into the global business, philanthropic, entrepreneurial and creative communities. Consequently, he has been a confidential advisor to presidents, activists and change agents in their most critical moments of transition. With a deep commitment to share what works, Zander co-authored *Adaptive Leadership: Tools and Tactics for Changing the World, f*rom Harvard Business School Press, and "Leadership in Permanent Crisis," of the *Harvard Business Review.* For the last decade, Zander has taught executive programs at Harvard, NYU, Duke and LSE. As faculty for the 2018 Next Practice Institute, he is leading the week-long immersive Adaptive Leadership and Alignment to Change.

Embracing Complexity

In Conversation with Mobius Senior Expert Zafer Achi

ZAFER ACHI is a Mobius Senior Expert, leadership coach, and designer and facilitator of leadership development interventions. He works with individual executives to expand their leadership repertoire while delivering on their performance objectives and helps leadership teams raise their game by collaborating more effectively. Zafer is a McKinsey Director Emeritus where he served clients for thirty-four years in all facets of business and across sectors and industries.

Born in Damascus, raised in Lebanon, Zafer has studied, worked and lived in another eight countries – France, USA, Canada, Japan, Singapore, Indonesia, Algeria, United Arab Emirates, and spent extensive professional time serving clients in Spain, Italy, UK, Germany, Netherlands, Thailand, Korea, Philippines, the GCC and Turkey. He is fluent in Arabic, French and English, proficient in Spanish and capable but rusty in Japanese and Bahasa. This exposure and his natural empathy make him exceptionally adept at bridging across cultures.

We are delighted that alongside Mobius Senior Expert on adult learning and complexity, Jennifer Garvey Berger, Zafer co-leads one of our learning track intensives at the 2018 Next Practice Institute: *Complexity: Outside-in and Inside-out.*. To watch Zafer's 2016 Next Practice Institute Keynote address and to learn more about his work, visit the NPI Resources section of the website.

THREE LESSONS I LEARNED THE HARD WAY

Over the course of my career, there are three lessons about working with complexity that I discovered "the hard way." I refer to these as lopsided attention, fooled by complexity, and the myth of the heroic leader.

1 Lopsided attention

Everything good we want in organizations – accountability, innovation, performance ethic, is an emergent property. These outcomes we desire *emerge* at the interplay between the **people system** (recruiting, development, learning, leadership, etc.) of the organization and its **idea system** (vision, mission, strategy, processes, technology, etc).

As management consultants and frankly as management teams in general, we pay too much attention to and over-index on the idea side. We don't invest or pay sufficient attention to the people side of things. As a result, when it comes to effecting change, we often fail for lack of traction. We don't build capabilities, address mindsets or bring people along with us.

On the other hand, as coaches and leadership development interventionists, we sometimes lean too hard on the people side. Therefore, what we get is unsustainable change – seemingly positive developments that fail to deliver performance.

And so, the question for me is about how can we – as a community of advisors and leaders – strike a better balance, not by chance, but often enough?

2 Fooled by complexity

We also must take great care not to answer this question in absolute terms. While we hope for the holy grail of change so that we will be able to apply that approach everywhere, there is no right recipe. That balancing act, between the forces of the system, must be tailored to each individual situation. We wish it weren't so. We wish we could find a solution and apply it over and over – but organizational change is too complex for that.

So that's the second lesson: we're dealing with complex, adaptive systems and we approach them as if we could solve the system for the outcome that we want.

We are drawn to approach all problems with the toolkit that we are most familiar with, and we take extra comfort that it has underpinned mankind's most impressive feats. That is, we approach these living systems with an engineering mindset. We assume that somehow our approach to problem-solving and our deep technical expertise will allow us to tame complexity and mold the system to produce the result we want. That's not how it works. When we intervene in systems in this way, we produce results that are worse than the ones we're solving for.

> "When we misunderstand what we're dealing with, we are disorderly in our thinking *and* in what results we produce in the real world."

We fail to distinguish the most vexing class of problems where ambiguity and unpredictability rule – be it climate change, the Middle East, or creating a culture of collaboration.

How can we become more discerning and humble in our stance?

3 The myth of heroic leadership

The third lesson is that we are enamored, indeed we are addicted to the myth of heroic leadership – the leader who is clear-minded and decisive. Organizations reward and promote on this basis, when in fact, the problems we face today demand a different kind of leadership – one that is open-minded, curious, that listens, that takes multiple perspectives into account, that recognizes the world is not black and white. We need leaders who can operate without certainty, who know how to work with ambiguity, who excel at facing what they do not know.

Management challenges are beset with polarities – centralization and decentralization, function versus business, innovation and efficiency – that cannot be *solved,* they can only be managed. But because we are ensnared in heroic instincts, we frame polarities as either/or choices, thus leading our organizations toward the downside of both poles!

What I have observed is that we face a dramatic deficit in curiosity, listening and perspective taking. So, the question becomes: how do we cultivate such leadership among our midst and within our organizations?

MAPPING THE TERRAIN

In our work with complexity we use the map put together by David Snowden known as Cynefin (the Welsh word for "habitat.") With it we can distinguish the domains governed by predictability from those haunted by unpredictability.

In the predictable world we feel safe, we feel confident, we roughly know what's going to happen. We may not know *when* something is going to happen or the exact details of it, but we can predict with accuracy; we know how to plan and respond. Therefore, we feel good, we feel safe.

In the unpredictable world, we simply do not know what's going to happen. The outcome is not certain, it's ambiguous, it's volatile. We get triggered by this uncertainty. We get pushed into anxiety. We are tempted to control the unpredictable by bringing in everything we've learned about the predictable world to bear in this unfamiliar terrain. This is dangerous.

Within the predictable world, Cynefin further distinguishes between the domain of the Obvious and the Complicated:
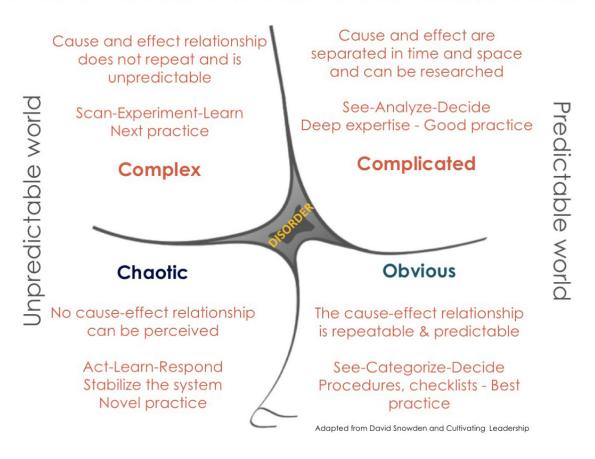
Obvious – situations in which best practice applies. You see something, you categorize it, you apply best practice: problem solved!

Complicated – in this domain, variables are still predictable. Cause and effect may be delayed by space and time, but there remains a way of analyzing how these variables will interact and play out. We can look at the situation, describe the gap between where we are and where we want to be, and then draw pathways to determine which route or approach is optimal to close the gap. We can agree on algorithms to be tried out, on data to be gathered and analyzed, on expertise to be mined. We can sit down together and look at the evidence and listen to the experts

and then choose the best solution. Some of the world's most challenging problems are complicated. Sending a mission to the moon is a complicated problem. It requires a lot of analysis, but it's doable and repeatable.

In the *Complex world,* on the other hand, we don't know whether a particular intervention we make will affect climate change by a half degree or more, or by when, or therefore the true consequences of it. We cannot know if the idea we introduce into a political campaign will catch on or not, or if it does, whether it will benefit our preferred candidate or if it will backfire. We just have to test things and see what works. In a complex situation, we only know cause and effect *after the fact.* We can observe long enough and well enough to discern patterns and inclinations, we can try things safely and learn, and gradually find

A MAP TO HELP DISCERN COMPLEXITY: CYNEFIN

Adapted from David Snowden and Cultivating Leadership

ways to nudge the system. But that's the best we can do to avoid doing harm.

The last domain in Cynefin is *Chaos*. There is no discernible cause and effect. Even after the fact, we simply cannot figure out patterns to guide our action. In chaos, Snowden says all we can do is attempt to sense what's going on and respond to stabilize the situation to the best of our ability.

Finally, Snowden introduces the notion of *Disorder* which is at the intersection of the four domains. Disorder represents the lack of self and system awareness required to discern what domain we are operating in and what kind leadership is called for. It is a state of mind whereby the person intervening does not recognize the nature of the challenge they face and therefore applies the wrong approach. For example, we treat the complex as if it were complicated, or the chaotic as if it were obvious.

When we misunderstand what we're dealing with, we are disorderly in our thinking *and* in what results we produce in the real world. An example of this is incentivizing management by attempting to align its interest with that of shareholders. The whole idea percolated up over decades from the successful track record of pay for productivity for assembly line workers (a fairly *Obvious* instance of an incentive scheme) and got lost when translated into the intricately multi-dimensional realm of motivating executives whose job is to balance conflicting interests (a decidedly *Complex* challenge). This ended up fueling the global economic collapse in 2008. That's disordered thinking – when our approach is inappropriate to the mechanism we are dealing with, in a way that invites unintended long-term consequences.

The broadly accepted guidance is that in complexity, we should accept what we cannot predict, forget about goals and plans and instead notice inclinations, choosing which to amplify and which to dampen. We need to learn more from "nudging" and experimentation. We need to play and let the system do the hard work.

But what does this advice mean in practical terms? In the work I do with Mobius Senior Expert Jennifer Garvey Berger, she has outlined three core habits of mind. (Also the subject of the book she has written *Simple Habits for Complex Times,* and the article "Delighting in the Possible" we wrote together for the *McKinsey Quarterly*.)

THE THREE HABITS OF MIND

These three practices serve as footholds and handholds on what can seem a sheer cliff. They allow us to navigate complexity more effectively. They are:

1. **Asking different questions**
2. **Taking multiple perspectives**
3. **Seeing the system**

First habit: Ask different questions from the ones we usually ask. Take a challenge or a worry you face that repeatedly undermines your confidence. Now ask yourself, what might you be explaining away about it, just a little too quickly?

When facing a business challenge, in addition to asking what's the size of the market, what's the expected return, who is the competition – remember to ask questions that are outside your usual repertoire. For example: what part of that market is unserved? What can we learn from that? Or what part of the data can we *not* explain, and what does that tell us? What are we dismissing here too easily? Ask questions that shift our glance toward what we usually ignore. This is the first habit.

The typical questions we ask emerge from our typical patterns of thought. We focus on narrowing down a problem so that we can find a solution. Asking different questions helps slow down the process. We begin to take in the full range of data available to us, we learn more and in consequence, start seeing a significantly wider set of possibilities. To manage and work with complexity, these are the sorts of questions we need to ask ourselves:

- What do I expect *not* to find? How could I attune to the unexpected?
- What might I be explaining away too quickly?
- What would happen if I shifted one of my core assumptions on an issue, just as an experiment?
- What are the patterns of performance that tend to occur and repeat?
- Are there pockets of my/our experience where there are more of the good patterns and less of the bad patterns? (i.e., where are the bright spots?)

Second habit: Take in more perspectives than we usually do. Consider a person who holds a perspective you have previously ignored. What might they say or offer with respect to the challenge that you now face?

It's a human tendency to listen to ourselves first and then to people who agree with us. Sometimes we broaden it and call it stakeholder analysis, and yet we still listen to people who mostly agree with us, allowing in only some dissent. Very rarely though, do we go out to talk with people who we may consider to be foolish, irresponsible, uncreditable – *people who are marginalized by the system in which we are dealing*; people who have a radically different set of ideas and who may disagree with us one hundred percent. Taking these perspectives in can only enrich our understanding of the system with which we're dealing.

Considering multiple perspectives opens our field of vision. Diversity might create more disagreement and short-term conflict, but in an uncertain environment, a more expansive set of solutions is desirable. No one can predict when or where the next vital idea will emerge, but you are in a much better position for these to arise when you support an expansive view of your present conditions.

We can start by pushing back on our natural inclination to believe that the data we see is all the data we need and by distrusting our natural craving for alignment. We can try these approaches:

- Take the perspective of someone who frustrates or irritates you. What might that person have to teach you?

- Seek out the opinions of people beyond your comfort zone. The perspectives of, among others, younger people, and more junior staff. Dissatisfied customers can be insightful and surprising!

- Listen to what other people have to say. We should not try to convince them to change their conclusions; we must listen to learn. If we can understand their perspectives well enough, we might even find that our own conclusions change.

© Doug Silsbee

Third habit: See systems. Can you get a glimpse of the system at work within whatever "worry" or challenge you are carrying forward? This is the third discipline. This is the habit of recognizing that any problem that nags us, that repeats, that has a pattern to it, is the result of systemic forces at play.

Rather than try to erase the system or solve the problem, seeing systems means that we spot the dynamic forces and rise to work at that level to address the symptom. There are many specific disciplines that help us to do this: constellation work, system-mapping and feedback loops, for example, but the basic idea is the same: notice and attend to the system.

As leaders, we've been trained to follow our natural inclination to examine the component parts rather than stand back to see the whole. We assume a straightforward and linear connection between cause and effect. Finally, *we look for root causes at the center of problems*. In doing these things, we often fail to perceive the broader forces at work. The more we can hold on to the special features of systems, the more we can create experiments in unexpected places to open up new possibilities. To best understand systems, it's helpful to resist the urge to disaggregate problems and to solve them right away. Here are some alternatives:

- We can hold opposing ideas without reconciling them. If it looks as though we're confronting an either/or choice, we can reconsider our narrow framing and wonder what we're missing.

- We shouldn't waste time arguing about the best solution; instead, we can pick several good but different solutions and experiment with them all in a small way.

- We can give up the hunt for the root cause and instead look to the edges of an issue for our experiments. The system's center is most resistant to change; tinkering at the periphery can deliver out-sized returns.

These three habits allow us to comprehend complexity in the outside world better — and interestingly, these same three habits allow us to develop our own complexity of mind. Thus, they continually hone our capacity to deal with the world's rising complexity.

> **"The system's center is most resistant to change; tinkering at the periphery can deliver out-sized returns."**

I am not claiming that everything is complex and that all you need from hereon is your complexity toolkit. Some of the most admirable achievements of the last two centuries (e.g., safety checklists, antibiotics, air travel) have originated in the Obvious and Complicated domains (and the future is unlikely to be different). My claims are narrower and sharper: that some of the most defining challenges of our time – societal change, national and supranational governance, climate change, organizational performance and the like, do involve complex systems and we are less equipped for these.

Trying to "solve" them with best practice prescriptions (born in the Obvious domain), and logic trees borrowed from the Complicated domain, will make matters worse, not better. To face our challenges, we need leaders with post-conventional minds whose complexity matches that of our world. Our collective prosperity depends on many concurrent and continuous individual leader transformations. ∎

"For every complex problem, there is a simple solution that is elegant, easy to understand, and wrong."
-H. L. Mencken

Mobius Senior Expert Zafer Achi's In Conversation piece for the Mobius Strip *is based on an interview conducted at the 2017 Next Practice Institute by Mobius Global Knowledge Manager, Nathalie Hourihan, and on his keynote address given that same year.*

The Challenge of CEO Succession: Who's Ready and Who's Not

In conversation with Jill Ader, Chair of Egon Zehnder

In June 2018 Jill Ader was elected Chair of Egon Zehnder. She will take over on November 1, 2018, becoming the first female leader of a global top five executive search and leadership advisory firm. She is also the co-founder with Mobius, of the Executive Breakthrough Program. In her work, Jill advises international organizations on CEO succession and development. We spoke with her about her insights into what she describes as the widening CEO capability gap.

EgonZehnder **MOBIUS™ EXECUTIVE LEADERSHIP**

Egon Zehnder is a pre-eminent leadership advisory firm to many of the world's most respected organizations. Their core services include executive search, accelerated "integration" (for leaders stepping into new roles), board consulting, leadership assessment and development, CEO and executive committee succession planning, team effectiveness, and cultural transformation.

Egon Zehnder and Mobius Executive Leadership have forged a unique collaboration to provide today's leaders with the development experiences they need. As two of the top leadership firms in the world, this pioneering partnership brings a truly distinctive combination of expertise. Our joint programs, including the Executive Breakthrough Program, equip leaders to rise to exceptional challenges. For more about the year-long Executive Breakthrough Program see *In conversation with Erica Ariel Fox* on page 77 of this edition.

Q Tell us about the widening capability gap you're witnessing in CEO succession...

One of the first things we do when we start work with the Board on succession planning is help determine the specifications for what's needed in the next CEO.

It's worth keeping in mind that it is not uncommon for Boards to be comprised of members whose experience of preparing for a CEO succession is surprisingly thin. People often don't realize this; whereas at Egon Zehnder we're always working on CEO successions. So, in the first instance, our job is to listen and distill the organizational challenges facing the company, and then to guide, question and shape the Board's thinking on what sort of leader the enterprise truly needs.
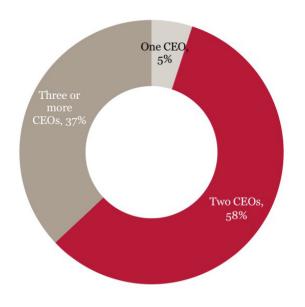
Quite rightly, in the context of a world that is being greatly disrupted, the terminology Boards now use is much more about transformational leadership than it

has ever been before. Irrespective of the industry, there is huge demand for leaders who can, for example:

- Understand the digital world and the related consumer trends
- Engage the emotions of a whole organization to drive change
- Really accelerate innovation
- Deal with complexity at a completely different level
- Build and enable new capabilities.

What Boards are describing is very much transformational, but the leaders who are CEO candidates – whether they're internal or currently outside the company – can't necessarily live up to these extraordinary demands. We have entered a world with a significant supply problem – too few CEOs are capable of transforming the organizations they lead.

Nearly 40% of large public companies had 3 or more CEOs between 2007 - 2017

Number of CEOs between 2007 - 2017

One CEO, 5%

Three or more CEOs, 37%

Two CEOs, 58%

Source: EZ proprietary analysis of 166 companies $30BN+ in revenue and market capitalization

This is one reason we do more than executive search and assessment; *developing* the CEO and candidates for the role is now an imperative.

Candidates are too busy understanding the nature and rate of disruption – at the expense of making the time to develop themselves into the sorts of leaders who can rise to it. The complexity of the challenges they face keeps them overly focused on *knowing more, doing more*. But – as the complexity scholarship like Doug Silsbee's work on meta-competencies shows (page 40) and what our own experience tells us, responding to complexity demands that we pay more attention to *being and becoming*. By that I mean leaders need to embrace the work of embodying the role: being more centered and attuned to the present moment; evolving their identities – repeatedly checking for any "stuckness;" and grasping the opportunities to learn and grow.

Egon Zehnder and Mobius agree, you must learn to disrupt yourself before you have any chance of being able to disrupt and lead the transformation of an entire organization. CEOs are incredibly busy, it's impossible to get time in their diaries, but as the poet David Whyte asked at the 2017 Next Practice Institute: "Who are you becoming while you are being so busy?" I think that applies to so many of us, and when I look at CEOs, they think they have to know everything that's going on.

What they can't see is that their organization, the people around them, are hungry for *presence*. In that regard, in the "being" sense, there is a great vacuum of leadership which is needed more than ever. Especially during periods of upheaval and uncertainty – people need anchors.
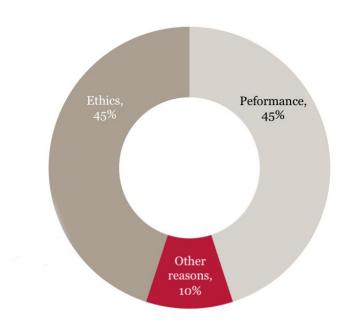
So, you've got this dilemma of the widening gap between CEO role specifications, which are demanding transformational leadership, and leaders themselves who are fighting to keep the ship afloat, never mind investing to develop themselves. Most executives who are developing themselves do it on the level of knowledge and skills, and rarely at a deeper level, what we consider the identity level, or from the perspective of Erica's Winning From Within® approach. So that gap just keeps widening. It's not a trade-off either: you've got to invest in ever-shifting knowledge, expand your skills *and* work on yourself on much more fundamental levels to genuinely increase your leadership capacity.

Nearly 40% of successions at large public companies were unplanned. Of those, nearly 50% of sudden CEO departures were triggered by ethical or performance issues.

Reasons for CEO Firings (2007 – 2017)

Ethics, 45%

Peformance, 45%

Other reasons, 10%

Source: EZ proprietary analysis of 166 companies $30BN+ in revenue and market capitalization

Q What are some of the barriers to CEO development?

Another challenge facing the CEO is that formal development opportunities often end when a person reaches the CEO office. This dynamic is common to many senior leadership positions – even in organizations that are great at developing their people. Investment in development diminishes the higher you climb, which, when you think about it, makes very little sense. In the past reaching the CEO role has been seen as crossing a finishing line (that only an extraordinary few will ever reach). It's regarded as the culmination of a phenomenal career. The truth is, stepping into the CEO role is yet another starting point. It's not a finishing point at all.

The idea that these highly qualified, exceptional people should already have what it takes to rise to the complexity of today's challenges is a barrier to creating the level of the leadership many organizations and the world is calling out for. [See page 73 for more on this.] We must all continually deepen our repertoire, especially the most influential among us. This is obvious to those of us in the professional development world, but it's a mindset shift for many clients.

One of the things we do at Egon Zehnder when we're discussing candidates with the Board, is talk about how open the candidate is to feedback, how self-aware they are. Because if they're not particularly open to feedback or self-aware as candidates for the role, then they aren't going to seek development once they're in the role!

Q How does the Board think about developing CEO candidates?

The rate of CEO turnover continues to be high – in a recent piece of research we conducted of over 160 large public companies, the average tenure of CEOs in the past ten years was just four years. Boards usually have some internal candidates they want to get ready. More enlightened Boards ask us to start working with these leaders early, years before the next CEO succession, to coach them, bring them to the Executive Breakthrough Program, guide them along their development path.
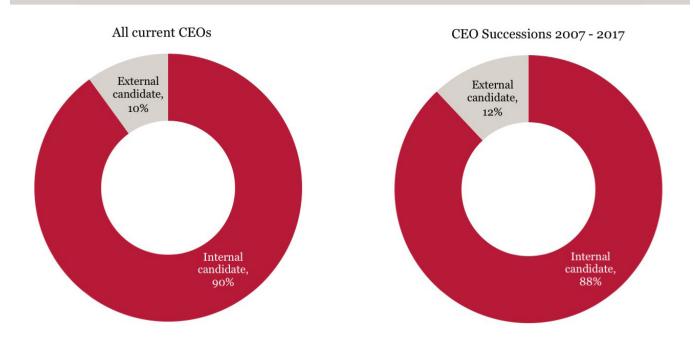
There are other Board directors who say that until they identify the one most probable candidate, they don't want to get people's hopes up by developing them – which, of course, is terrible. Leaders are all in great need of that development. There are situations where the Board says, well – these people are on our succession list, but we can't tell them that because we don't want to set up an internal competition with too many "crown princes." Sadly, what their own Board won't tell them, other companies will. So, you've got someone in your organization and you're not talking to them about the possibility of the CEO position, but one of your competitors sees no harm in talking to them about exactly that. And because no one in their own company has indicated to them that they're viewed as a potential successor, these leaders come to believe that it's much more likely to happen elsewhere. That's how you lose people. We hear these stories every day of the week.

Some of our more progressive clients see it less as a horse race and more as a case where everyone has to step up, whether they're a CEO candidate or not. Top team jobs are so much more complicated,

For all the largest public companies in our data sample, the insiders are still preferred for the top job

Internal promotions vs External hires

All current CEOs

External candidate, 10%

Internal candidate, 90%

CEO Successions 2007 - 2017

External candidate, 12%

Internal candidate, 88%

Source: EZ proprietary analysis of 166 companies $30BN+ in revenue and market capitalization

everyone has to develop themselves. We have clients who see this clearly and put their full top team onto a combination of the Executive Breakthrough and Discovery programs, and we give every one of them a Development Advisor.

Q **While specifications for the CEO role vary and should reflect where the enterprise needs to go next, are there certain universal requirements?**

The greatest predictor of CEO potential is curiosity. That's curiosity about the world, about business, and about how people think as well as feel. It's also curiosity about themselves. If they're not curious about feedback on themselves, that's going to cramp their development. Curiosity is the biggest flag for us when we evaluate the potential of candidates. Even if a candidate has already been a CEO, we look for levels of curiosity. If someone tells me they've got a 'playbook' that will work just as well in another company, that's an alarm bell.

Increasing pressure leads to increased focus. Even when it comes to mastering high levels of capability, while a rising leader may get curious about that – they may remain blinkered to the dynamics around them. Or they may learn to value and inquire about what other people think, but it almost never occurs to them what people are feeling. These are some of the blind spots limiting expansive and curious inquiry.

In terms of curiosity about themselves, the other big issue that comes up concerns their leadership identity. For example, take the CFO who steps up to the CEO position. As the CFO they had to be a critical evaluator, that's a defining aspect of the CFO function. When they're made CEO, they fail to go through a conscious piece of work on identity development. They continue to be the critical evaluator and they motivate nobody. They don't inspire people. They haven't figured out that they need to physically take off that CFO coat, give it to someone else, and reinvent themselves — evolve their identity.

On the Executive Breakthrough Program it's common to see issues around identity come up. Most of the people coming to the program want to be CEO and the work is about how they need to evolve, think

> ## Adopting a learning mindset – how curious are you?
>
> **We look for concrete evidence that the candidate believes in self-improvement, truly enjoys learning, and is able to recalibrate after missteps.**
>
> **Questions like the following help surface examples:**
>
> :: How do you react when someone challenges you?
>
> :: How do you invite input from others on your team?
>
> :: What do you do to broaden your thinking, experience, or personal development?
>
> :: How do you foster learning in your organization?
>
> :: What steps do you take to seek out disconfirming evidence in relation to your ideas?

about purpose, think about followership – do your peers want to be led by you? There are some people who come on the program who it turns out, have half-decided they don't want to be the CEO. Then they come on the program and find that they do. The reality is, leaders just never get the time to reflect. They're either working very hard, with their team, on the road or in an airplane, or they're with their families. They can make so much more progress when given the opportunity to step back for a week and reflect, with people who are peers from other industries, and with such a skilled faculty from Mobius and Egon Zehnder. It's about slowing down to accelerate.

I think the idea of being lonely at the top is very true and part of the antidote is creating safe environments like the Executive Breakthrough Program, which give these senior leaders an ongoing group of peers.

Q **Is the need for a big personality inherent to the role? From what we see in the press, CEOs often display extreme behavior.**

That's to do with the popular culture of hero-leaders. The more infamous CEOs we could name together, who have really big personalities, well, they've lived

in an era where they called all the shots and that's been extremely effective – for them and for their organization. As a new CEO today, you simply cannot take that approach. You're not going to succeed. It's not about being the hero anymore. It's about the heroic journey.

Today, you need a CEO who knows they don't know all the answers; who knows how to get people together and really listen and find out the different views. CEOs who will experiment and who can work with paradoxes – these qualities weren't as vital in the past as they are today. There isn't any question: it's harder being a CEO today.

Q How is Egon Zehnder evolving to meet the new reality – how is the firm changing the way it works with Boards on CEO succession?

Many Boards now want a thought partner on what the future will look like. We have clients asking us to help them understand what the executive committee will look like in 10 years' time, what does the leader of the future really look like, far-reaching questions about reimagining leadership and structures at the top. They want our external perspective, including how organizations are evolving. Increasingly Boards seek real challenge from us, to make their thinking more robust.

Given that the world is now not just complicated, but complex, and as you know adult development theory states we really need a different type of leader to handle complexity, our role has shifted. We now need to start much earlier in preparing for the next CEO. To ensure we're helping to build a bench of candidates, there is no such thing as "too soon." This is what we're committed to – working with Boards on leadership challenges in time to do something about them. We want to avoid the all-too-common scenario where finding the next CEO is an emergency situation, where the organization has missed the opportunity to be strategic about really developing their leadership bench. It's not just about preparing for the inevitable event of a CEO succession, it's about ensuring the organization has the critical mass of leaders needed to succeed.

Q How do you develop that leadership? Across the repertoire of developmental experiences, which ones really make all the difference?

Certainly feedback is crucial when it comes to development and Boards should be much more candid and specific about their feedback to the CEO or aspiring CEOs. (Our recent CEO Survey revealed the very worrisome finding that only 28% of CEOs turn to their Board for feedback.)

As for the increasingly vital periods of reflection, when people push back and say they can't afford to take a week for the sort of work that the Executive Breakthrough Program provides, it's worth keeping in mind the more generic leadership programs out there, for example IMD or Harvard, take people off the job for months. On top of that, these programs focus on skills and knowledge and ignore the deeper identity work that's required — the deeper work from within that's really transformative.

Also, development needs to be bespoke. It's not about going on a generalized program. You need something that's really tailored to where you are. The Executive Breakthrough Program is like none other I've seen in that the entire program is based on the specific needs of the fifteen or so individual CEOs and CEO candidates who come together for a specific program.

The model of "a coach for the CEO" is also outmoded. If you're a CEO or a candidate and working on your mindset or relationships, that's great, but you might also need to work on investor relations, or how to involve more of your colleagues and adopt a less directive style, or you might need to do more to understand the digital world, or what transformational leadership really entails, or getting your personal brand and your communication style in sync (so that you're an embodied form of what you say) – all sorts of things ...

No single coach is best qualified to help the CEO on all of those dimensions, no matter how brilliant the coach may be. Even the coaches we have at the Executive Breakthrough Program – they can't do all of that. We need to ask ourselves, what does this particular CEO need? And then how do you access the different types of developmental support? With

"It's not about being the hero anymore. It's about the heroic journey."

this model we tap into a variety of deeper experts. Within Egon Zehnder there's Friedrich Kuhn in Germany, an expert on transformational leadership, Ricardo Sunderland in San Francisco, an expert in digital and cultural transformation, and then with our strategic alliance with Mobius, we've got access to people like Jen Cohen for somatic leadership and Erica Ariel Fox who leads aspiring CEOs through the week-long intensive that's a core part of the Executive Breakthrough Program. We act as a gateway to a wealth of development experts and integrators.

Across our two organizations, the Egon Zehnder Development Advisor can access and importantly, *integrate* this rich array of very deep expertise. For one coach to provide all of that to the CEO — that's no longer possible. True leadership development demands an entire *ecosystem* of deep expertise. Within this support system, it's really important for coaches to be clear about what type of coaching work they do, and what issues they're best suited to working on, rather than positioning themselves as generalists.
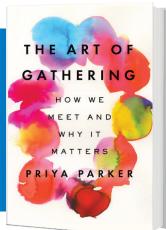
Finally, when it comes to their development, CEO candidates need an ally, someone to go on the journey with them, who will help them process and absorb what they need to learn. By accompanying so many through internal and external role transitions over the years, we realized we needed to create a specific role to support each candidate on their development path. That's the job of the Development Advisor. We work with candidates, the CEO, the Board, and HR to create the development path. We help the candidate select and access the most useful learning experiences available to them. We observe progress and importantly, we help that person integrate what they're learning. Really, when you think about it, we could all use one of those! ■

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Jill Ader was interviewed by Nathalie Hourihan. For the last several years Nathalie has served as Mobius Global Knowledge Manager with wide ranging responsibilities for the firm's thought leadership, including serving as the editor of its transformational leadership magazine, the Mobius Strip. *She is a former global knowledge expert for McKinsey & Company, and has set up Wolf Knowledge Ltd to offer knowledge creation, codification and curation services.*

The Art of Gathering:
How We Meet and Why It Matters

A book excerpt by Mobius Senior Expert Priya Parker

We are delighted to announce that Priya Parker joins us at this year's Next Practice Institute where she shares with us more of the practical insights captured in her new book, *The Art of Gathering.*

Based on years of her own innovation research, social activism, entrepreneurship, mediation and conflict work, this is a scholarly yet joyful guide to creating powerful and inspired meetings, conferences and gatherings.

Within our field of transformational leadership one of the most important aspects of our craft is being able to create psychologically safe, inclusive and elevated containers for discussions, mediation, reconciliation as well as gatherings for dialogue, collective intelligence and co-creativity. This capacity is at the heart of our ability to generate transformational fields of development and healing that lie at the very core of Mobius work.

As coaches, facilitators, and business executives our lives are dominated by meetings. Whether we're sitting through them or designing and hosting them, this book offers cutting-edge thinking for how we conduct our work. *The Art of Gathering* shifts us out of "expert mode" where we get trapped by what we think we know, into the wonder of re-immersing ourselves in a such a fundamental topic with the fresh and engaging perspectives Priya brings.

Priya's research draws from a vast array of experts including circus choreographers, Quaker meeting clerks, camp counselors, wingsuit flying-formation instructors, rabbis, coaches, and TV directors. The work examines summer camps, company offsites, baby showers, *New York Times* editorial sessions, classrooms, family reunions, team meetings, funerals, networking events, political summits, and book festivals. This fascinating tour sparks the imagination and enables us to extract wisdom from other settings to cross-fertilize our own thinking about our work as transformational practitioners.

With thanks to the author, we have selected a range of short excerpts taken from throughout *The Art of Gathering.*

CONVENING THE JUSTICE SYSTEM

The Red Hook Community Justice Center, located in Brooklyn, New York, set out to reimagine one of the more intimidating gatherings in public life: the court proceeding.

Founded in 2000, in the wake of a crisis, in a neighborhood struggling with poverty and crime, the center wanted to change the relationship between the community and law enforcement. Its founders wondered if it was possible to invent a new kind of justice system that would cure the ailments that a crime revealed instead of just locking up criminals.

A traditional courtroom is adversarial. That is a design that derives from its own very worthy purpose: surfacing the truth by letting the parties haggle over it. But the organizers behind the Red Hook Community Justice Center were motivated by a different purpose. Would it be possible to use a courtroom to get everyone involved in a case—the accused, judges, lawyers, clerks, social workers, community members—to help improve behavior instead of merely punish it? "We take a problem-solving approach to the cases that come before us," said Amanda Berman, the Justice Center's project director and a former public defender in the Bronx. "When we're presented with a case—whether it's a housing-court case, a criminal-court case, or a family-court case— the question we are asking at the end of the day is, what is the problem, and how can we work together to come to a solution?"

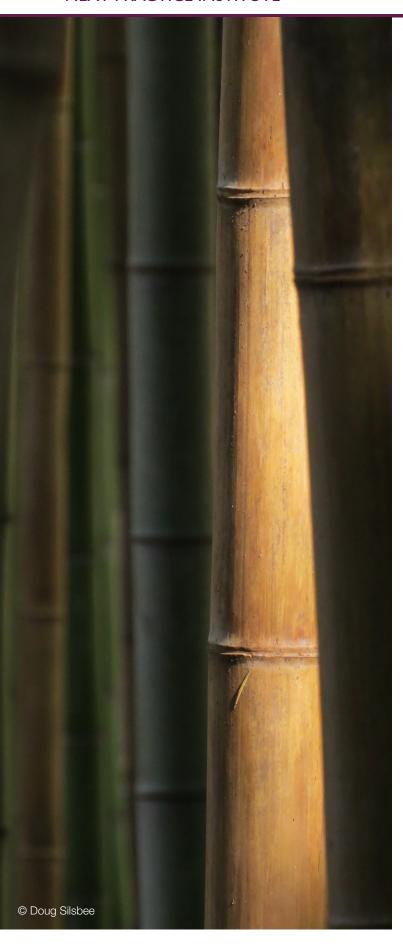This new purpose required the design of a new kind of courtroom.

The experimental courtroom in Red Hook was created along very different lines. Set up in an abandoned parochial school in the heart of the neighborhood, the court has windows to let the sun in, light-colored wood, and an unusual judge's bench. "The planners chose to build the bench at eye level so that the judge could have these personal interactions with litigants coming before him, invite them up to the bench, which he loves to do, so that people could see that he is not looking down on them, both literally and figuratively," Berman said.

You have the sense that the people here are rooting for defendants and litigants to get their lives in order. It's not uncommon for Judge Calabrese to praise a defendant who has shown progress. "Obviously, this is a good result for you. It's also a great result for the community, and I'd like to give you a round of applause," he might say. And then you see everyone, even the police officers, applauding.

The Justice Center is starting to see some tangible results. According to independent evaluators, it reduced the recidivism rate of adult defendants by 10 percent and of juvenile defendants by 20 percent. Only 1 percent of the cases processed by the Justice Center result in jail at arraignment. "I have been in the justice system for twenty years," Calabrese says in a documentary film about the center, "and I finally feel that I have a chance to really get to the problem that causes the person to come in front of me." The Justice Center team has been able to do this because they figured out the larger purpose of why they wanted to gather: they wanted to solve the community's problems—together. And they built a proceeding around that.

From Chapter 1 *The Art of Gathering,*

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The way we gather matters. Gatherings consume our days and help determine the kind of world we live in, in both our intimate and public realms. Gathering— the conscious bringing together of people for a reason— shapes the way we think, feel, and make sense of our world. Lawgivers have understood, perhaps as well as anyone, the power inherent in gatherings. In democracies, the freedom to assemble is one of the foundational rights granted to every individual. In countries descending into authoritarianism, one of the first things to go is the right to assemble. Why? Because of what can happen when people come together, exchange information, inspire one another, test out new ways of being together. And yet most of us spend very little time thinking about the actual ways in which we gather.

Any number of studies support a notion that's obvious to many of us: Much of the time we spend in gatherings with other people disappoints us. "With the occasional exception, my mood in conferences usually swings between boredom, despair, and rage," Duncan Green, a blogger and specialist in international development, confesses in the *Guardian*. Green's take isn't unique to conferences: *The 2015 State of Enterprise Work* survey found that "wasteful meetings" were employees' top obstacle to getting work done.

We don't even seem to be thrilled with the time we spend with our friends. *The State of Friendship in America 2013: A Crisis of Confidence,* found that 75 percent of respondents were unsatisfied with those relationships.

As much as our gatherings disappoint us, though, we tend to keep gathering in the same tired ways. Most of us remain on autopilot when we bring people together, following stale formulas, hoping that the chemistry of a good meeting, conference, or party will somehow take care of itself, that thrilling results will magically emerge from the usual staid inputs. It is almost always a vain hope.

When we do seek out gathering advice, we almost always turn to those who are focused on the mechanics of gathering: chefs, etiquette experts, floral artists, event planners. By doing so, we inadvertently shrink a human challenge down to a logistical one. We reduce the question of what to do with people to a question of what to do about things: PowerPoints, invitations, AV

equipment, cutlery, refreshments. We are tempted to focus on the "stuff" of gatherings because we believe those are the only details we can control. I believe that's both shortsighted and a misunderstanding about what actually makes a group connect and a gathering matter.

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Decide why you're really gathering

Why do we gather?

We gather to solve problems we can't solve on our own. We gather to celebrate, to mourn, and to mark transitions. We gather to make decisions. We gather because we need one another. We gather to show strength. We gather to honor and acknowledge. We gather to build companies and schools and neighborhoods. We gather to welcome, and we gather to say goodbye.

But here is the great paradox of gathering: There are so many good reasons for coming together that often we don't know precisely why we are doing so. You are not alone if you skip the first step in convening people meaningfully: committing to a bold, sharp purpose.

When we skip this step, we often let old or faulty assumptions about why we gather dictate the form of our gatherings. We end up gathering in ways that don't serve us, or not connecting when we ought to.

A category is not a purpose

Think back to the last several gatherings you hosted or attended. A networking event. A book club. A volunteer training. If I were to ask you (or your host) the purpose behind each of those gatherings, I wouldn't be surprised to hear what I often do in my work: what you were supposed to do at the gathering.

That networking night, you might tell me, was intended to help people in similar fields meet one another.

The book club was organized to get us to read a book together.

The volunteer training was arranged to train the volunteers.

> **"In countries descending into authoritarianism, one of the first things to go is the right to assemble. Why? Because of what can happen when people come together."**

The purpose of your church's small group was to allow church members to meet in smaller groups.

This is the circular logic that guides the planning of many of our gatherings.

When we don't examine the deeper assumptions behind *why* we gather, we end up skipping too quickly to replicating old, staid formats of gathering. And we forgo the possibility of creating something memorable, even transformative.

For example, in planning that networking night, what if the organizers paused to ask questions like these: Is our purpose for this gathering to help people find business partners or clients? Is the purpose to help guests sell their wares or to get advice on the weaker parts of their product? Is the purpose of the night to help as many people from different fields make as many new connections as possible, or to build a tribe that would want to meet again?

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The "where" of gathering

On displacement. Displacement is simply about breaking people out of their habits. It is about waking people up from the slumber of their own routines. As a facilitator, I seek to do that through the questions I ask and the exercises I run. But it is also possible to achieve a great deal of displacement through the choice of a space.

A dinner, for example, is generally thought best had on dry land. That, at least, is the conventional wisdom. However, one night in the Greek town of Kalamata, in the 1940s, the British travel writer Patrick Leigh Fermor and his friends had another idea. As the group was seated on the quay waiting for their meal to arrive in the searing heat, Fermor and his two companions silently picked up their iron table and carried it into the sea. They sat waist-deep in the water, patiently awaiting service. When the waiter emerged from the restaurant, Fermor wrote, he "gazed with surprise at the empty space on the quay; then, observing us with a quickly masked flicker of pleasure, he stepped unhesitatingly into the sea" with their dinners. The surrounding diners, amused at the spectacle, began

to send the maritime diners wine in celebration of their insouciance. Perhaps not surprisingly, Fermor's *New York Times* obituary would note that his "tables" were "reputed to be among the liveliest in Europe."

On perimeter. Metaphorical doors aren't the only doors that need closing in a purposeful gathering. The artful gatherer is also mindful of physical doors. Gatherings need perimeters. A space for a gathering works best when it is contained. Photographers and choreographers often close all the doors in a room to, as Platon explained to me, "make sure the energy isn't leaking out."

A game designer named Eric Zimmerman once told me about an experiment he and his colleagues designed for an exhibition in Los Angeles. The board game they created was surrounded by four curved walls that approximated a circle, so that when you stepped inside to play, it felt as if you were in a cave. Passersby were intrigued and players ended up becoming so addicted to the game that well after day had given way to night, they kept playing. At last, after the organizers took down all the other sets, they had to remove the four walls, though they left the board game intact. As the walls came down, one by one the players lost interest in the game and dispersed, despite the game remaining playable.

"When the walls came down, even though we didn't take away any of the pieces of the board game, they didn't feel like continuing," Zimmerman told me. "The energy was dispersed." Once the game's perimeter was gone, its players lost their sense of being in an alternative universe.

On moving rooms. You don't have to bring your meeting to the ocean (though I highly recommend it) to make it memorable. Studies show that simply switching rooms for different parts of an evening's experience will help people remember different moments better.

On area. The size of a gathering's space should serve your purpose. I once walked into a fortieth birthday party that had all the right ingredients: a beautiful venue, delicious food, an open bar, a lively band, and two hundred guests. But for some reason, I kept looking over my shoulder all night, waiting for the party to begin. It felt like the room was still empty even after all the guests had arrived. You had to physically walk over to another part of the room to meet new people because everyone was standing so far apart. I spent most of the night hanging out with a small group of friends I already knew and didn't take any social risks.

<center>***</center>

Being the host

Equalize your quests. Another vital use of a host's authority is to temporarily equalize your guests. In almost any human gathering there will be some hierarchy, some difference in status, imagined or real, whether between a sales vice president and a new associate at an all-hands meeting or between a teacher and a parent at back-to-school night. Most gatherings benefit from guests leaving their titles and degrees at the door. However, the coat check for their pretenses is you. If you don't hang them up, no one else will.

President Barack Obama noticed that men were far more likely to both raise their hands and be called on in public question-and-answer settings. So he started an experiment. Whether addressing students at Benedict College, workers in Illinois, or even his

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own press corps, he would insist on taking questions in "boy, girl, boy, girl" fashion. If no woman stood up with a question when the women's turn came, Obama would wait until one did.

Attending to thresholds: before your event starts, it has begun.

On ushering. In many gatherings, your guests will benefit from being carried across a proverbial threshold, leaving the wide world and entering your small kingdom.

Hosts often don't realize that there tends to be unfilled, unseized time between guests' arrival and the formal bell-ringing, glass-clinking, or other form of opening. Make use of this no-man's-land.

Managing this entry is important because none of us shows up as a blank slate to anything. You have seven meetings in a row, and the fourth one goes badly, and you go into the fifth meeting distracted and spent. You walk into Thursday small group at your church after crawling through traffic to get your daughter to basketball practice on time. Right before entering a bat mitzvah, you receive a text from your boss that your article has been killed. If you don't create a passageway into your gathering for guests like these, they are going to be somewhere else in the most crucial moment of your gathering: the start.

Arianna Huffington is a fascinating and controversial woman, thanks to her work in politics, media, and wellness. She is also a gracious and skilled gatherer. In 2013, she hosted a conference to explore the ideas of wellness that would eventually grow into her new company, Thrive. And she chose to host it in her living room in SoHo in Manhattan. It was essentially a business conference, and many of the participants were strangers to one another, and yet Huffington chose to greet them as if they were arriving at a wedding. She personally stood by the door for a good half hour or hour, first thing in the morning, and individually greeted each person who entered. She didn't have her chief of staff do it, and she didn't have her daughters do it. She did it herself. Because she did, she set a tone for the entire day. Yes, she was saying, we are at a conference, but we don't have to act like it. This is my home, and you are my guest.

In everyday gatherings, it can be as simple as lighting a candle or making a welcome announcement or pouring every guest a special drink. But the final transition between the guests' arrival and the opening is a threshold moment. Anticipation builds between the initial clap of thunder and the first drops of rain; hope and anxiety mingle. And then when that opening moment finally comes, it is time to give your guests a message: A magical kingdom exists, and you are invited inside.

Don't kill the attention of mourners. The first change you should make if you want to launch well is to quit starting with logistics.

I once attended the funeral of a dear friend. The church was packed. Hundreds of family members, friends, and former colleagues gathered in a beautiful room to honor a man who had towered in his field and helped so many. As people entered the pews, they greeted one another. Many of them had been closely connected through this friend at some point but hadn't seen one another in years. Sadness hung in the air, and many of us were already crying. Then the minister got up and walked to the front of the room.

> "Another vital use of a host's authority is to temporarily equalize your guests. In almost any human gathering there will be some hierarchy, some difference in status, imagined or real."

> **"With strangers, there is a temporary reordering of a balancing act that each of us is constantly attempting: between our past selves and our future selves, between who we have been and who we are becoming."**

The moment was pregnant. All of us leaned in, eager for his words of comfort. He took a deep breath, looked out at all of us, and began. "Just so you all know, the family has invited us to join them afterward for a reception down the street at the rec center," he said (as best I remember). "But, unfortunately, I am told there is not enough parking at the venue. It's a short walk over, and I encourage you to keep your car here and walk over together afterward." In seconds, the potential energy of the moment had been squandered.

Keep your best self out of my gathering

Nowhere is puffedup phoniness more palpable than at conferences. Nowhere else is the chance to have conversations across borders, identities, and professions so often wasted. Nowhere else are so many people with the influence to change things so frequently brought together, only for the resulting conversations to remain on the surface. They lurk there because everyone is presenting the best self they think others expect to meet.

On the stranger spirit. One of the more improbable secrets of unleashing honesty and vulnerability in a gathering is raising the stranger quotient. Though it seems counterintuitive, it is often easier to get people to share when many in the room are unknown to them— or when they are helped to see those they do know with fresh eyes.

After one 15 Toasts dinner in New York, a guest was upset that a close friend of hers, whom she had brought to the gathering, had spoken openly of his depression. She pulled me aside afterward, feeling confused and betrayed that he would share with several strangers something he had never told her. Yet the man was making the same choice that many of us do in similar situations. It is often easier to confess parts of our lives with strangers, who have no stake in our lives, than with intimates who do.

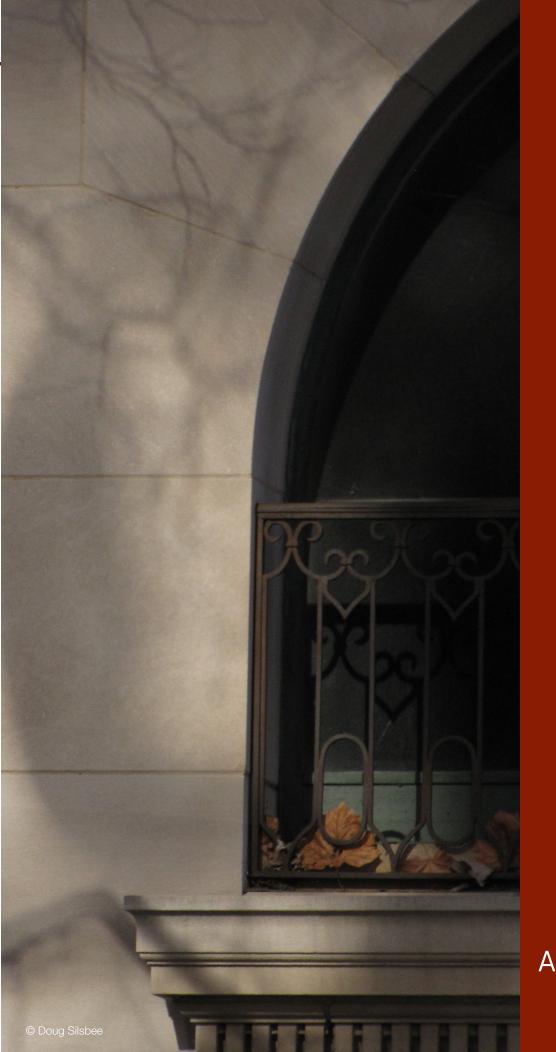The power of the stranger lies in what they bring out in us. With strangers, there is a temporary reordering of a balancing act that each of us is constantly attempting: between our past selves and our future selves, between who we have been and who we are becoming. Your friends and family know who you have been, and they often make it harder to try out who you might become. *But you're not the singing type! Why would you want to be a doctor when you hated biology in school? I guess I just don't see you doing standup.* Strangers, unconnected to our pasts and, in most cases, to our futures, are easier to experiment around. They create a temporary freedom to pilot-test what we might become, however untethered that identity is to what we have been. They allow us to try out new sides. In front of a stranger, we are free to choose what we want to show, hide, or even invent. ∎
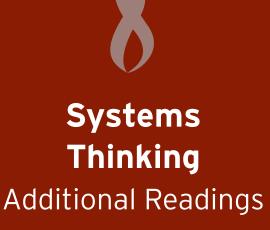
ABOUT THE AUTHOR:

Priya Parker, a Mobius Senior Expert and Founder of Thrive Labs, is an expert in innovation, and conflict mediation. Drawing on ten years of conflict resolution facilitation in the United St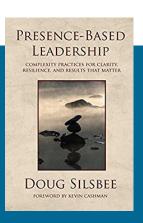ates, India and the Middle East, Priya designs visioning and innovation labs that help organizations grow from the root. Priya has been a contributor to CNN.com/innovation and the *Harvard Kennedy School Review* and was recently named by *Fast Company* as one of "16 People to Follow on Twitter" for her "imagine innovation" twitter stream. She is the author of the just-published book *The Art of Gathering: How We Meet and Why It Matters.* She's also written chapters in *Facilitating Intergroup Dialogues* and *Sustained Dialogue*. Priya received her BA in Political and Social Thought at the University of Virginia, Phi Beta Kappa, an MBA from MIT Sloan and an MPA from the Harvard Kennedy School, where she received the Public Service Fellowship. She lives with her husband, Anand, in Brooklyn, NY.

Systems
Thinking
Additional Readings

Presence-Based Leadership:
Complexity Practices for Clarity, Resilience, and Results that Matter

A book excerpt from by Mobius Senior Expert Doug Silsbee

> **"Everyone has been made for some particular work, and the desire for that work has been put in every heart."**
>
> **– Rumi**

PREFACE

At times, in both everyday life and in situations of leadership, complicated no longer describes the environment or the goal. Complex defines the day. What you have always counted on before—yourself, your skills, your proven methods—no longer works sufficiently. You need something new, you realize. But what?

This book seeks to offer some perspectives on this phenomenon—and on how to develop a deep and authentic leadership presence that is relevant to complexity.

In complexity, cause and effect are not predictable. Other people act in ways that don't make sense to us. Many interrelated factors affect what is emerging, and some things in the system affect others in ways impossible to predict. The harder we drive for results, the more the unanticipated side effects tend to multiply.

In these kinds of environments, the usual ways of leading are often ineffective, even counterproductive. It can be liberating to recognize that we've been spending too much energy in approaches that actually don't work.

What if leading could in fact be both easier and more successful?

To scaffold new actions in our own complex leadership context, the condition of presence is foundational. Presence is an internal state: the awareness of immediacy, stillness, inclusive awareness and possibility. This state enables us to sense the world as it actually is and to sense ourselves as we actually are. A rigorous embrace of reality leads to clarity, resilience and results that matter.

Presence-Based Leadership is the commitment to, and practice of, these principles in situations demanding new solutions, new futures and even new understandings of self.

This has been the hardest, by far, of my three books to write. I've been experimenting with these ideas and practices for many years. This book has been asking me to write it for five. I've tried many ways to say what I wish to say: I wrote a complete first draft, put it on the back burner to simmer, then threw it out. Twice as many words as the contents of this entire book reside in my computer in deleted text files, like the marble a sculptor discards to finally reveal what lies inside the stone. If a sculptor's work is to seek what has always lain within, perhaps my work has been to sense my way into what I feel is so important to express.

I am aware that this material is itself complex and sometimes elusive. Yet, I'm also convinced that it is of profound importance. Accelerating the capacity of leaders to work through extraordinary complexity with clarity and resilience is one key to resolving the crucial issues of our times.

If I were writing this book three years from now, it would be a different book, just as this one is far different from what I was able to draft three years ago. I know it's not perfect, that it has holes and contradictions and vital pieces missing. I could spend more years refining it: literally every day new things occur to me that I want to add. But, perfect can be the enemy of good, and this is good enough. For now, this is what I know how to say. It's time to get this work out and let it do what it is to do. This book is my safe-to-fail experiment.

Ironically, in the very week I am completing this manuscript, I have received a diagnosis of advanced metastatic cancer. I have worked with everything in this book, in my personal and professional realms, for years. However, this now radically changed context immediately elevates my need to put what I espouse here into practice. You, reading this in what is my future and your present, will likely know more about how this journey plays out for me than I can know now. What I do know now is that my condition presents me with a world-class opportunity to practice.

Oh, by the way. I am white and American. I'm sixty-three. I have a degree in geology. Both my parents have PhDs. I grew up in the era of cheap oil. I am male, basically liberal, and come from a relatively privileged background that has enabled opportunities for travel, education, and meaningful and rewarding work. I'm a husband, a father, a grandfather, and a cancer patient among many other designations.

I offer this brief list (which could be much longer) not at all to establish my qualifications for offering this work. Nor as apology for the limitations that my history and demographics certainly impose on how I view and interpret the world. I offer it simply as disclosure and transparency.

I, like you, write and lead and love from an embodied history that reflects a particular set of circumstances that provide me with both generous capabilities and real limitations. This of course is the human condition.

It is my hope that I can speak into our shared human condition in a way that will be useful and empowering to fellow humans who have different backgrounds and histories than I do.

It is my deepest hope that this work is of some service in a suffering world.

- Doug Silsbee, 2018

Whatever the specifics of your leadership context, you are almost assuredly daunted by complexity in some form. While you care passionately, game-changing disruptions make it impossible to plan, distractions abound, and tedious must-do's siphon your attention from what's really important. You are experienced enough to see countless choices and savvy enough to recognize that, while every decision solves some problems, it also creates others. You likely experience some frustration that you, as a competent, smart achiever, are not able more consistently to manage the unruly people and forces in your world towards better outcomes.

These difficulties can feel personal. They are not.

You have assumed the mantle of leadership at a critical turning point in history. The scale and complexity of the challenges that we collectively face are increasing exponentially, and your training and preparation are insufficient preparation for what you face. The bad news is that it sometimes feels as if you are being asked to be a leader you have not yet become.

The resulting gap between the needs of the moment and your ability to create a new future only means that, realistically, you face conditions different from those you prepared for or could possibly anticipate.

Producing results that matter requires doing things differently—perhaps even radically differently. Learning new ways to do the same things more effectively will not be enough. Rather, it is time to reimagine what leadership itself can be, and to step up in ways that you can't yet see, bringing your whole self to your challenges.

The good news is that complex problems can be seen as powerful catalysts for your ongoing development. Approached wisely, obstacles often accelerate growth. This book intends to focus the energies of those catalysts into fundamental shifts in how you approach your own learning and development. You will develop new ways to perceive and to engage with yourself, allowing you to confront the complexity that already exists, but to do so with less angst, more clarity and greater resilience.

WHY META-COMPETENCIES MATTER

At some point in your career, you began to recognize your limitations.

Since then, you have read books, gotten coached, attended leadership seminars and studied the latest theories and methods. Potent and majestic frameworks like Robert Kegan and Lisa Laskow Lahey's Immunity to Change, C. Otto Scharmer's Theory U [see Otto's book excerpt on page 46], Bob Anderson's Leadership Circle, and Richard Strozzi-Heckler's Embodied Leadership are but a few of the excellent resources that you may well have integrated into your leadership vernacular.

You are serious about self-improvement, but you've also noticed that every leading-edge approach or tool over time begins to seem partial and incomplete. Change has accelerated, which is one reason why new models appear frequently and with great promise— and the next big challenge still seems to overwhelm our preparedness.

We yearn for something deeper: a bigger view that can help us navigate into the future. Rather than relying on one model, we must draw fluidly from many frameworks in order to discover our own path and to make meaning in ways most helpful for our unique situation. We must deepen our access to innate core capacities that lie deeper than any model or method, rather than hoping for the just-in-time emergence of the just-right tool.

Artist Pablo Picasso had a career spanning decades and artistic periods. He anticipated and revolutionized artistic styles; somehow, he always seemed just ahead of the newest development. While some artists are known for their skill in sculpture and others for watercolor, Picasso moved fluidly from paint to print to clay to collage to mixtures of them all. Like Picasso choosing among many media to best express a truth, the adept leader chooses among numerous models and approaches, yet remains true to an authentic core even while serving diverse constituencies and agendas.

Picasso's search for expression pushed him to experiment and explore. Though he was gifted at many forms of expression, his allegiance to unfettered self-expression was his meta-competency.

A meta-competency is a capability that underpins everything else that we do. It becomes deeply woven into the fabric of who we are and how we organize and respond to our world. A meta-competency includes and enables other competencies. It is a way of being as much as a way of doing.

This book will help you develop three such overarching meta-competencies. These represent three core processes of organizing ourselves and responding to the world: Sensing (the way we take in information about our world and about ourselves); Being (our inner condition as we process this information moment-by-moment); and Acting (what we think, say, and do, all of which arise out of this internal experience).

Whether you are aware of these fundamental, ongoing processes or not, they are always and actively occurring, including in this very moment. They are constant, never-ending, reliable and life-giving. Presence is in large part about bringing awareness and attention to these core human processes. While they occur in every sentient being, it's one of the many marvelous benefits of being human that you can become aware of these subtle and implicit processes. You can direct your attention to them. And you can intervene in the usually automatic nature of their functioning.

In a leadership context, the inherent human capacity both to direct and to observe your attention itself is immensely pragmatic. With the awareness you are building, you can consciously develop the meta-competencies of:

- *Sensing* yourself and your context in ways that produce clarity
- *Being* so as to invite the inner state of presence in service to your resilience, creativity and fluidity
- *Acting* in order to invite new conditions (both internal to you and external in the world around you) that encourage results that matter.

OUR ROAD MAP

Exploration of the three meta-competencies of Sensing, Being, and Acting will be our road map for exploring Presence-Based Leadership. These three meta-competencies, applied at three levels of scale—Context, Identity, and Soma—provide nine distinguishable perspectives on our moment-by-moment experience of the domain that is called Complexity.

Each perspective, or Pane, is a window into your situation. Each Pane informs a set of perspectives, actions, practices and approaches rich with opportunity for engaging with an out-of-control world in potent and generative new ways.

Each is an important but partial view; each renders your understanding more inclusive and complete. Taken together, they provide a powerful and integrated way for accelerating your development as a leader and for accessing an ever-increasing range of your innate capabilities in service to what you care about.

I have organized this book into four parts.

If you and I do our work together well, this material will prove a pragmatic guide to leadership in situations of Complexity. You will see the world and yourself differently. You will have a coherent map of how leaders grow and develop, some direct experiences that validate and ground that map, pragmatic ideas for how you can accelerate your own development, and safe-to-fail experiments to tweak the situation in which you are leading. All of this advances your leadership towards what you care about most deeply.

Four Parts of the book *Presence-Based Leadership*			
PART ONE: FOUNDATIONS	**PART TWO: SENSING**	**PART THREE: BEING**	**PART FOUR: ACTING**
How you became the leader you are (what's wonderful and limiting about that). Orienting yourself on your personal map of the developmental journey.	**Making visible how you take in information about yourself and the world. With awareness comes clarity for shaping your response.**	**Principles and methods for accessing your innate creativity and resilience, and embodying the commitments you care most deeply about.**	**The expression of your inner work into the world. Rooted in Being, your Acting is less to drive results and more to create the conditions for the results that matter most.**
Chapter 1 The Territory of Complexity: navigation and support aids for recognizing the domain of Complexity and normalizing your reaction to it. *Chapter 2 Embodiment, Identity and the Bell Jar:* unpacks the lifelong process of development as an unfolding of identity. *Chapter 3 Realization and the Developmental Edge*: exercising the muscle of attention, you begin to recognize the pervasiveness of invisible habits that have made you successful but also limit you. *Chapter 4 Nine Panes of Leadership:* adds three levels of scale—Context, Identity, and Soma—to your exploration, illuminating unconventional possibilities for your creativity and resourcefulness.	*Chapter 5 Observe the System:* provides you with new distinctions for observing the world around you, the Context, in new ways. *Chapter 6 Recognize Identity at Stake:* reflexively defending your identity obscures the clarity of your view of what is going on around you. *Chapter 7 Attend to Experience:* observing your body in the constant process of defending your identity, allows you to recognize and intervene to choose new actions.	*Chapter 8 Regulate Inner State:* the quality and focus of your attention opens radical possibilities for self-mastery. *Chapter 9 Decouple State from Context:* invites you to direct your attention to serve resilience itself. *Chapter 10 Embody What Matters:* explores your embodiment of an intended future.	*Chapter 11 An Attitude of Curiosity and Experimentation:* rather than the oppressive overfocus on problem-solving and results, you explore a brief and simple set of stepping stones for safe-to-fail experiments. *Chapter 12 Acting for Connection:* leadership presence as the key to collaborating, inspiring and influencing. *Chapter 13 Acting for Fluidity:* explores how your own internal fluidity can scale into your relationships and the culture of your context. *Chapter 14 Acting for Stability:* acknowledges a core paradox: the very future you intend requires both conditions of fluidity and also of stability.

> **"The human body is incapable of not practicing. And what we practice we become."**
>
> **– Richard Strozzi-Heckler**

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Presence-Based Leadership promises

As a result of understanding the meta-competencies in this book and by working with the exercises and practices, you will:

- Increase your capacity to move fluidly among a set of rich and complementary perspectives

- Explore how Complexity challenges your very identity, blinding you to possibilities

- Discover the universal road map that has always shaped your process of lifelong development

- Increase your capacity to observe and self-regulate your internal state

- Deepen your resilience—your capacity to stay creative and resourceful no matter what's going on around you

- Choose and embody commitments to what you care about, acting in congruence with them

- Develop your leadership presence and the resulting connection and resonance with others

- Act in Complexity, discerning high-leverage actions that scale awareness and create the conditions for what you care about.

* * *

IDENTITY HAS A MIND OF ITS OWN

It can be helpful to think of our Identity as a willful intelligence unto itself. Although we usually are blind to this, as we become more present to ourselves, we also become more able to see how our Identity is impacted by the human systems around us, and how it constantly and skillfully self-organizes in order to preserve itself.

Recognizing Identity

Our Identity develops in a set of conditions to which we adapted through an accumulating set of strengths, behaviors and meaning-making that eventually became ossified as a personality. In fact, because Identity is just "the way we are," we tend to be blind to it, just as the fish can't recognize the water it swims in. Identity is our Bell Jar. It has an internal stability, a stasis, that is astoundingly impervious to new information, to self-reflection,

and to change. [See Sarah Hill's work on internal narratives, page 72.]

I offer this brief background on myself as an example both of how Identity develops—and how crucial it is to recognize it as a key driver of our behavior and our meaning-making.

A personal story of Identity formation

I grew up in a family of achievers. PhDs run in my family. I grew up assuming I could do what I wanted in life, and while I often made things considerably harder for myself than they needed to be, I had an underlying basic trust in my capabilities, which got reinforced by putting myself into situations that would be challenging and would require me to figure things out.

Invisibly to me, this sense of capability was reinforced by a world that privileged being white, male, tall, American, heterosexual and educated. As an adult, people assumed I knew what I was talking about (even when I didn't) and extended to me a certain respect that I took for granted. From inside my Bell Jar I was unable to recognize this privilege, even though it shaped me from an early age.

As a skinny, nerdy kid, I was also an easy mark for physical and emotional bullying at school. Several years were excruciating. I learned painfully about being excluded, gave myself nosebleeds to escape the torture of gym class, and practiced being small and inoffensive in order to not be a target.

At the same time, I liked intense experiences. High-risk adolescent behaviors evolved into a core Identity of adventure and experimentation that demanded constant new experiences that required new skills and capabilities.

It's also true that this Identity (even now) seems to need constant reinforcement. As an intensity junkie, I don't quite know how to orient myself in life without some kind of challenge. One perspective is that I am adventurous; another is that I need continual affirmation of this fundamental sense of self through deeds and the appreciation of others.

I am aware of a strong internal voice that criticizes what I have done or finds it wanting compared to the braver, more noble, or greater accomplishments of others. This voice implores me to do more, to stay busy, to create new things, to write books, to do works in the world. This voice does everything possible to prop up this Identity of mine in ways that have worked acceptably well for over sixty years.

Talking about my Identity also feels a bit self-conscious: like exposing some dirty little secret that is best left in a dark closet in the corner!

I suspect that you, writing or speaking publicly about your own Identity, would also feel some self-consciousness. For the most part, I want to reassure you, our Identities are a useful and worthy phenomenon. It is psychologically necessary to think of ourselves as good people who are well-intentioned, competent and doing the best we can.

Yet it is important to both describe and own our

Practices are intended to be repeated over time as a way of building capacity; their value specifically derives from repetition and consistency. Reading will change you but a little. Practice is how you became who you are, and it is the only way to become who you choose to be. There is no shortcut to embodied learning. Test everything, take nothing at my word. Validate it for yourself. Do the practices. They will change you at the core.

> **"I, like you, lead and love from an embodied history that reflects a particular set of circumstances that provide me with both generous capabilities and real limitations. This of course is the human condition."**

Identity, including the shadow aspects that drive our incessant and urgent efforts to underpin and perpetuate it. These are particularly difficult to recognize, precisely because they are contrary to the self-image we are working so hard to maintain. I like my adventuresome, experimental self. And I'm not so proud of the insecure, defended aspects of me that self-organize to validate my Identity through the acceptance and appreciation of others.

Recognizing and Sensing our own Identity at work is a fundamental part of making the Complexity system visible. [See also Otto Scharmer's work on page 48 for this phenomena which he calls our blindspot.] As a leader in Complexity, it is convenient to leave out this piece of the puzzle. However, this is perilous indeed: Even when we don't see it, others already have. And, it affects everything. Identity motivates us and propels us through life, it simultaneously and drastically limits our range of possibilities, especially in conditions that require creativity and resilience.

So, please take a look. ■

ABOUT THE AUTHOR:

Doug Silsbee, Mobius Senior Expert, is a pre-eminent author and thought leader in the fields of Presence-Based Coaching, leadership development and resilience. Doug's ground-breaking work integrates deep pragmatic experience in organization and leader development on five continents with mindfulness, interpersonal neurobiology, somatics, and developmental psychology. In addition to his latest publication, two additional books, *The Mindful Coach* and *Presence-Based Coaching,* are the basis for a leading-edge coach certification program, accredited by the International Coach Federation (ICF.) Doug is a Master Somatic Coach with the prestigious Strozzi Institute. He is a sought-after speaker for ICF and other international conferences, and has taught at the Brookings Institution, UCLA Executive Education, Georgetown University's Institute for Transformational Leadership, George Mason University, and the Federal Executive Institute.
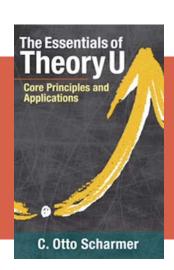
EXPERIMENT:
Describe Your Identity

Take a few minutes to write out a statement of who you are. This should include the things you are proud of, the ways you hope to be seen, your sense of who you are at core. And what are you not so sure about? What do you doubt? How do you organize yourself to perpetuate and validate this Identity? I am...

The Essentials of Theory U:
Core Principles and Applications

A book excerpt by Otto Scharmer, Mobius Senior Expert,
Senior Lecturer MIT and co-founder of the Prescencing Institute

A Framework for Seeing the Field

Some people say that, for all the talk about change, very little actually happens. But in my experience that is not true. I have seen tectonic shifts several times in my life. I saw it when the Berlin Wall collapsed in 1989 – and with it the Cold War system. I saw it when the apartheid system ended in South Africa. I saw it when a youth movement swept the first African American president of the United States of America into office. I saw it when the center of the global economy shifted from the West to East Asia over the past two or three decades. And I see it now in the recent rise of autocrats, nationalists, and far-right movements as a counter-reaction to a single sided globalization and as an overlay to something of even higher significance: the awakening of a new awareness across the planet.

> **"Explore the future by *doing*, by building small landing strips for the future that wants to emerge."**

Even though not every one of these changes amounted to a tectonic shift, this much I know: today, anything can happen. I believe that the most important tectonic shift of our lifetime is not behind but right in front of us. That shift has to do with the transformation of capitalism, democracy, education, and self.

The Blind Spot

We live in a moment of profound possibility and disruption. A moment that is marked by the dying of an old mindset and logic of organizing. And one that is marked by the rise of a new awareness and way of activating generative social fields. What is dying and disintegrating is a world of Me First, bigger is better, and special interest group-driven decision making that has led us into a state of organized irresponsibility.

What is being born is less clear. It has to do with shifting our consciousness from ego-system to eco-system awareness – an awareness that attends to the well-being of all. In many places around the world we can actually witness the awakening of this awareness and its underlying force: an activation of the intelligence of the heart. Groups that begin to act from such an awareness can, in the words of UC Berkeley cognitive psychologist Eleanor Rosch, "be shockingly effective."

The beginnings of this shift may seem small and insignificant in comparison with the vast challenges that we face worldwide. And in many ways they are. Yet I believe that they hold the seeds for a profound civilizational renewal that is called for in order to protect and further activate the essence of our humanity.
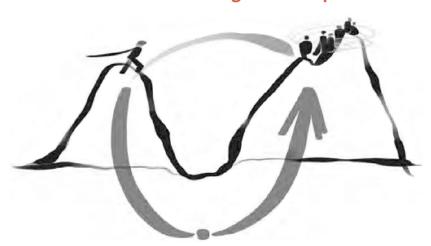
FIGURE 1: The Challenge of Disruption

My friend and Presencing Institute co-founder Kelvy Bird captures this felt sense in the image of an abyss (figure 1).

If we picture ourselves on the left-hand side of the image, we can see a world that is disintegrating and dying (the structures of the past); on the right-hand side we see the new mental and social structures that are emerging now. The challenge is to figure out how to cross the abyss that divides the two: how to move from "here" to "there."

This picture, in a nutshell, depicts the journey of this book: the journey across the abyss, from a current reality that is driven by the past to an emerging future that is inspired by our highest future potential.

Three Divides

Today this journey matters more than ever. If we look into the abyss, we see three major divides. They are:

- *The ecological divide*: unprecedented environmental destruction — resulting in the loss of nature.
- *The social divide*: obscene levels of inequity and fragmentation — resulting in the loss of society — the social whole.
- *The spiritual divide*: increasing levels of burnout and depression — resulting in the loss of meaning and the loss of Self. With the capital 'S' Self I mean not the current ego self but the highest future potential.

In essence, we are collectively creating results that (almost) nobody wants. These results include the loss of nature, the loss of society, and the loss of Self.

In the nineteenth century many countries saw the rise of the social divide as a major issue, and it has shaped our public awareness ever since. In the twentieth century we saw the rise of the ecological divide, particularly during the last third of the century. It too has shaped our public awareness.

And at the beginning of the twenty-first century we are seeing the rise of the spiritual divide. Fueled by the massive technological disruptions that we have experienced since the birth of the World Wide Web in the 1990s, advances in technology will replace about half of our jobs by 2050. We are now facing a future that "no longer needs us," to borrow the words of computer scientist and co-founder of Sun Microsystems Bill Joy, and that in turn forces us to redefine who we are as human beings and to decide what kind of future society we want to live in and create. After the various types of tyrannies that we saw throughout the twentieth century, are we now moving into a tyranny of technology? This is one of the questions we face when we look into the abyss.

In other words, we live in a time when our planet, our societal whole, and the essence of our humanity are under attack. That may sound a bit dramatic. Still, I believe it understates the significance of our current moment.

So where is the hope? The biggest source of hope in our time is that more and more people, particularly the younger population, realize that the three divides are not three separate problems. They are essentially three different faces of one and the same root issue. What issue is that? The blind spot.

The ecological divide can be summed up by a single number

1.5 Currently our economy consumes the resources of 1.5 planets. We use 1.5 times the regeneration capacity of planet earth. And that is just the average. In the United States, for example, the current consumption rate has surpassed five planets.

The social divide can be summed up by another number

8 Eight billionaires own as much as half of mankind combined. Yes, it is true. A small group of people that you can fit into a minivan owns more than the "bottom half" of the world's population: 3.8 billion people.

The spiritual divide can be summed up by the number 800,000

800k More than 8OOK people per year commit suicide — a number that is greater than the sum of people who are killed by war, murder, and natural disasters combined. Every forty seconds there is one suicide.

The Blind Spot

There is a blind spot in leadership, management, and social change. It is a blind spot that also applies to our everyday social experience. The blind spot concerns the inner place – the source – from which we operate when we act, communicate, perceive, or think. We can see what we do (results). We can see how we do it (process). But we usually are not aware of the who: the inner place or source from which we operate.

The quality of how we pay attention is a largely hidden dimension of our everyday social experience – whether it is in organizations, institutions, or even our personal lives. As we conduct our daily business, we usually are well aware of what we do and how we do it – that is, the processes we use. But if we were asked where our actions come from, most of us would be unable to provide a clear response. In my research I began to call this origin of our actions and perceptions *the source.*

In Front of the Blank Canvas

To better understand this point, consider the work of an artist. We can look at art from at least three perspectives:

- We can focus on the thing that results from the creative process – say, a painting.
- We can focus on the artist's process in creating the painting.
- Or we can observe the artist at the moment when she is standing in front of a blank canvas.

In other words, we can look at the work of art after it has been created, during its creation, or before creation begins.

If we apply this analogy to leading change, we can look at the change maker's work from three similar angles. First, we can look at *what* leaders and change makers do. Many books have been written from that point of view. Second, we can look at the *how,* the processes leaders use. We have used that perspective in management and leadership research for more than two decades.

Yet we have never systematically looked at the leader's work from the blank-canvas perspective. The question we have left un-asked is: What *sources* are leaders and change makers actually operating from? For example: What quality of listening, what quality of attention, do I bring to a situation – and how does that quality change the course of action moment to moment?

To sum up the discussion of the three divides: While the ecological divide arises from a disconnect between self and nature, and the social divide arises from a disconnect between self and other, the spiritual divide arises from a disconnect between self and Self that is, between who I am today and who I might be tomorrow, my highest future possibility.

Learning from the Future as It Emerges

My first insight is quite elemental. There are two different sources of learning: (1) learning by reflecting

on the past and (2) learning by sensing and actualizing emerging future possibilities.

All traditional organizational learning methods operate with the same learning model: learning by reflecting on past experiences. But then I saw time and again that in real organizations most leaders face challenges that cannot be responded to just by reflecting on the past. Sometimes past experiences are not particularly helpful. Sometimes they are the very obstacles that keep a team from looking at a situation with fresh eyes.
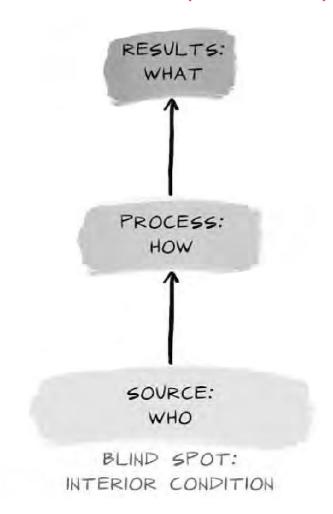
In other words, learning from the past is necessary but not sufficient. All disruptive challenges require us to go further. They require us to slow down, stop, sense the bigger driving forces of change, let go of the past and let come the future that wants to emerge.

But what does it take to learn from the emerging future? When I started to ask this question, many people looked at me with a blank stare: "Learning from the future? What are you talking about?" Many told me it was a wrongheaded question.

Yet it was that very question that has organized my research journey for more than two decades. What sets us apart as human beings is that we can connect to the emerging future. That is who we are. We can break the patterns of the past and create new patterns at scale. No other species on earth can do this. Bees, for example, may be organized by a much higher collective intelligence. Yet they have no option to change their pattern of organizing. But we as humans do.

Let me say this in different words. We have the gift to engage with two very different qualities and streams of time. One of them is a quality of the present moment that is basically an extension of the past. The present moment is shaped by what has been. The second is a quality of the present moment that functions as a gateway to a field of future possibilities. The present moment is shaped by what wants to emerge. That quality of time, if connected to, operates from presencing the highest future potential. The word presencing blends "sensing" with "presence." It means to sense and actualize one's highest future potential. Whenever we deal with disruption, it is this second stream of time that matters most. Because without that connection we tend to end up as victims rather than co-shapers of disruption.

FIGURE 2: The Blind Spot of Leadership

RESULTS: WHAT

PROCESS: HOW

SOURCE: WHO

BLIND SPOT: INTERIOR CONDITION

How can we connect to this second stream of time as individuals, as organizations, and as eco-systems? That exploration has guided my research journey over the past two decades. It has led me to describe a deep learning cycle that uses a different kind of process – one that moves us to the edges of the system, connects us to our deepest sources of knowing, and prompts us to explore the future by doing. This deep learning cycle applies both to our professional and our personal lives. For example, as a sixteen-year-old, I had an experience that gave me a real taste of what it looks and feels like to be pulled by the field of emerging future potential.

Facing the Fire

When I left our farmhouse that morning for school, I had no idea it was the last time I would see my home, a large, 350-year-old farm house. It was just another

ordinary day at school until about one o'clock, when the teacher called me out of class and said I should go home. I had no idea what might have happened, but felt it wasn't good news. After the usual one-hour train ride I ran to the entrance of the station and jumped into a cab. Long before the cab arrived, I saw huge gray and black clouds of smoke billowing into the air. My heart was pounding as the cab approached our long driveway. I recognized neighbors, area firefighters, and policemen. I jumped from the cab and ran through the crowd that had gathered, down the last half-mile of our chestnut-lined driveway. When I reached the courtyard, I could not believe my eyes. The world I had lived in all my life was gone. Up in smoke.

As the reality of the fire in front of me began to sink in, I felt as if somebody had ripped the ground from under my feet. The place of my birth, childhood, and youth was gone. As I stood there, taking in the heat of the fire and feeling time slow down, I realized how attached I had been to all the things destroyed by the fire. Everything I thought I was had dissolved. Everything? No, perhaps not everything, for I felt that a tiny element of myself still existed. Somebody was still there, watching all this. Who?

At that moment I realized there was another dimension of myself that I hadn't previously been aware of, a dimension that related to my future possibilities. At that moment, I felt drawn upward, above my physical body, and began watching the scene from that elevated place. I felt my mind quieting and expanding in a moment of unparalleled clarity. I was not the person I had thought I was. My real self was not attached to all the material possessions smoldering inside the ruins. I suddenly knew that I, my true Self, was still alive! It was this "I" that was the Seer. And this Seer was more alive, more awake, more acutely present than the "I" that I had known before. No longer weighed down by the material possessions the fire had just consumed, with everything gone, I was lighter and free, released to encounter the other part of myself, the part that drew me into the future

> **"What sets us apart as human beings is that we can connect to the emerging future."**

— into my future — into a world waiting for me to bring it into reality.

The next day my eighty-seven-year-old grandfather arrived for what would be his last visit to the farm. He had lived in that house all his life, beginning in 1890. Because of medical treatments, he had been away the week before the fire, and when he arrived at the courtyard the day after the fire, he summoned his last energy, got out of the car, and went straight to where my father was working on the cleanup. Without seeming to notice the small fires still burning around the property, he went up to my father, took his hand, and said, "Kopf hoch, mein Junge, blick nach vorn!" ("Keep your head up, my boy, look forward!") Then, after a few more words, he turned, walked back to the waiting car, and left. A few days later he died quietly.

That my grandfather, in the last week of his life, with much of what he had been cultivating all his life gone up in flames, was able to focus on the emerging future rather than reacting to the loss, made a big impression on me.

Only many years later, when I had started to work on learning from the emerging future rather than from the past, did I start doing my best work. But I realize now that it was seeded in that early experience.

Building the Container

"I hate when people say 'there are two types of people…,'" my MIT mentor Ed Schein said to me one day. Then, with the hint of a smile, he continued: "But there really are two types of people: those who understand process and those who don't."

Ed is right. Understanding process means to understand the making of our social relationships. If you want to change a stakeholder relationship from, say, dysfunctional to helpful, you cannot just order people to do it. You have to intervene further upstream in the process of social reality creation. You have to change the making of that relationship from one mode to another — for example, from reactive to co-creative.

Similarly, with respect to the "source" level of creativity, we can say that there are two types of people:

those who understand containers and those who do not. Container building is facilitator language for forming a good holding space. Often in organizations you see CEOs and executives who fail to get that. They think they can create behavioral change just by making speeches and pushing tools onto the organization. Tools are important. But they are also overrated because they are so visible. But what is usually underrated is all the stuff that is invisible to the eye — for example, the less visible elements of a good holding space: intention, attention, and the subtle qualities of deep listening. Building a good container means to build a good holding space for a generative social process. [See Priya Parker's book, *The Art of Gathering,* page 30.]

Much of the conventional language and toolkits around managing change turn out to be partially useful at best. For example, consider the term "driving change." When have you asked your family how much they like you to "drive" their web of relationships from one state to another? Good luck with that. The reality of leading profound change has little to do with one person "driving" the change of another. It is the wrong metaphor, the wrong approach. What I feel may be more useful is the metaphor of the farmer.

Which brings me to my third learning, and also back to my roots....

Social Fields

I grew up on an 800-year-old farm near Hamburg. Sixty years ago, my parents decided to abandon conventional industrial farming techniques (using pesticides, herbicides, and chemical fertilizers) and replace them with organic methods (focusing instead on cultivating the living eco-system of the farm). Every Sunday my parents took me, my sister, and my two brothers on a Feldgang — a field walk — across the fields on our farm. Once in a while my father would stop, bend over, and pick up a clump of soil from a furrow so that we could learn to recognize its different types and structures. The quality of the soil, he explained, depended on a whole host of living entities — millions of organisms living in every cubic centimeter of the soil whose work is necessary for the earth to breathe and to evolve as a living organism.

Just as we did on those field walks of my youth, this book will take you on a similar journey where every now and then we stop and examine a case story or a piece of data that helps us understand the deeper structures of the "social field." And just as the organic farmer depends completely on the living quality of the soil, social pioneers depend on the living quality of the social field. I define social field as the quality of relationships that give rise to patterns of thinking, conversing, and organizing, which in turn produce practical results.

And just as the farmer cannot "drive" a plant to grow faster, a leader or change maker in an organization or a community can not force practical results. Instead, attention must be focused on improving the quality of the soil. What is the quality of the social soil? It is the quality of relationships among individuals, teams, and institutions that give rise to collective behavior and practical results.

Looking back, I realize that my journey over the past four decades has been one of cultivating social fields. My parents cultivated the fields on the farm. My colleagues and I cultivate social fields. And if you happen to be a manager, educator, entrepreneur, social entrepreneur, performing artist, health professional, parent, or movement builder, that is probably your work, too.

Theory U integrates the following methods and lineages for effecting change:

- ▶ Action research and organizational learning in the tradition of Peter Senge, Ed Schein, Donald Schön, Chris Argyris, and Kurt Lewin

- ▶ Design thinking in the tradition of Tim Brown and Dave Kelly

- ▶ Mindfulness, cognition science, and phenomenology in the tradition of Francisco Varela, Jon Kabat-Zinn, Tanja Singer, Arthur Zajonc, and David Bohrn

- ▶ Civil society movements in the tradition of Martin Luther King Jr., Nelson Mandela, Mahatma Gandhi, and millions of others who are mobilizing change in their local contexts

> **"In essence, we are collectively creating results that (almost) nobody wants. These results include the loss of nature, the loss of society, and the loss of Self."**

The deeper experiences and levels of the social field, described here, are familiar to everyone who is engaged in creating movements, startups or profound change. In my own case, I first got involved with the environmental, green, antinuclear, and peace movements of the late 1970s and 1980s, and later in launching the Presencing Institute as a new type of global social enterprise. Later in the book I will share some of those experiences in more detail. At this point I just want to draw your attention to the fact that none of these experiences are unique or extraordinary.

On the contrary, they are actually quite ordinary. Many people have them. And yes, they do take you "out of the box," like the fire experience took me out of my physical body for a moment or two. And yet many of us have these experiences a lot more often than we realize at first sight.

<center>***</center>

By providing this introduction to Theory U – an awareness-based method for changing systems – I try to answer the question: How do we learn in the face of disruption? How do we learn from the future as it emerges?

Theory U blends systems thinking, innovation, and leading change – from the viewpoint of an evolving human consciousness. Drawing on the Massachusetts Institute of Technology (MIT) tradition of action research and learning by doing, Theory U has evolved over two decades of experimentation and refinement by a vibrant global community of practitioners. At its core, Theory U comprises three main elements:

1. A framework for seeing the blind spot of leadership and systems change

2. A method for implementing awareness-based change: process, principles, practices

3. A new narrative for evolutionary societal change: updating our mental and institutional operating systems (OS) in all of society's sectors.

Cultivate the Social Field

At its core, Theory U makes a distinction between the different ways that action and attention come into the world. *I pay attention this way, therefore it emerges that way.* Or, as the late CEO of Hanover Insurance, Bill O'Brien, put it: "The success of an intervention depends on the interior condition of the intervener."

Theory U draws our attention to the blind spot in leadership today: the "interior conditions," the sources from which we operate both individually and collectively.

Since I grew up on a farm, I like to compare our interior condition to a field. Each field has two dimensions: one that is visible, what's growing above the surface; and one that is invisible, what's beneath the surface — that is, the quality of the soil.

The same distinction applies to social fields. We can see what people do, the practical outcomes that they accomplish in the visible realm. But we rarely pay attention to the deeper root condition: the source and

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interior condition from which we operate. Theory U draws our attention to that blind spot – to the invisible source dimension of the social field, to the quality of relationships that we have to each other, to the system, and to ourselves.

Theory U identifies four different ways (or sources) that action and attention come into the world. They arise from a quality of awareness that is (1) habitual, (2) ego-systemic, (3) empathic-relational or (4) generative eco-systemic.

The essence of leadership is to become aware of our blind spot (these interior conditions or sources) and then to shift the inner place from which we operate as required by the situations we face. This means that our job as leaders and change makers is to cultivate the soil of the social field. The social field consists of the relationships among individuals, groups, and systems that give rise to patterns of thinking, conversing, and organizing, which in turn produce practical results.

Social fields are like social systems — but they are seen from within, from their interior condition. To shift from a social system perspective to a social field perspective, we have to become aware of our blind spot, the source level from which our attention and our actions originate. That source level fundamentally affects the quality of leading, learning, and listening.

The problem with leadership today is that most people think of it as being made up of individuals, with one person at the top. But if we see leadership as the capacity of a system to co-sense and co-shape the future, then we realize that all leadership is distributed – it needs to include everyone. To develop collective capacity, everyone must act as a steward for the larger eco-system. To do that in a more reliable, distributed, and intentional way, we need:

- A social grammar: a language (laid out in Part I of this book)
- A social technology: methods and tools (Part II)
- And a new narrative of societal and civilization renewal (Part III).

Theory U revolves around a core process of co-sensing and co-shaping emerging future possibilities. But it is much more than that. The grammar and the method outlined in this book work as a matrix, not as a linear process. Some of the leadership capacities that are at the heart of the U method include:

- **Suspension and wonder:** Only in the suspension of judgment can we open ourselves up to wonder. Wonder is about noticing that there is a world beyond our patterns of downloading.

- **Co-sensing:** You must go to places of most potential yourself because it is in these connections that the seeds of the future come into the world. Connect with these places with your mind and heart wide open.

- **The power of intention:** The power of intention is key. In all presencing work, the deeper intention is the opposite of corporate indoctrination. It is about increasing, not decreasing, your range of

> **What is dying and disintegrating is a world of Me First, bigger is better, and special interest group-driven decision making that has led us into a state of organized irresponsibility.**

shifting from ego to eco, from me to we, that is when the deeper conditions of the field open up, when the generative social field is being activated.

My work with these and other methods of change over the past two-plus decades boils down to this: The quality of results achieved by any system is a function of the quality of awareness that people in these systems operate from. In three words: Form follows consciousness. ∎

possibilities. It is about strengthening your sources of self in a world that otherwise tends to tear us apart. It is about making you aware of your own sources of curiosity, compassion, and courage.

- **Co-creating:** Explore the future by doing, by building small landing strips for the future that wants to emerge.
- **Container building:** Create new holding spaces that activate the generative social field.

The problem with our current societal eco-systems is the broken feedback loop between the parts and the whole. Theory U offers a method for relinking the parts and the whole by making it possible for the system to sense and see itself. When that happens, the collective consciousness begins to shift from ego-system awareness to eco-system awareness — from a silo view to a systems view.

The Theory U methods and tools enable groups to do this on the level of the collective. For example, Social Presencing Theater makes it possible for a group of stakeholders in a system to sense and see themselves — both individually and collectively — by bending the beam of observation back onto the observer.

This matters because energy follows attention. Wherever we put our attention as leader, educator, parent, etc. – that is where the energy of the team will go. The moment we see the quality of attention
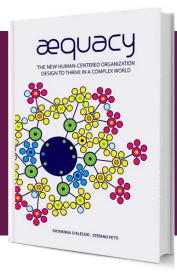
ABOUT THE AUTHOR

Mobius Senior Expert Dr. C. Otto Scharmer is a Senior Lecturer at the Massachusetts Institute of Technology (MIT), and founding chair of the Presencing Institute. He introduced the concept of "presencing"– learning from the emerging future – in his bestselling books *Theory U* and *Presence* (the latter co-authored with Peter Senge et al). In 2015 he co-founded the online MITx u.lab, that has since activated a global eco-system of societal and personal renewal involving more than 100,000 users from 185 countries. Otto earned his diploma (with distinction) and PhD (summa cum laude) from Witten/Herdecke University in Germany. He received the Jamieson Prize for Excellence in Teaching at MIT (2015) and the European Leonardo Corporate Learning Award (2016). In 2018 he was ranked #5 of the world's top 30 education professionals by globalgurus.org. His new book, *The Essentials of Theory U,* is an inspiring pocket guide that focuses on three essential components: the core principles, the key movements that make the process of Theory U, and the practical applications that transform our economy from ego-centric to eco-centric.

AEQUACY: A NEW HUMAN-CENTERED ORGANIZATIONAL DESIGN TO THRIVE IN A COMPLEX WORLD

A book excerpt by Mobius Friends Giovanna D'Alessio and Stefano Petti

In the last decade, it has become increasingly obvious that we are under *adaptive pressure*: the solutions to the most common corporate issues are not to be found in the current capability of the organization. When a problem emerges in an organization, the classical response of the managers and top executives is to focus on the symptom of the problem and to identify the most effective solution to that particular symptom. It's time for a radical departure from the system we have today. In this book we introduce AEquacy, a leaderless organizational design and operating system that changes the paradigm of the traditional, hierarchical organization and paves the way for greater innovation, collaboration, and performance.

In 2016 a study by Deloitte grabbed our attention. "The New Organization: Different by Design" survey of 7,000 respondents in more than 130 countries showed very interesting results. Two facts stood out: 82% of large companies are either currently reorganizing, plan to reorganize or have recently reorganized to be more responsive to customer needs; 92% of the companies surveyed cite "redesigning the way we work" as one of their key challenges, making this the #1 trend or concern of the year.

Of course we were well aware that many organizations were going through their umpteenth re-organization, but these numbers really struck us. How could we help organizations get into better structural and cultural shape to not just survive, but thrive in the next ten years?

> **"Hierarchy generates peculiar, predictable systemic patterns."**

That's when we started our research project to design a new, revolutionary organizational "kernel." (The kernel is the program that is the core of a computer's operating system, with complete control over everything in the system. It is the first program loaded on start-up.)

We propose that any organization in which subordination of some kind is present generates typical dysfunctional systemic patterns that cannot be overcome without questioning the whole concept of hierarchy.

The central idea of our research findings is that only hierarchy-free, self-governing organizations will be in the best condition to foster innovation, boost performance and expand people's potential.

The problem with the available solutions (Holacracy, Sociocracy and the like) is that they maintain a certain

degree of hierarchy; some are too vague and some are too strict in their implementation, especially for large organizations; and none of them presents a comprehensive framework of guiding principles and an implementation model to support a shift to the new organizational operating system.

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A very interesting insight emerged when we looked at the regional results of an organizational culture survey called Cultural Transformation Tools (CTT) by Barrett Values Centre, a survey that in Asterys we tend to use for measuring the main elements of the current culture and the desired culture within companies. We realized that the main challenges are always the same, across industry, across organizational dimension, across location.

In this survey, respondents – generally all the employees, managers, and leaders of an organization, or a sample of them – are asked to choose ten values or behaviors that describe the current culture of the organization and ten values or behaviors that describe the culture that they would like to experience in the future. The list of values from which respondents can choose includes both positive and potentially limiting values. Examples of the former are values such as accountability, teamwork, innovation, continuous improvement, ethics, and so on. Examples of the latter are bureaucracy, blame, internal competition, silo mentality, distrust, and many others. The share of the potentially limiting values among the total values chosen by respondents in a given company measures the organizational "entropy" or degree of dysfunction existing in the organization. We can refer to entropy also as the amount of energy that becomes dissipated rather than being used to achieve the company's goals.

- **Healthy <10%** A cultural entropy of 10% or lower indicates a healthy organization, as a little bit of friction can be considered natural.

- **Some adjustment 11-20%** An entropy in this range reflects issues requiring cultural or structural adjustment.

- **Significant issue 21-30%**

- **Serious 31-40%**

- **Critical >40%**

Requiring ever increasing cultural and structural transformation, leadership development, and coaching – and ultimately changes in the leadership.

Looking at the overall results of organizational entropy by region (we chose to monitor North America, Western Europe, and Eastern Europe) we can notice that almost anywhere, the level of entropy is worryingly high: almost half the organizations surveyed (1,440 in these three regions) have levels of entropy above 21%, with Eastern Europe having the largest share of companies with levels above 31%.

Top **CURRENT** values by levels of entropy

21 - 30%	31- 40 %	> 41%
Bureaucracy	Bureaucracy	Bureaucracy
Results orientation	Cost reduction	Confusion
Cost reduction	Confusion	Silo mentality
Teamwork	Hierarchy	Cost reduction
Confusion	Silo mentality	Short-term focus
Customer satisfaction	Results orientation	Hierarchy
Continuous improvement	Short-term focus	Blame
Hierarchy	Control	Control
Accountability	Long hours	Long hours
Short-term focus	Blame	Information hoarding

Top **DESIRED** values by levels of entropy

21 - 30%	31- 40 %	> 41%
Accountability	Accountability	Accountability
Continuous improvement	Teamwork	Continuous improvement
Teamwork	Continuous improvement	Teamwork
Open communication	Open communication	Open communication
Customer satisfaction	Employee recognition	Information sharing
Employee recognition	Information sharing	Trust
Information sharing	Trust	Customer satisfaction
Commitment	Efficiency	Leadership development
Innovation	Customer satisfaction	Commitment
Balance (home/work)	Adaptability	Coaching/mentoring
		Employee recognition
		Innovation

Source: Barrett Values Center. Data from 2,463 cultural values assessments in 77 countries, 2016.

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Our curiosity led us to examine which potentially limiting values lead to the different levels of entropy of the organizations. Not surprisingly, when looking at the top ten values selected by respondents for level of entropy, we noticed that bureaucracy, hierarchy, control, short-term focus, silo mentality, blame, control, and information hoarding are increasingly present and influence how people work, collaborate, and achieve goals – thereby also influencing organizational performance and the ability to innovate and change.

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A history of hierarchy

It is no accident that most companies are organized in a hierarchical fashion. The structures and systems an organization adopts are generally designed for the efficient achievement of goals, and the hierarchical format seems the best choice when it is introduced. The problem is that these structures and systems are never scrutinized or challenged when conditions change.

To have a better understanding of how the hierarchical structure became mainstream, it is useful to go back to the beginning of the 20th century in the United States, where job-shop manufacturing was shifting to mass production. Companies needed an effective way to perform the work and a strong control of the manufacturing process.

The thinkers in that period, Frederick Taylor in the United States and Henri Fayol in France, saw the organization as a machine and developed principles and systems that suggested how to structure the

company for maximum efficiency and productivity. These principles and systems included:

- Job classification
- Top-down authority structures
- Separation of roles between those making decisions and those implementing the decisions
- Reporting structures
- Division into functional departments
- Standard operating processes
- Strong focus on specialization

The vertically, hierarchically structured organization became the classic structure that after more than a century is still applied in the vast majority of large organizations.

The economic growth after World War II allowed companies that had survived the Great Depression to experience a sudden increase in size and geographic dispersion, an increasing complexity, and a need for more creativity and innovation.

The matrix structure developed as an effort to share resources among business units, to mitigate excessive specialization, and to foster cross-fertilization of ideas by having people working in project groups with experts from other functions. Even if the matrix structure solved some of the limitations of the traditional structure, it was still developed under the same hierarchical organizational mindset. Furthermore, the double reporting (employees having a functional boss and a line boss) increased complexity and potential conflicts of power.

More recently, many organizations have moved to a flatter structure, in order to reduce the hierarchical layers and allow more collaboration among teams.

Notwithstanding all the reorganizations, the disadvantages of the hierarchical structure remain.

Without a doubt, the vertical structure (with a long or short chain-of-command) generates several organizational paradoxes: expectations and hopes that conflict with the obvious outcome of the underlying operating system. Let's explore some of the most common paradoxes.

1. EXPECTATION OF TRUST VS. CONTROL-DRIVEN SYSTEMS

Almost all the systems in place in the average organization (KPIs, reporting, assessments, rules, policies and regulations, performance management appraisals, just to name a few) have been put in place for the purpose of controlling employees. The role of Manager has been created for this same purpose: to control employees.

The basic assumption underlying these forms of control is that employees cannot be trusted and should be closely monitored. Even if not openly stated, this is the message that people get. If a CEO or a Management Team aspires to develop more trust among their workers, they need to rethink the way the whole company can demonstrate trust in its people.

2. EXPECTATION OF RISK-TAKING VS. PUNISHMENT FOR MISTAKES

The CEO of a major pharmaceutical company once asked us for an intervention to inspire his employees to take on more risks. The CEO aspired to see more innovation and creativity and had identified the fear of making mistakes as the main issue hindering people's

potential. When we asked how the organization dealt with mistakes, he revealed that he was keen to consider mistakes as opportunities for learning, but that he could accept only one mistake of the same kind. This seemed fair enough… make sure you always make new mistakes.

Then we interviewed a sample of employees on the same topic and we realized that the context as they perceived it was very different from the CEO's vision. Employees worked with a strong fear of consequences for their mistakes and they gave us some examples of what could happen: they mentioned that one day a director in Spain just disappeared from the company. He left, without a goodbye or explanation.

They all speculated that he was fired because he did something wrong. They mentioned a few other cases of this kind of overt or covert punishment. Middle managers and executives were not as flexible toward mistakes as the CEO thought and the HR department didn't have a policy of transparency, so that an aura of secrecy surrounded any layoff or disciplinary procedure. Employees all valued their jobs, so they learned to keep their heads down, to always be on the safe side, and to avoid taking risks.

We did set up a training program to develop trust, but without an intervention in the system itself, we knew that we wouldn't be able to achieve the best possible result, especially in the long term.

3. EXPECTATION OF AUTONOMY AND SELF-DIRECTION VS. RIGID REGULATIONS

Increasing complexity and competition require organizations to respond to customer issues promptly

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and to develop solutions that may not have been tried before. In this context, it is imperative for organizations that employees be more autonomous, to better answer customers' needs or generally find creative solutions to emerging problems. But this expectation crashes into the zillion procedures and processes, including authorization processes, that suffocate people's initiative.

Hugh O'Byrne (former VP Global Sales Center Excellence, Digital Business Group at IBM Europe) describes one of their sales processes that sales reps had a problem with: "When I interviewed the person who designed the process I realized that there are 120 steps to this model, including several internal authorization steps. Imagine if I have just a £1,000 sales deal... following this process makes the sale not worthwhile. We need to simplify the rules and allow people to make decisions at their level." More autonomy can happen only if the individual is not tied by rigid, binding, time-consuming policies and regulations.

4. EXPECTATION OF ENTREPRENEURIAL ATTITUDE VS. SUBORDINATION

This is another wild dream of many top managers: inspiring an entrepreneurial spirit in employees, so that they can respond to a situation more quickly and with stronger personal ownership. Unfortunately this dream fails to become reality when subordination is in place. The characteristic of entrepreneurs is the freedom to dream and realize, to take risks because they don't need to justify or build consensus around their actions.

Once it is established that there is a boss and a subordinate, well... inevitably a reality is created in which the boss takes charge and the subordinate obeys and gives up power. It's in the nature of the boss-subordinate relationship and, as we will learn later on in the chapter, it doesn't depend on the will or competence of the individuals.

5. EXPECTATION OF EMPLOYEE ENGAGEMENT VS. TOP-DOWN DECISIONS

In the last decade or so, employee engagement has risen to one of the top concerns in organizations. The 2011-2012 State of the Global Workplace, an international study by the Gallup Institute on this topic, shows that only 13% of employees feel engaged. The rest of the employees are either "not engaged"(63%) or "actively disengaged" (24%). And these numbers have not changed much in the last 15 years, despite increasing investments in employee engagement initiatives.

Of course there are many factors that contribute to the lack of engagement among employees, including a lack of trust (see previous points), perceived lack of respect toward people, or lack of transparency. But a great deal of engagement is lost when people are not included in organizational decisions and when they are not allowed to make autonomous decisions on issues that fall under their sphere of responsibility.

6. EXPECTATION OF COLLABORATION VS. INDIVIDUAL REWARD SYSTEM

This is a classic. Any Management Team we have ever spoken to desires to see more collaboration within their teams. A lot of effort and money goes into team-

> "This is another wild dream of many top managers: inspiring an entrepreneurial spirit in employees, so that they can respond to a situation more quickly and with stronger personal ownership. Unfortunately this dream fails to become reality when subordination is in place. The characteristic of entrepreneurs is the freedom to dream and realize, to take risks because they don't need to justify or build consensus around their actions."

building activities, alcohol-fueled Friday evenings out, and so on. But unless the focus of the reward system shifts from the individual to the group, employees will focus on the incentives that bring them personal rewards. The very idea of advancing one's career in a vertically-structured organization pushes people into competition, not collaboration.

7. EXPECTATION OF AGILITY VS. BUREAUCRACY

CEOs invest a lot of money in agility programs, hoping to simplify how people work and to speed up company processes, but because they don't fully trust people, they keep the entire control & compliance structure in place. Agility can't be achieved without getting rid of policies, procedures, authorization levels, complicated processes, norms and ultimately managers. As Hugh O'Byrne told us: "In our company, the employee manual is 40/50 pages. Nordstrom's is only one statement: 'Use you best judgment, always.' I highly admire a company that goes that far. It's as if the management said: we train you to do the right things, then we trust you and we'll give you the support mechanism that allows you to give us your best contribution."

Does a company that trusts its employees to use "their best judgment, always" need complicated and tortuous ways to control them? We don't think so.

The idea that the structure and the systems of an organization shape people's behavior is not new. Chris Argyris, Professor Emeritus at Harvard Business School and co-founder of Organization Development, known for seminal work on learning organizations, was among the first to argue that a rigid hierarchical structure paves the way for a shift in behavior from active toward passive, from self-management toward dependency, from equal to subordinate. [For more on the work of Chris Argyris, see Erica Ariel Fox's article on page 77.] Other researchers (R. Merton, P. M. Blau, James Worthy, to name just a few) suggest that hierarchy causes conservatism, conformity, domination of individuals, low output, low morale, and decreased innovation.

A recent study by Louisiana State University's Richard D. White, Jr. has built an argument supporting the hypothesis that a rigid hierarchy restricts an individual's moral development and ultimately adversely affects ethical behavior.

The correlation between hierarchy and moral development is reinforced by studies suggesting that hierarchical organizations have a negative effect upon small group conformity behavior, obedience to authority, and groupthink.

In a famous experiment set up by Stanley Milgram, a Yale professor and social psychologist, a person in authority orders study participants to inflict a subject with an increasing intensity of electric shock (although in reality no shock is given), ostensibly to gauge the effect of punishment on the subject's ability to memorize content. Milgram expected most participants to refuse the order but found out that 65% of the study participants obeyed the order and administered the highest level of shock. The insight for Milgram was that individuals in a hierarchy become passive players and enter a state in which autonomy, responsibility, and moral judgment are suspended. According to Milgram: *the essence of obedience consists in the fact that a person comes to view himself as the instrument for carrying out another person's wishes, and he therefore no longer sees himself as responsible for his actions.*

Technical and adaptive solutions

The Founding Director of the Center for Public Leadership at the John F. Kennedy School of Government at Harvard University, Professor Ronald Heifetz makes a distinction between technical and adaptive challenges. [See Zander Grashow's article on page 5.] Technical challenges are those for which the competences and skills required to succeed already exist within the current paradigm or mindset, although they are not yet known to the individual person who must acquire them.

Adaptive challenges, in contrast, require that the person develops a completely new mindset, new values, and new ways of learning. Adaptive challenges are connected to transformation, either personal or – in the case of business challenges – collective.

They require us to question the assumptions and beliefs underlying our way of seeing and interpreting ourselves, others, the circumstances, and the world, and to be able to reformulate them. The problem is that leaders in organizations often mistake adaptive for technical challenges and continue to apply technical solutions which inevitably fail or fall short of their potential.

Let's consider how corporations have tried to solve their organizational issues. In the last 30 years we have seen a number of fancy corporate initiatives, some of which have lasted for several decades, others which emerged and disappeared in a matter of a few years: Total Quality programs, the matrix structure, Six Sigma interventions, Lean initiatives, leadership development programs, flatter organizations, and more recently Smart Working.

The results of these initiatives generally fall far short of reaching their full potential and after a few years the company is ready to move on to its next transformation effort. The reason is that all these initiatives are implemented within the same mindset that created the problems in the first place. They are technical solutions to adaptive challenges.

In biology the term *adaptive pressure* defines a situation in which the effective response to the surrounding environment is not included in the possibilities and current capabilities of the organism. This means that the organism must observe its processes and "discern" what still works and what needs to be abandoned, and this requires a transformation, if the organism is to survive successfully in an environment that has changed. The same process should be undertaken by a person, company, or organization when the contextual conditions change or when the old strategies are no longer effective.

In the last decade, it has become increasingly obvious that we are under *adaptive pressure:* the solutions to the most common corporate issues are not to be found in the current capability of the organization.

When a problem emerges in an organization, the classical response of the managers and top executives is to focus on the symptom of the problem and to identify the most effective solution to that particular symptom. In AEquacy we argue that "It's the system, baby!" and that it's time for a radical departure from the one we have today.

*****

Introducing AEquacy

AEquacy is a leaderless organizational design and operating system that changes the paradigm of the traditional, hierarchical organization and paves the way for greater innovation, collaboration, and performance. We can imagine AEquacy as an organizational "kernel", a new, revolutionary operating system that overcomes the limits of the hierarchical organization and expands individual, team, and organizational potential. As illustrated in figure 1, AEquacy can be displayed as a radial, equalitarian structure of self organizing, peer-coordinated teams, in which people are considered associates instead of employees and serve the organizational purpose autonomously.
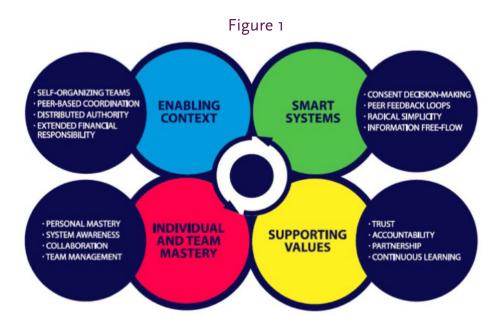
We chose the name AEquacy (from the Latin aequum: equality, fairness) to emphasize the absence of hierarchy and the equal right of all members of the organization to participate in decision-making. A company which adopts AEquacy is thus an aequal organization.

In aequal organizations people can perform at their best because they have total control over their work, clarity about the organizational direction and access to all information to make the best decisions.

AEquacy is based on a framework that determines the main elements in four areas that need to be in place for a successful implementation of (or transition to) this new operating system.

In our experience supporting large organizations in implementing change programs, we learned that there are four main areas that need to be considered and aligned if the change is to stick:

1) Enabling context that provides the conditions for the new organization to develop. It's like making sure that a plant has sufficient exposure to sun, water, and nutrients to grow. In AEquacy the main elements of an enabling context are:
- a. A structure of self-organizing teams that work in full autonomy, advancing the purpose of the company
- b. A system of peer-based coordination that maintains alignment without reverting to rank-based control

> " **We can refer to entropy also as the amount of energy that becomes dissipated rather than being used to achieve the company's goals.** "

Figure 1

c. Distributed authority, to make sure that decision-making happens where the issues emerge, in any part of the organization

d. Extended financial responsibility, by assigning each team a Profit & Loss account they are responsible for.

2) Supporting values. Development of a few essential values whose embedding is the sine qua non for AEquacy to run effectively. These values are:

a. Trust: when there is no formal controlling function, people need to develop their own trustworthiness and trust in one another.

b. Accountability: in the absence of bosses, people should consider themselves accountable toward one another and their organization and be able to report, and be responsible for, the resulting consequences of their actions.

c. Partnership is the quality of equal relationships, when we move out of the superior-subordinate paradigm. In AEquacy, learning to partner with others is vital.

d. Continuous Learning becomes a state of mind in aequal organizations. Procedures, processes, products and services, as well as people, all go through cycles of renewal, improvement, and evolution.

3) Smart Systems to reinforce the expected working practices of the organization and to simplify the

lives of the teams and keep bureaucracy out of sight. Each organization will rethink its systems based on the AEquacy framework and its own needs, but we believe that implementing a few such systems will make the difference:

a. Radical simplicity as an approach in the design of any system will make sure that the company doesn't fall back into the trap of bureaucracy.

b. Consent decision-making will make the decision-making process faster and provide better alignment among team members.

c. Peer feedback loops will replace the outdated Performance Management System and will give people real time, public input on how they are doing and what their next learning edge should be.

d. Information free-flow will keep people on the right page and give them the opportunity to increase innovation, to better address any issue, and to focus on what really matters instead of speculating about missing information.

4) Individual and Team Mastery must be developed, as AEquacy questions all the deeply held paradigms on how to achieve good performance in a hierarchical organization. Each individual needs to become more psychologically mature and to develop certain skills to be successful in an aequal organization:

a. Developing Personal Mastery is the key to finding one's own personal compass in a complex and ambiguous environment. Learning to exercise autonomy effectively requires both courage and empathy, so that one can reach one's goals without undermining the achievements of others.

b. System Awareness means developing a broader view of one's own team dynamics but also the network of dynamics of the whole organization, in order to effectively navigate and influence the system.

c. Being part of a self-organizing company means that collaboration is a key competence for any member. Learning to listen, engaging in productive dialogue and addressing conflict are indispensable skills for high performance.

d. Team management means that every person in the organization is co-accountable for the governance of the team and for the functions that were once the domain of a manager, such as hiring, planning, strategizing, and controlling. It is a whole new mindset shift.

Adopting AEquacy equips small and large organizations to better tackle complexity, to increase agility, to foster innovation, and to respond much more rapidly to internal and external challenges. AEquacy revolutionizes all the key attributes and practices of the hierarchical model.

The benefits of AEquacy are 1) AGILITY: systems are made radically simple and members of the organization are trusted to act in the best interests of the organization. 2) SPEED: Teams respond to market opportunities and issues rapidly, because they don't need to wait for the

From hierarchy	To AEquacy
Subordination →	Equality
Leadership →	Partnership
Control →	Trust
Bureaucracy →	Radically simplified systems and processes
Silos →	Inter- and intra-team collaboration
Information hoarding →	Transparency
Top-down strategic decision-making →	Decision-making everywhere
Job titles →	Dynamic roles and responsibilities
Performance reviews →	Peer feedback loops
Cycle of yearly strategy-implementation →	Iterative prototyping
Managers supervise and lead teams →	Teams self-organize
Focus on customers →	Focus on all stakeholders

chain of command to take action; peer pressure and adherence to the organizational Purpose and Values are the compass for decision-making. 3) COLLABORATION: Teams spontaneously collaborate in the absence of department boundaries. 4) INNOVATION: Each team feels free to be creative to improve its P&L and its financial rewards. 5) PERFORMANCE: Financial and operational performance are potentially maximized through a self-balancing system that leverages the potential of each individual team.

Associates experience higher levels of engagement and personal fulfillment, greater autonomy, and an expanded sense of purpose. For more about AEquacy, please visit the Asterys website. ∎

ABOUT THE AUTHORS

Mobius Friend Giovanna D'Alessio is a partner at Asterys, a global organizational development firm, a former executive in the corporate setting and past President of ICF Global (International Coach Federation). She is co-author of *AEquacy* and author of *Personal Mastery. The Path to Transformative Leadership* and a TEDx speaker.

Mobius Friend Stefano Petti is a partner at Asterys and a former manager in multinational settings. He is the co-author of *AEquacy* and several *Harvard Business Review* articles, including "How your State of Mind Affects your Performance" (2014), and "A Simple Way to Combat Chronic Stress" (2016).

"Keeping your personal life together is not an optional indulgence but an absolute necessity when it comes to being of use to others in the world. We aren't separate from everything else; when we suffer, others suffer. Our well-being is the well-being of others. So make time to connect with your heart. For as the Zen saying goes, 'If you take care of your mind, you take care of the world.'"
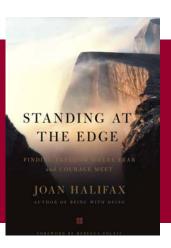
— ROSHI JOAN HALIFAX

Other Selected Readings

Standing at the Edge:
Finding Freedom Where Fear and Courage Meet

A book excerpt by Mobius Friend Roshi Joan Halifax

> **"I love this book.** *Standing at the Edge* **places Roshi Joan alongside our greatest teachers and practitioners — Pema Chödrön, Thich Nhat Hanh, Gandhi, Dorothy Day, Thomas Merton, and Dr. King. By exploring the big themes of altruism, empathy, integrity, respect, engagement, and compassion, she helps us take a stand in a bad time, and to stand there in the fullness of wisdom and compassion. Given our violent, inhuman world, this timely book will help us become more nonviolent and more human, to do our part for a more nonviolent world. What a gift!"**
>
> **–Father John Dear**

A View from the Edge

I have heard that things grow from their edges. For example, ecosystems expand from their borders, where they tend to host a greater diversity of life.

My cabin sits on the boundary between a wetland fed by deep winter snow and a thick spruce-fir forest that has not seen fire in a hundred years. Along this boundary is an abundance of life, including white-barked aspen, wild violet, and purple columbine, as well as the bold Steller's jay, the boreal owl, ptarmigan, and wild turkey. The tall wetland grasses and sedges of summer shelter field mice, pack rats, and blind voles that are prey for raptors and bobcats. The grasses also feed the elk and deer who graze in the meadows at dawn and dusk. Juicy raspberries, tiny wild strawberries, and tasty purple whortleberries cover the slopes holding our valley, and the bears and I binge shamelessly on their bounty come late July.

I have come to see that mental states are also ecosystems. These sometimes friendly and at times hazardous terrains are natural environments embedded in the greater system of our character. I believe it is important to study our inner ecology so that we can recognize when we are on the edge, in danger of slipping from health into pathology. And when we do fall into the less habitable regions of our minds, we can learn from these dangerous territories. Edges are places where opposites meet. Where fear meets courage and suffering meets freedom. Where solid ground ends in a cliff face. Where we can gain a view that takes in so much more of our world. And where we need to maintain great awareness, lest we trip and fall.

STANDING AT THE EDGE: *from the foreword by acclaimed journalist, historian, activist and contributing editor to* Harper's magazine, *Rebecca Solnit, on the importance of Mobius Friend Roshi Joan Halifax's latest book.*

We have undergone a revolution in our understanding of human nature in the past few decades. It has overthrown assumptions laid down in many fields that human beings are essentially selfish and our needs essentially private—for material goods, erotic joys, and family relationships. In disciplines as diverse as economics, sociology, neuroscience, and psychology, contemporary research reveals that human beings originate as compassionate creatures attuned to the needs and suffering of others.

Disaster sociologists have also documented and demonstrated that during sudden catastrophes such as earthquakes and hurricanes, ordinary human beings are brave, improvisationally adept, deeply altruistic, and often find joy and meaning in the rescue and rebuilding work they do as inspired, self-organized volunteers. Data also shows that it is hard to train soldiers to kill; many of them resist in subtle and overt ways or are deeply damaged by the experience. There is evidence from evolutionary biology, sociology, neuroscience, and many other fields that we need to abandon our old misanthropic (and misogynist) notions for a sweeping new view of human nature.

The case for this other sense of who we really are has been building and accumulating, and the implications are tremendous and tremendously encouraging. From this different set of assumptions about who we are or are capable of being, we can make more generous plans for ourselves and our societies, and the earth. It is as though we have made a new map of human nature, or mapped parts of it known through lived experience and spiritual teachings but erased by Western ideas of human nature as callous, selfish, and uncooperative, and of survival as largely a matter of competition rather than collaboration. This emerging map is itself extraordinary. It lays the foundation to imagine ourselves and our possibilities in new and hopeful ways; and suggests that much of our venality and misery is instilled but not inherent or inevitable. But this map has been, for the most part, a preliminary sketch or an overview, not a traveler's guide, step by step.

In our best self, even on our best days, we run into obstacles, including empathic distress, moral injury, and a host of other psychic challenges that Joan Halifax charts so expertly in *Standing at the Edge*. She shows us that being good is not a beatific state but a complex project. This project encompasses the whole territory of our lives, including our fault lines and failures.

She has gone far and wide in these complex human landscapes and knows that they are more than lands of virtue shining in the distance. She has seen what many only point to from afar—the dangers, pitfalls, traps, and sloughs of despond, as well as the peaks and possibilities. And in this book she offers us a map of how to travel courageously and fruitfully, for our own benefit and the benefit of all beings.

– Rebecca Solnit, 2018

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Our journey through life is one of peril and possibility—and sometimes both at once. How can we stand on the threshold between suffering and freedom and remain informed by both worlds? With our penchant for dualities, humans tend to identify either with the terrible truth of suffering or with freedom from suffering. But I believe that excluding any part of the larger landscape of our lives reduces the territory of our understanding.

Life has taken me into geographically, emotionally, and socially complex geographies. Organizing within the Civil Rights and Antiwar movements of the sixties, working in a big county hospital as a medical anthropologist, founding and leading two practice and educational communities, sitting at the bedsides of dying people, volunteering in a maximum-security prison, meditating for extended periods, collaborating with neuroscientists and social psychologists on compassion-based projects, and running health clinics in the remotest areas of the Himalayas—all have introduced me to complex challenges, including periods of overwhelm. The education I've gained through these experiences—especially through my struggles and failures—has given me a perspective I could never have anticipated. I have come to see the profound value of taking in the whole landscape of life and not rejecting or denying what we are given. I have also learned that our waywardness, difficulties, and "crises" might not be terminal obstacles. They can actually be gateways to wider, richer internal and external landscapes. If we willingly investigate our difficulties, we can fold them into a view of reality that is more courageous, inclusive, emergent, and wise—as have many others who have fallen over the edge.

Edge States

Over the years, I slowly became aware of five internal and interpersonal qualities that are keys to a compassionate and courageous life, and without which we cannot serve, nor can we survive. Yet if these precious resources deteriorate, they can manifest as dangerous landscapes that cause harm. I call these bivalent qualities Edge States.

The Edge States are altruism, empathy, integrity, respect, and engagement. They are assets of a mind and heart that exemplify caring, connection, virtue, and strength. Yet we can also lose our firm footing on the high edge of any of these qualities and slide into a mire of suffering where we find ourselves caught in the toxic and chaotic waters of the harmful aspects of an Edge State.

Exploring and working with Edge States

EDGE STATE	Example at the high edge	Example of falling over the edge	Example of supporting practice explored in the book
ALTRUISM	Forgetting the self	Help that harms	Bearing witness
EMPATHY	Somatic empathy	Emotional blindness	Deep listening
INTEGRITY	Moral nerve	Moral outrage	Expanding the circle of inquiry
RESPECT	Washing others' feet	Displaying power over	Five gatekeepers of speech*
ENGAGEMENT	Involvement	Addicted to busyness	Practicing Right Livelihood

*Five gatekeepers of speech: 1) Is it true? 2) Is it kind? 3) Is it beneficial? 4) Is it necessary? 5) Is it the right time?

- *Altruism* can turn into pathological altruism. Selfless actions in service to others are essential to the well-being of society and the natural world. But sometimes, our seemingly altruistic acts harm us, harm those whom we are trying to serve, or harm the institutions we serve in.

- *Empathy* can slide into empathic distress. When we are able to sense into the suffering of another person, empathy brings us closer to one another, can inspire us to serve, and expands our understanding of the world. But if we take on too much of the suffering of another, and identify too intensely with it, we may become damaged and unable to act.

- *Integrity* points to having strong moral principles. But when we engage in or witness acts that violate our sense of integrity, justice, or beneficence, moral suffering can be the outcome.

- *Respect* is a way we hold beings and things in high regard. Respect can disappear into the swamp of toxic disrespect, when we go against the grain of values and principles of civility, and disparage others or ourselves.

- *Engagement* in our work can give a sense of purpose and meaning to our lives, particularly if our work serves others. But overwork, a poisonous workplace, and the experience of the lack of efficacy can lead to burnout, which can cause physical and psychological collapse.

Like a doctor who diagnoses an illness before recommending a treatment, I felt compelled to explore the destructive side of these five virtuous human qualities. Along the way, I was surprised to learn that even in their degraded forms, Edge States can teach and strengthen us, just as bone and muscle are strengthened when exposed to stress, or if broken or torn, can heal in the right circumstances and become stronger for having been injured.

In other words, losing our footing and sliding down the slope of harm need not be a terminal catastrophe. There is humility, perspective, and wisdom that can be gained from our greatest difficulties. In her book *The Sovereignty of Good* (1970), Iris Murdoch defined humility as a "selfless respect for reality." She writes that "our picture of ourselves has become too grand." This I discovered from sitting at the bedsides of dying people and being with caregivers. Doing this close work with those who were dying and those who were giving care showed me how serious the costs of suffering can be for patient as well as caregiver. Since that time, I have learned from teachers, lawyers, CEOs, human rights workers, and parents that they can experience the same. I was then reminded of something profoundly important and yet completely obvious: that the way out of the storm and mud of suffering, the way back to freedom on the high edge of strength and courage, is through the power of compassion. This is why I took a deep dive into trying to understand what Edge States are and how they can shape our lives and the life of the world.

No Mud, No Lotus

Thinking about the destructive side of the Edge States, I recall the work of Kazimierz Dabrowski, the Polish psychiatrist and psychologist who proposed a theory of personality development called positive disintegration. This is a transformational approach to psychological growth based on the idea that crises are important for our personal maturation. Dabrowski's concept is similar to a tenet of systems theory: living systems that break down can reorganize at a higher and more robust level—if they learn from the breakdown experience.

Working as an anthropologist in Mali and Mexico, I also observed positive disintegration as a core dynamic in "rites of passage." These are ceremonies of initiation that mark important life transitions, and are intended to deepen and strengthen the process of maturation.

Years later, I was to hear the Vietnamese teacher Thích Nhât Hanh—or Thây (as his students call him)—echo this wisdom as he spoke of the suffering he experienced while being in the midst of the war in Vietnam and then later on as a refugee. Quietly he would say: "No mud, no lotus."

Reflecting on the difficulties we can experience in serving others, from pathological altruism to burnout, the toxic side of Edge States can be viewed from the perspective of positive disintegration. The rotting mud at the bottom of an ancient pond is also food

for the lotus. Dabrowski and Thây remind us that our suffering can feed our understanding and be one of the great resources of our wisdom and compassion.

I once read about a geologist whose special area of research was the study of beaches. He was being interviewed during a massive hurricane that was slamming into the Outer Banks of North Carolina. The geologist told the journalist, "You know, I'm excited to get out to that beach as quickly as I can."

After a pause, the journalist asked, "What do you expect to see out there?" Reading this, my attention sharpened. I expected the geologist to describe a scene of total destruction. But he simply said, "There will probably be a new beach."

A new beach, a new coastline: gifts of the storm. Here at the edge, there is the possibility of destruction, suffering—and boundless promise.

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Interdependence

Many influences have shaped my way of seeing the world and have contributed to my perspective on the Edge States. During the sixties, I was young and idealistic; it was a difficult and exciting time for many of us. We were outraged by the systemic oppression in our society—racism, sexism, classism, ageism. We could see how this oppression fed the violence of war,

economic marginalization, and consumerism, as well as the destruction of the environment.

We wanted to change the world. And we wanted a way to work with our good aspirations—to not lose them, nor get lost in them. In this atmosphere of social and political conflict, I began reading books about Buddhism and teaching myself to meditate. I met the young Vietnamese Zen master Thích Nhât Hanh in the midsixties, and through his example, I was drawn to Buddhism because it directly addresses the causes of individual and social suffering, and because its core teaching says that transforming anguish is the path to freedom and the well-being of our world. I also liked that the Buddha emphasized inquiry, curiosity, and investigation as tools of the path and that he did not recommend we avoid, deny, or valorize suffering.

The Buddhist concept of *interdependent co-arising* also gave me a new way of viewing the world: seeing the intricate connections between seemingly separate things. As the Buddha explained this concept, "This is, because that is. This is not, because that is not. This comes to be, because that comes to be. This ceases to be, because that ceases to be." Looking into a bowl of rice, I can see sunshine and rain and farmers and trucks driving on roads.

In a sense, a bowl of rice is a system. Soon after I started studying Buddhism, I began exploring systems

> " Whether compassion is rooted deep in our biology or springs from our conscience; Whether it is instinctual, intentional, or socially prescribed, we know from scientific research that compassion enhances the welfare of those who receive compassion and also benefits those who are compassionate. It even benefits those who simply observe an act of compassion. Compassion is one of those experiences that deeply affects the human heart, whether we give it, receive it, or observe it. "

theory, which is a way of seeing the world as a collection of interrelated systems. Each system has a purpose; for example, a human body is a system whose purpose (on the most basic level) is to stay alive. All parts of the system must be present for it to function optimally—without a working heart or brain or lungs, we'll die. The order in which parts are arranged matters; you can't mix up where the organs are.

Systems range from micro to macro, from simple to complex. There are biological systems (the circulatory system), mechanical systems (a bicycle), ecosystems (a coral reef), social systems (friendships, families, societies), institutional systems (workplaces, religious organizations, governments), astronomical systems (our solar system), and more. Complex systems are typically composed of numerous subsystems. Systems peak, move toward decline, and finally collapse, leaving room for alternative systems to emerge.

I mention this because, together, the Edge States are an interdependent system, influencing each other and forming our character. And systems are the ground in which Edge States develop—interpersonal relationships, the workplace, institutions, society, and our own bodies and minds. As systems decline, so also can we encounter ruin. Yet often, from collapse, a new and more robust perspective on reality can emerge. ■
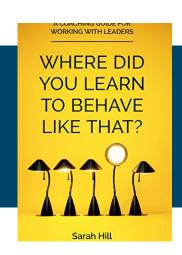
ABOUT THE AUTHOR

Mobius Friend Roshi Joan Halifax, PhD, is a Buddhist teacher, Zen priest, anthropologist, and pioneer in the field of end-of-life care. She is Founder, Abbot, and Head Teacher of Upaya Institute and Zen Center in Santa Fe, New Mexico. She received her PhD. in medical anthropology in 1973 and has lectured on the subject of death and dying at many academic institutions and medical centers around the world. She received a National Science Foundation Fellowship in Visual Anthropology, was an Honorary Research Fellow in Medical Ethnobotany at Harvard University, and was a Distinguished Visiting Scholar at the Library of Congress. Her books include: *The Human Encounter with Death* (with Stanislav Grof); *The Fruitful Darkness, A Journey Through Buddhist Practice; Simplicity in the Complex: A Buddhist Life in America; Being with Dying: Cultivating Compassion and Wisdom in the Presence of Death.*

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Where Did You Learn to Behave Like That?

Excerpts from the book by Mobius friend Dr. Sarah Hill

> " Gaining command of your childhood story can be singularly the most transformative act any leader may experience in a coaching relationship. "

A Coaching Guide for Working with Leaders
Like everyone else, leaders are shaped by their formative experiences. Whether or not we are conscious of it, our earliest memories affect how we behave today, especially in our interactions with others.

These memories lie at the heart of those situations which trigger us most.

This book is a conceptual and a practical guide for how coaches can skillfully solicit the childhood story that underpins a leader's characteristic behavior, helping them access an unprecedented depth of understanding about themselves. Gaining command of this story can be singularly the most transformative act any leader may experience in a coaching relationship.

As an example of the work coaches must do on ourselves before we can serve others in this way, I've woven my own childhood story (along with stories from clients and other coaches), throughout the guide. The intention was to create a unique tapestry of experience from which to learn.

Here's an example from one CEO:

Sometimes it's the seemingly simple things that can catch us out as leaders. I remember one occasion presenting the strategic plan to the Board. As I was in full flow one of the members looked at their watch and, in my mind, exhibited a face of disinterest and boredom. As I sarcastically asked them if they had somewhere more important to be than engaged on the future of our organization, little did they know my childhood story had caught me out; I was about to wreak havoc in my relationship with the Board – some leader! What they didn't know – and neither did I until later – was that I had a strong childhood story about being ignored that regularly impacted on my leadership. The little boy who felt an irrelevance in his family system with a father, who always said 'in a minute we'll do this' and never did, had suddenly made an appearance in the Boardroom. Only now I had power, intellect and a sarcastic turn of phrase to punish others with.

We have probably all seen the wide-ranging and harmful impact of leaders who have not had the opportunity to work on their childhood story, or who are unaware of its very existence and importance. The dysfunction can range from verbally lashing out at the people who are working to support them, to steamrolling or abandoning [others] just when they are needed the most. We have probably all had manifestations of such behavior in ourselves too, sometimes without noticing it fully. In these moments, the childhood story has entered the room. It takes over and does harm – often with the individual completely oblivious to the source of their behavior.

Many coaches and consultants describe how they feel unprepared to work with behavior emanating from a leader's childhood story, or they do so purely instinctively. Unless therapeutically trained, coaches may not have suitable models for doing work of this kind. This book (and the training that accompanies it) is intended to bridge that gap.

Challenging the stigma of therapy

In presenting Story-work as an approach to employ in coaching, I am not setting out to compete with or critique therapy. Rather, I am offering it as a methodology coaches can use to engage leaders in deep behavioral work on the Self that potentially makes such work more palatable to a leader. There is an accepted canon that successful executive leaders do not need therapy, or at least they don't admit to needing it. People in leadership positions are in those positions because of their ostensible ability to function. When you are at the top it can be very hard to accept real help in general. "After all, what do we pay you for if you need help in doing what you've been hired for?" The notion of admitting to the need for therapy is widely stigmatized as a kind of professional death sentence.

We all know that – objectively – this is crazy, and that many people in business, Government and in public life – especially celebrities – struggle mightily with functioning in the roles they have worked so hard to achieve. But just as we have taboos about speaking openly and pointing out deep behavioral differences in people, we also have taboos about addressing the behavioral dimension of people in high office.

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The stigma of not being 'behaviorally healthy' can loom even larger than the penalty for acting out horrible behavioral pathologies, as many leaders unfortunately do. Only when everything completely breaks down, when a leader's behavior becomes totally untenable, might there finally be a dramatic change. The leader will either burn-out or be thrown-out and replaced with the next one, who will bring their own pathology of hidden involuntary behavioral patterns; and so, around we go again. [See, for example Egon Zehnder's data on CEO Firings on page 25.] This 'throwing out the baby with the bathwater' approach – familiar to anyone who follows Premiership football in the UK and the way managers come and go – is not a healthy way to develop and nourish any team or organization, and yet it is only too common.

> **"These Stories would do harm in all manner of overt and covert ways, so long as they remained activated, yet undiscovered."**

To break out of this vicious circle, we need to stop oscillating between hero-adulation of leaders on the one hand, and trying to diagnose them as flawed and therefore in need of 'repair' on the other.

Coaching has generally been marketed as 'everything but therapy.' As coaches, we are working on effectiveness and efficiency, on tools and methods, on freeing the potential of the client, on un-cluttering busy minds, but rarely on the more deeply rooted behavioral short-comings of the powers that be. This 'positioning' of coaching is very smart because with the stigma attached to therapy, it will always be challenging to get (most) leaders to go 'there', even if they are in desperate need of help.

This is where childhood story work can make a real difference, because of how it provides a non-threatening way to explore deeper forces and shadows in leaders.

Story-work lowers the barrier to engage in constructively challenging – albeit potentially painful – reflections about the Self, any associated dysfunctional behavioral patterns, where these might stem from and what can be done to change those patterns. Story-work goes further than 'normal' coaching, but it can be distinctly different from therapy.

In Story-work – in contrast to therapeutic intervention – you do not go back into the depths of the details of events with the purpose of treating a psychological or behavioral disorder.

Story-work is about acknowledging the existence of such (dramatic and potentially traumatic) events, naming what they were, exploring these to place them in time, as well as understand the impact they had back then and may still be having now. This is followed by going to work on writing the new internal narrative in a way that counteracts old patterns of reactivity, preventing them from having such influence and power.

Where Did You Learn to Behave Like That? introduces practitioners to this vital and demanding work. It does so by taking the reader into the depths of Story-work. We explore what's involved in guiding leaders in relation to the impact of their childhood stories; and how to do this in an appropriate and competent way through skilful counsel, exploration, support and challenge.

Instead of pointing out that somebody becomes dysfunctional in high stakes, or has a behavioral disorder which shows itself under stress, in this approach, it is understood and expected that under stress (i.e. in high stakes) most of us regress to a degree, show less behavioral flexibility and can even become completely blocked. In such moments leaders should be able simply to ask themselves: *"Is there any link between stressful events of the past, and my behavior under stress today?"*

And if the answer is "Yes", as it undoubtedly will be in most cases, they can set to work on exploring this link between past and present and evaluating whether their 'old programming' is still serving them well today. Out of simple questions like these – with the proper guidance of an experienced Story-guide – reflections will usually emerge over time and an eventual writing of a new internal narrative will be possible. These steps have the potential to profoundly change behavior and eliminate much involuntary shadow behavior under stress. The same people who

would never entertain the notion of entering therapy, can attain practical results for their professional and private lives which would be considered 'dream outcomes' for any therapeutic intervention, without ever having the feeling that they were undergoing therapy. And that's how it should be.

Structural Dynamics: the mechanism for analyzing stories from a neutral perspective

In any human interaction, one of the four speech-acts from Kantor's Action Propensities (Move, Follow, Oppose, Bystand) and one of the dialects from the Communication Domains work in concert with one of the three Operating Systems, to form one of 36 vocal acts with a distinct structure, e.g.,

- **'Move in Closed Power' example:** *I am clear about the need to get this work completed and now need you to get on with it so that you meet the agreed deadline.*

- **'Bystand in Open Affect' example:** *I hesitate to say this, but I will, I notice that when the CEO expresses appreciation for us and approves our methods and outcomes, we all feel really cared for and become even more productive.*

Structural Dynamics is morally neutral in the way it names and works with these structures in

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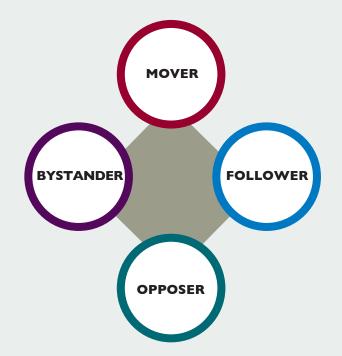## Kantor's theory of Structural Dynamics

Based on her work with David Kantor, Mobius Senior Expert and world-renowed systems psychologist, Sarah Hill introduces the main conceptual framework underpinning the work: the theory and practice of Kantor's Structural Dynamics.

Used to analyze how we communicate, Kantor's model illustrates four types of speech and behavioral propensities:

- Making a **move** or setting direction
- **Following** or validating an action
- **Opposing** or challenging what has been said or done
- **Bystanding,** as an attempt to bridge or reconcile actions

Each of us has a characteristic mindset or operating system, which we learned from our families and other systems we experienced such as school or church and which show in our interactions with others:

- **Closed** – valuing tradition, order, hierarchy
- **Open** – valuing inclusion and participation
- **Random** – valuing unconstrained creativity

We also have a "domain" of communication we prefer:

- Getting things done or the **Power** domain
- The **Affect** domain where the emphasis is on feelings and relationships
- A preference for ideas and knowledge in the **Meaning** domain.

communication. From this base, an experienced Structural Dynamics interventionist can assess what part of the action is getting stirred and surfaced from the past, and what is actually happening today.

Everyone has triggers that can put them into high stakes in an instant and without warning. Becoming aware of ones' own childhood story, and understanding it in Structural Dynamics terms is crucial in making it accessible as a conscious tool for unravelling the high stakes dramas we find ourselves in.

Beyond the structure, into the Story itself

Story-guides work with both structure and Story. What's needed is a process whereby you move from structure to Story, and from Story to structure, in sequence and in parallel. This shift may be replicated many times.

Another element of Story-work is the role of the internal narrative. The Story itself might consist of a string of episodic experiences throughout childhood, often repetitively and in different permutations. Together, these episodic stories form our overall childhood story, usually containing accounts of loss, distress and unhappiness.

Childhood stories of imperfect love are characterized by impactful, emotional recollections of sometimes prevailing and painful feelings and experiences. However, over time the same Stories gradually form the foundations for an accompanying internal narrative that develops implicitly throughout adolescence and into adulthood. For example:

"People are unreliable, don't trust too easily."

"No matter how hard I try to do what I'm asked, it's never good enough."

"I'm too fussy."

"It's dangerous to answer back to anyone in authority."

We craft our internal narrative over time and mostly subconsciously, to keep our self-image coherent and consistent. [See, for example Doug Silsbee's work on identity, page 42.] The mind abhors nothing more than cognitive dissonance and will do its utmost to keep our adult 'Self' in line with our childhood experiences, and the childhood 'Self'

which emerged from them. And so the internal narrative we have constructed usually keeps us forcefully and deeply rooted in behavioral patterns of the past, which have long lost their relevance and make no sense in the adult context. Similarly, it is because of the familiarity of the internal narrative and its associated behavioral patterns that we are also easily coaxed into involuntary, almost compulsive behaviors. This is especially the case in high stakes situations because of how escalation occurs in abrupt and dramatic ways. Suddenly the behavioral range we might generally enjoy in low stakes flies out the window and we become confined to all too memorable ways of reacting.

There is a crucial difference between 'Story' and 'Narrative' at the very core of their nature. While Story is immutable, and cannot be changed in substance, the internal narrative is no such thing. The internal narrative is constructed based on and around our interpretation of the Story – which is usually implicit and based on a child's perspective. But what was constructed one way, can be deconstructed and rebuilt again, but this time based on an explicit and adult interpretation of the Story.

This is the job of Story-work and the task for coaches who have specialized in becoming Story-guides. ■

ABOUT THE AUTHOR

Mobius Friend Dr. Sarah Hill is a Managing Partner at Dialogix. Her work as a Dialogue and Structural Dynamics Interventionist provided the focus for her PhD research nearly twenty years ago. Since then, she has lead behavioral interventions with individuals, teams and across whole systems. She has also been instrumental in the design and development of training in this field and is recognized internationally as an expert in childhood storywork. Please visit the Dialogix website for Sarah's new podcast series on Story-work and upcoming training dates to become a Story-guide.

Working with CEOs to Close the Performance Gap

In conversation with Mobius Co-Founder and Chief Thought Leader, Erica Ariel Fox about the Executive Breakthrough Program.

The Executive Breakthrough Program runs several times throughout the year and includes a week-long residential off-site. In addition, every participant receives year-long support from their own Egon Zehnder development advisor. It is by invitation only for CEOs and other C-Suite executives known to Egon Zehnder. The program is tailored for the specific individual participants attending. The size of the group is strictly limited to 12-15 participants.

The program is led by Mobius Co-Founder and Chief Thought Leader Erica Ariel Fox and the curriculum draws from Erica's *New York Times* bestselling book, *Winning From Within: A Breakthrough Method for Leading, Living and Lasting Change*. The methodology is based on twenty years of Erica's research at the Program on Negotiation at Harvard Law School and extensive experience as a C-suite advisor. *Winning From Within* is considered a seminal work in leadership and executive development.

Q **Earlier in the magazine we spoke with Egon Zehnder Board member and your co-founder for the Executive Breakthrough Program, Jill Ader. When Mobius and Egon Zehnder first conceived of the offering, what need were you responding to?**

By the time you have reached the C-suite you've done every management course under the sun. You've been to Harvard for a week, you've done a program at IMD or INSEAD. You've learned every fundamental management skill there is. And yet, the need for ever-more advanced levels of leadership is apparent in the world. Organizations need to ensure their most senior leaders are still learning and growing. How do they do that?

There may not be any obvious missing skills or "knowledge" left to learn. CEOs know operations, finance, marketing. There is no "course" left to take — other than one and the name of that course is *You*. The unit of study is *yourself*. The work you need to do on yourself is the basis of the capability gap to which Jill refers (page 23). The pressing need is to go much deeper than surface behavior — to look at the core operating system of this human being, and then ask how it serves and does not serve their ability to lead (see, for example, Otto Scharmer's description of the blind spot on page 50).

There is a dilemma underpinning the concept of what I call the Performance Gap: leaders know what they should be doing; many of these very senior people could write their own book on leadership best practices. The interesting question is why are they not doing what they know they should? The answer

to that is slightly different for each person.

What the Executive Breakthrough Program (EBP) is uniquely set up to do is diagnose with great nuance the specific way in which the Performance Gap works in you – that is, the specific combination of factors in your way from unleashing the full capability you've been trained (and taught from experience) to use.

For example, you may have gone to an Active Listening course twenty years ago; you may've received your Myers Briggs or DISC profile; you may have 360 feedback reports that repeatedly reveal that you're not building trust. Perhaps people don't follow you because you're seen as intimidating, maybe even a bully. But that conceptual understanding is, at best, a cognitive insight. It is of little use to you if you don't understand *why* you are not exercising the capability or range of intelligences you possess, despite the fact that you've learned what you need to do and yes, even when you're aware you're not doing it. Simply making more of an effort, applying more of your will — like a New Year's Resolution: *this time, I will become more trustworthy* — would have worked by now if ever it was going to work.

One way – and I would argue the best way, to have a real understanding of precisely how your Performance Gap works is what we provide at EBP. In small groups where we build a container of trust among a set of very senior peers who, most of the time, come from different organizations, we give each individual leader a very nuanced per person intervention or practical way to help crack the code. The end goal is to enable you to draw on the full breadth of what you've been trained to do as a leader, to activate the full potential of what you're innately capable of doing, but which you are currently not doing.

Q **How do you do this? What's the secret behind being so attuned to the individual leader in front of you?**

We get information about each person in advance, and we read their pre-work assignments. But once

> " **In the Winning From Within® approach we draw from three core intellectual underpinnings: depth psychology, mythology and Action Science.** "

people are there, we forget about the "facts." We focus our attention on the quality of their presence, their interactions in the group, and what kinds of archetypes they embody in the room. We sense into people, where they seem stuck, and where they might break free. For most of the program we work with what we call their "inner material." We get out of the literal world and move quickly into the symbolic world. In a symbolic setting, transformation can be profound and happen surprisingly fast.
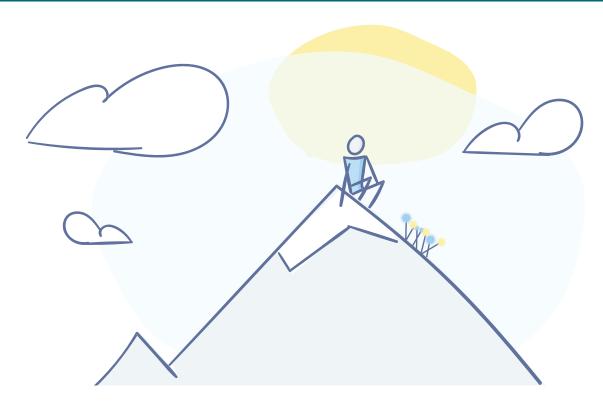
What does it mean to work with symbols? It's like reflecting on the images from a dream you had the night before. You tell a friend, "I had the weirdest dream. I was in this room. It didn't look familiar, but I knew it was my old apartment in London. All of a sudden, there was a bear, and then my university mentor was there, and we all started singing – including the bear." While this sounds bizarre, your friend says, "Oh, that's an interesting statement on your life right now" and proceeds to offer an interpretation of how the dream reveals a perspective on a topic you've been grappling with. Literally speaking, the images don't make any sense at all. But symbolically, they can tell a compelling story that provides insight into a real decision you're trying to make.

When we work with symbols at EBP, and in the Winning From Within® methodology in general, we're interpreting a "waking dream." We prompt participants to create an image from their imagination. They can use art supplies to draw something, or go outside and bring back objects, like a rock and a branch. They can generate an image however they want. It's important to remind people this isn't an art class, we aren't judging them on their artistic skill. They're creating a symbol so that we can explore what it could mean beyond the literal level.

Several years ago, one participant made a drawing, using different colored pencils. He explained to the group what the picture represented: "This is me on a mountain. I made it all the way up. I'm sitting down to rest after the long hike. I'm looking at wild flowers

because I'm surprised to see them there. There is yellow and blue at the top of my picture, because the weather isn't sure what it's going to do: the sun might come out, but it also might rain. So, there is sun and clouds over the mountain." As we listened to him explain the picture, his description makes perfect sense.

Then we looked at it symbolically, asking questions about what the details might represent. Like many in the group, he was a new CEO. The group got curious about other, less literal, meanings of the images. These interpretations weren't meant to be "correct," but instead offered him potential topics to explore in later exercises. The group asked questions and offered comments like these:

- Could the climb up the mountain represent tackling the challenges of your career?

- Are you sitting down to rest because you need to catch your breath after an exhausting CEO succession process?

- Maybe you're surprised to see the wild flowers, because now that you're in the CEO role, it's not what you expected?

- I wonder why you're alone at the top of the mountain. Now that you've made it to the top, maybe you feel lonely?

- Could the uncertain weather reflect that you're not confident you'll succeed in the role?

Working with information on a symbolic level isn't about telling someone what their image is "really" about, it's about adding layers of possible meaning. We're particularly interested in ways the drawing might connect to the person's current life situations. It's very meaningful for people to make that shift from the literal to the symbolic, discovering elements that are often hidden, even from themselves.

Q In addition to working symbolically, what are some schools of thought that Winning From Within® draws on? How do these come into play during EBP?

One of our core principles is that organizational transformation requires individual transformation. We introduce different practices to each EBP group, but all of them offer the same invitation to personal transformation: come free yourself from a lifetime of limiting habits of heart, mind, and action. Though the specific exercises differ, in the Winning From Within® approach that we use at EBP, we draw from three core intellectual underpinnings: depth psychology, mythology, and Action Science. The book articulates the *framework* of Winning From Within®, which I developed building on these and other disciplines. EBP is an example of how you can *experience the methodology*

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The reason why EBP triggers such sustainable change afterward, compared with other programs, is because the transformation is anchored in rediscovering a part of you that is very fundamental but with which you'd lost contact. Once you reconnect with it, you can't forget that. You can learn a model and then put it in a binder and stick it on a shelf, but you can't rediscover some aspect of yourself you'd lost sight of and not remember this later. The experience is anchored in you.

of Winning From Within®, which evolved over 20 years of teaching the material to clients.

1) Depth psychology looks for bridges between someone's unconscious mind, and their ordinary reality. That's one reason why we look at the symbolic meaning of a drawing, like the hiker on a mountain. Depth psychology illustrates connections between the outer world of your daily life and the inner world of your hopes, fears, and motivations.

Another important element of this school of thought is the idea that underneath all of our personal stories, dramas, challenges, and even victories, there is a deeper dimension to who we are. The pioneer of the field, the acclaimed Swiss psychiatrist Carl Jung, named this part of human nature The Self. Jung taught that alienation from The Self creates distress in our lives, and reconnecting to it brings us back to balance. My theory of human transformation is strongly influenced by Jung's ideas. In *Winning From Within*, I talk about "The Self" as your Essence, your Center, or your Center of Well-being. One of the most powerful aspects of EBP is the way we help leaders to reconnect with the "Essence" of who they are.

Jungian author and teacher, Dr. Jean Shinoda Bolen, is another depth psychologist whose work informs Winning From Within®. As part of developing her own theories, she's researched and written extensively about the inner lives of women. Though we focus a lot on the hero's journey, she pointed my attention to the heroine. The other central thread in this domain comes from my friend and colleague Cliff Barry, a master practitioner of working with unconscious material. Cliff taught me how to use archetypes to recognize patterns in the psyche. The way I work with clients at EBP is different from the body of work that Cliff created, which he calls Shadow Work®, but our thinking, and the emergent nature of our interventions, share a foundation.

2) Mythology has to do with universal themes or motifs that run through human experience that are not unique to an individual's unconscious. Understanding how what people say and do links to universal myths – well, that's another way in which we elicit participant learning. If one of these myths is overly pronounced in your story and how you understand yourself, then we can call on another myth to bring in some balance.

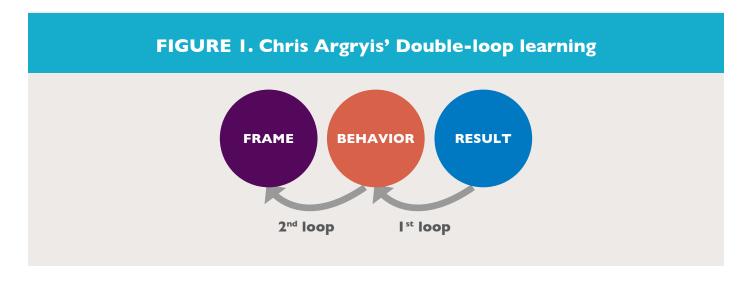A mythical understanding of stories helps you locate yourself and others within greater narratives. We might be working with a participant and observe, "In the story you told us there's a lot of Atlas – you're holding the world on your shoulders. What about Peter Pan? How would you show up in the world if you were allowed to be a playful, carefree person?" We might spend the day embodying different mythic characters. People relate to mythological and archetypal characters easily, because they are part of our collective understanding of how the world works. Because it's fun and theatrical, people let themselves stretch into new, temporary "identities." They "play characters" that are very different from their everyday lives. The goal isn't to replace what usually works for them at work or at home. The idea is to enable them to have experiences that integrate a new myth or archetype into their leadership repertoire, expanding their range of behavioral possibility.

3) Action Science reaches beyond a deep understanding of humanity (mythology) and this particular human being in front of us (depth psychology), to surface the practical application of these insights. It's a method of analyzing the connection – or the disconnection – between what people say, versus what they think and feel but choose not to say. This body of work promotes inquiry into your mindsets and behavior, emphasizing "reflection in action." Action Science answers the question: *What am I going to do differently on Monday, as a result of these new insights into myself?*

The combination of these three strands is part of what is so unique about EBP. There are places where you can learn about mythology and depth psychology,

> **"We've worked with hundreds of CEOs. The propensity among this population for Thinker and Warrior profiles with low Dreamers and low Lovers is *extreme*."**

FIGURE 1. Chris Argryis' Double-loop learning

FRAME   BEHAVIOR   RESULT

2ⁿᵈ loop   1ˢᵗ loop

but they're not designed to help you lead more effectively as a senior executive. Likewise, you can find programs to study organizational learning and action science methodology, but they are unlikely to dig as deeply into the inner world of unconscious material. It's the integration and adaptation of Action Science and the other lineages that makes the combination a break-set intervention.

Q **You mention adaptation… Winning From Within® builds on Action Science to add a further dimension. Can you tell us more about that?**

Dr. Chris Argyris, together with Donald Schön and colleagues, developed the Action Science model. They distinguished between the different ways people try to achieve better outcomes. The first way we might get a new result is through what they called Single-loop learning which, to over-simplify, states: if you do not like the result you are getting, you can change your behavior to get a better result.

From there they added an element which they called a frame, a frame of mind, or a "mental model." Argyris demonstrated that you have a frame of mind that's leading you to choose that action which is leading to the result you're getting. Figure 1 illustrates what he meant by Double-loop learning. In the Double-loop process, to change the result, you loop back twice to look at your underlying model or frame. If you don't change your frame, you're not going to change your
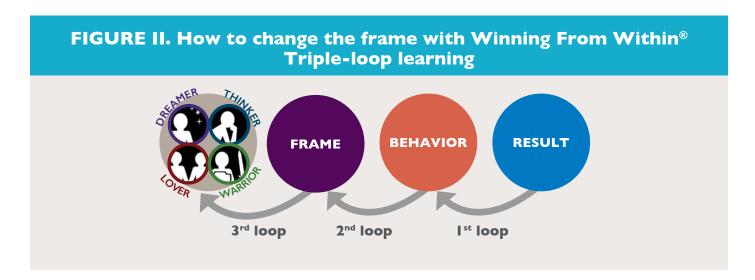
behavior. If you can adjust your frame or lens, this gives you more behaviors to choose from and these will lead to new results.

Back to the example we used earlier, whereby a leader gets the repeated feedback that he needs to build more trust. In a Single-loop approach, the counsel might be: *Well, share more of yourself with your colleagues.* But what if your frame is: *Sharing more of myself will get me hurt?* If that's what you believe underneath, if that's what you internalized a long time ago, then you're not going to change your behavior.

With Double-loop learning the question is what's the belief about yourself or about the world that causes you to assume that sharing more of yourself leads to bad outcomes? Action Science gets us to adjust our frames or ingoing beliefs so that we might shift our behavior, so that we can realize the different desired result we'd previously been failing to produce.

Argyris also introduced the notion of *espoused values* and *values-in-use*. You think you really value trust (espoused), but if we look at what you're doing, you don't. In fact, your values-in-use seem to be about personal safety. It turns out you value this more than trusting other people. This lack of congruence undermines you as a leader. (For more, see the first adaptive challenge: espoused values, on page 12.)

One thing I've added to this model is to ask how do you change your mental model? Through the research and practical work I did to develop the Winning From Within® framework, I boiled down the many frames available to us, to say there are four universal lenses

FIGURE II. How to change the frame with Winning From Within® Triple-loop learning

DREAMER · THINKER · LOVER · WARRIOR — **FRAME** — **BEHAVIOR** — **RESULT**

3rd loop   **2nd loop**   **1st loop**

to which we all have access. These are the Winning From Within® Big Four. As in figure II, we see the world through the lens of the Lover, Thinker, Warrior, or Dreamer. Each of us have different tendencies or favorite ways of combining these four frames so that in Winning From Within® we might talk about a person who is "high in Lover, low in Warrior" – this is what we mean by someone's Big Four profile. (For more on the Big Four, see page 84.)

In EBP, we help people come to know and observe what frames they're using to perceive the world, and to notice when they are low or too high in one of them. In doing so we unlock and experiment with the untapped or under-tapped aspects of the Big Four in each of us. This changes participants' frame or way of seeing, which in turn opens the possibility of behaving in ways they don't tend to, which as leaders, will start to give them different results. Working with the Big Four *is* the way you change your frame. In EBP we're looking at your world view, your view of yourself, your ideas about what a leader should do. In Winning From Within®, we're going from Double-loop to Triple-loop learning.

Q Can you give us examples of how EBP participants learn to adjust their frame?

Before I do, I should point out the lack of Lover and Dreamer in senior leadership is extraordinary. They've been taught and rewarded for Thinker and Warrior all their professional lives. What the CEO

needs to step into more than any other archetype is their Dreamer — given the demands and function of the role, and also their Lover — given just how pale and underdeveloped this archetype tends to be and the need for today's leaders to show much deeper presence and emotional engagement. We've worked with hundreds of CEOs. The propensity among this population for Thinker and Warrior profiles with low Dreamers and low Lovers is *extreme*.

With that in mind, I'll focus on an illustrative example of a leader whose profile is a high thinker, high warrior frame:

I understand that employees want to feel valued. I understand from engagement surveys that people don't trust the leadership. I've also seen research that says having a mentor or feeling that your company has invested in you and your professional development helps with retention. Therefore, I do things like ask people out to lunch once a week, I maintain an open-door policy, I make sure I ask everyone on my team what's on their minds. The result I get is that our stock price is solid and we routinely hit our performance targets. Despite all this, the Board criticizes my leadership style, saying that I don't do enough to inspire people and that I have colleagues who think I don't care about them. And I don't know why! I understand people need to feel valued and cared about and I do everything I can to demonstrate that. To repeatedly get this feedback is incredibly frustrating. Our organizational performance is great, why do they keep harping on that I've low followership?

This leader then goes through an exercise at EBP

FIGURE III. THE BIG FOUR

DREAMER

Your *Dreamer* cares about creativity and future vision. Letting yourself muse about your ideal world energizes your Dreamer to remember that your future holds great possibilities.

THINKER

Your *Thinker* is invested in reason and analysis. Stop waiting to understand the answer all at once, and start breaking it down into parts. Even putting your ideas into a spreadsheet can wake up your analytical mind.

LOVER

Your *Lover* is engaged with emotion and relationships. If you're out of alignment with your Lover, step back for a minute, and consider if you've withdrawn from the people around you. Why might that be?

WARRIOR

Your *Warrior* is determined to achieve results and protect what matters. Your Warrior is out of alignment when you're not getting things done. A healthy Warrior loves momentum, and even more appreciates crossing the finish line.

where they get a chance to experience the real power and strength of human connectedness. They learn a quality of appropriate intimacy in a professional setting that doesn't require monumental disclosure. It's not about details of your personal life. It's not about knowing if your colleague's wife is sick or that they had a good or bad vacation. But when you access the Lover aspect, which in archetypal terms is a natural, innate way of connecting with another human being, when you experience how powerful that is, then the Lover in you can't help but to seek that connection. That's the channel that Lover runs on. So now as it's not as if your head is trying to tick boxes to show you care, you just have a natural emotional longing to be connected to the people around you.

So, I return after EBP to my work with a felt sense of desire to feel connected. And from that natural impulse, I stop thinking so much about what I must do to "show" people I care. It comes naturally to me. I drop by someone's office and ask how they're doing. Except this time my sincere interest comes across. This longing I've been suppressing has been reactivated and it naturally alters my behavior — and therefore the result — because I really am more open and interested in the people around me. I crave that connection. (On the receiving side, this authentic interest is incredibly easy to sense.) And then, as if by sheer magic, I start to receive feedback from the Board that colleagues have perceived a shift. People notice I seem more relaxed and present, that I appear to be really listening for the first time. My change in frame gives me the desired end result without me paying too much attention to how to adjust my behavior.

Once the frame has changed, the behavior naturally follows. One way we accomplish this from a methodological point of view, is to hold up the mirror to show people their behavior *in the extreme*. We exaggerate the frame they are currently holding.

For the participant who needs to access their Lover, I ask them to share with the group something they care deeply about. Then someone else, another participant or faculty, has the job of listening to what that participant is saying, perhaps nodding and showing signs they're listening, but then saying aloud "I really don't care." As an actor in this exercise, they

repeat those words with increasing conviction. We escalate the response to have the actor go so far as to *interrupt* the participant's tale with, "Seriously? Please stop talking. I do not care."

Other times the participant may simply watch a scene like this that we've orchestrated between two faculty members acting this out. Either way, we take it to an exaggerated place. This gives the participant the chance to glimpse how people in their lives might feel. Despite the nodding and the listening noises, people detect you do not really care. You suddenly see why people don't disclose to you. When being met with the insistence that the person listening doesn't care, you now know what it feels like to shut down in your body. You no longer need to imagine what's hurtful about this scenario.
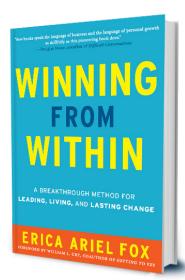
Afterward, we might ask the participant, so do you trust this person who's repeating they don't care? No. Would you want to follow this person? No. If the organization was in trouble and this person kept saying everyone just needs to pull it together or that they needed something from you, would you do it? No.

It's these sorts of experiences that help internalize the consequences of our current behaviors and frames. It's not possible to lead people with your Lover closed off. And yet so many leaders attempt exactly that. And then they wonder why people don't back their strategy, won't follow them and complain to others about their leadership style.

At EBP, we are such a small group in the room and the faculty are so skilled, that we're able to attune to what the participant needs in that moment to grasp how other people experience them and why that is.

That's how we get a different result on Monday. There's a way in which the methodology works with exaggeration (this is what myths are too – exaggerated truths), to help participants see in extreme relief, the essence of where their Big Four may be jammed and how to release themselves. Startling experiences shift something profound. It's a vivid shock to the system and it goes far beyond what we can appreciate about ourselves cognitively. This is symbolic space where eye-opening work takes place to show us how our basic operating system may be damaging. It's not possible to have that experience and go back to how you were. You can't unlearn this type of experience.

The reason why EBP triggers such sustainable change afterward, compared with other programs, is because the transformation is anchored in rediscovering a part of you that is very fundamental but with which you'd lost contact. Once you reconnect with it, you can't forget that. You can learn a model and then put it in a binder and stick it on a shelf, but you can't rediscover some aspect of yourself you'd lost sight of and not remember this later. The experience is anchored in you.

That's what we teach at the Executive Breakthrough Program. ∎

Visit **www.ericaarielfox.com** for more about the Winning From Within® approach to self-development and leadership work. A sample chapter of the book is available on the website. There's also a resource section, where a companion bibliography explores each of the Big Four leadership archetypes in depth.

More information about the Executive Breakthrough Program and the Discovery Program is available on both the Egon Zehnder and Mobius Executive Leadership websites.

Erica Ariel Fox was interviewed by Nathalie Hourihan, Mobius Chief Knowledge Manager, acting editor of the *Mobius Strip* and founder of Wolf Knowledge Ltd.

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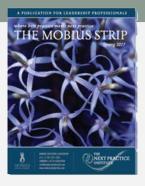
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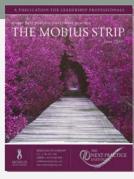To register or for more information including Intensive dates please email

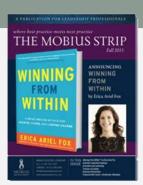ExecutiveBreakthrough@egonzehnder.com

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For additional scholarship from the October 2018 NPI track leaders, visit the archive of *Mobius Strip* magazines on our website under Thought Leadership...

Eight Principles of Transformational Change,
Robert Gass, *Mobius Strip* 2017

Evolution of the Internal Family Systems Model,
Dr. Dick Schwartz, *Mobius Strip* 2017

The Team Adaptability Advantage,
Alexander Caillet, *Mobius Strip* 2017

Understanding Team Dynamics,
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Participants in the 2018 Annual Gathering can select from one of eight tracks for the week. Each will be limited to 25 members. When registering, please select a first and a second choice. We will make every effort to accommodate your selection.

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ADVANCED COACHING AND SOMATICS TRAINING
with Jennifer Cohen

ART OF TRANSFORMATIONAL CONSULTING
with Robert Gass

WORKING WITH DIFFERENT PARTS OF THE SELF
with Dr. Richard Schwartz

CONSTELLATIONS: INTERVENING IN ORGANIZATIONAL SYSTEMS
with Paul Zonneveld and Mieke Jacobs

TEAM COACHING
with Alexander Caillet

COMPLEXITY: OUTSIDE-IN AND INSIDE-OUT
with Jennifer Garvey Berger and Zafer Achi

ADAPTIVE LEADERSHIP AND ALIGNMENT TO CHANGE
with Zander Grashow

LEADERSHIP CIRCLE PROFILE CERTIFICATION
with Shahmeen Sadiq

For more information about each track, please visit the Next Practice Institute on our website.

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NPI October 2018 Annual Gathering Keynotes

Supplementing the track learning, we host focus sessions from emerging voices in the field of personal, organizational, and societal transformation.

TUESDAY MORNING

Jill Ader
The CEO of the Future
Mobius Alliance Partner and Egon Zehnder Board Member, Jill Ader advises international organizations on CEO succession and development. Jill shares her insights into the widening CEO capability gap and examining the realities of adult development "in the corner office."

THURSDAY MORNING

Gina LaRoche
The Seven Laws of Enough
Working at the intersection of personal development and global sustainability, Gina LaRoche, along with her colleague Mobius Transformational Faculty Jennifer Cohen, recently co-authored, *The Seven Laws of Enough,* to upend our unbridled obsession with reckless consumption. Gina will share with us an alternative framework for a sustainable future.

WEDNESDAY MORNING

Marco Iansiti
The Era of Digital Ubiquity
Marco Iansiti is the David Sarnoff Professor of Business Administration at Harvard Business School, where he heads the Technology and Operations Management Unit and the Digital Initiative. Digital ubiquity is affecting every business of every size and stage, in every sector; businesses that don't fully embrace the digital transformation are at risk.

FRIDAY MORNING

Priya Parker
The Art of Gathering
Peace negotiator, innovation expert and Mobius Senior Consultant, Priya Parker shares her new book *The Art of Gathering: How We Meet and Why It Matters.* Changing the way we look at business meetings, social gatherings and conferences such as NPI, Priya breaks down the alchemy behind what ordinary (never mind extraordinary) people accomplish during remarkable occasions.

MONDAY EVENING

Thomas J. DeLong
Thriving in the Age of Anxiety

Former Harvard Business School Professor in Organizational Behavior and Mobius Senior Expert, Thomas DeLong is the author of the acclaimed *Flying Without a Net: Turn Fear of Change into Fuel for Success.* He offers practical and counterintuitive insights for helping high performers adopt the practices required to draw strength from vulnerability.

TUESDAY EVENING

Robert Kegan
Becoming a Deliberately Developmental Organization (DDO)

Renowned for his pioneering work in adult development, Harvard Professor Robert Kegan is a Mobius Senior Expert and co-author of *An Everyone Culture: Becoming a Deliberately Development Organization* with his colleague Lisa Lahey (excerpted in the *Mobius Strip* 2016, available online at our website under Thought Leadership).
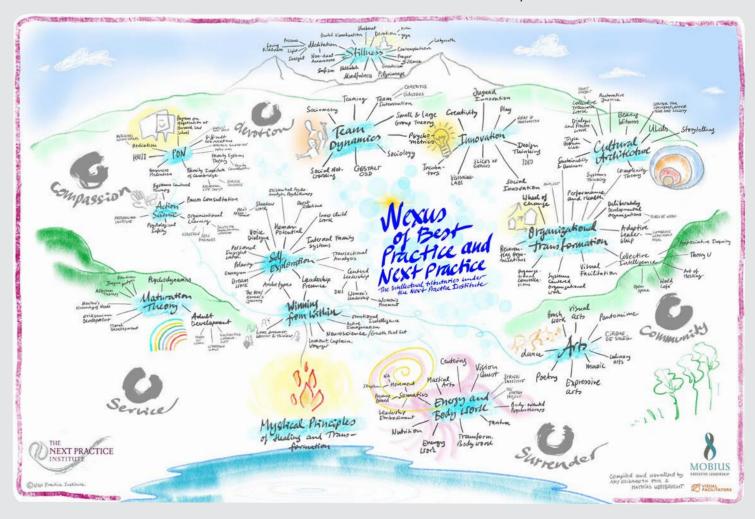
THURSDAY EVENING

George Brooks
Future of Work

Transformative global trends are changing the face of work, demanding businesses reconsider their approach to their employees, their teams and their organizations as a whole. Americas People Advisory Services Leader for EY (formerly Ernst & Young), George Brooks discusses the reinvention of the workplace and how to adapt for the coming future.

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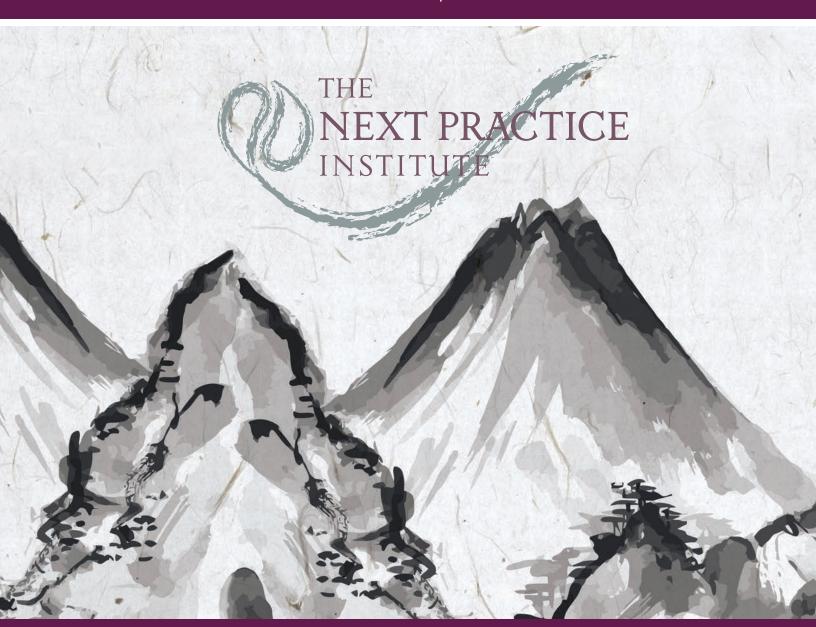## Energy Mastery Program

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This magazine has been edited by Mobius Chief Knowledge Officer, Nathalie Hourihan.