

Reflections

The SoL Journal
on Knowledge, Learning, and Change



ISTOCKPHOTOS

FEATURE ARTICLES

Growing Knowledge Together: Using Emergent Learning and EL Maps for Better Results

Marilyn Darling
Charles Parry

Conflict Alchemy: A Practical Paradigm for Conflict Solutions

David Pauker

Learning Together for Good Decision Making

Arie de Geus

EMERGING KNOWLEDGE

Developing High Potential Leaders with Strategy Cafés

Jim Myracle
Diane Oettinger

BOOK EXCERPT

Leadership Agility: Five Levels of Mastery for Anticipating and Initiating Change

Bill Joiner
Steve Josephs

RECOMMENDED READING

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C. Sherry Immediato

COLLECTIVE INTELLIGENCE HAS BECOME A CATCH PHRASE FOR social processes – such as collaboration – and cooperation that allow us to realize possibilities that would otherwise remain latent. In this issue, contributors to *Reflections* offer cases studies, research, and new methods that help us name what we know from experience, therefore improving our conscious practice in bringing out the best in each other.

How do you bring great minds together around complex challenges? SoL members Marilyn Darling and Charles Parry offer a method in our first feature “Growing Knowledge Together: Using Emergent Learning and EL Maps for Better Results.” The authors have previously developed and reported on AARs (After-Action Reviews), particularly for use in non-military settings. Their experience led them to recognize that a method was needed to help groups consciously capture learning that occurred over multiple events. Emergent Learning (EL) maps offer a simple yet powerful approach to recognize patterns and come up with more systemic solutions through capturing data or results, framing hypotheses, and articulating next steps. The “map” can then be modified following the next round of action and reflection. Judy Rodgers comments.

It is hard enough to capture collective intelligence even when we think we share a common purpose. David Pauker ups the ante in “Conflict Alchemy: A Practical Paradigm for Conflict Solutions.” We can say with some certainty that the emotions stimulated by conflict do not tend to produce a high degree of collective intelligence. Pauker uses a real case to illustrate a practical method in contrast to our instinctive “fight or flight” response. Since conflict is at its essence emotional and relational, the method focuses on “containment” – creating a space for all emotions and viewpoints to be held so that new possibilities can emerge.

In our third feature article, “Learning Together for Good Decision Making,” SoL elder Arie de Geus challenges us to equate organizational learning with decision-making. He focuses in particular on how we mobilize all those needed for a successful result, particularly in non-routine circumstances when new solutions are needed for new situations. A more holistic definition of decision-making begins with recognizing that we’re in a new situation. It continues through idea generation, analysis, choice, and implementation. How do we get better at decision making and learning? By creating low-risk environments to experiment together. De Geus uses examples to illustrate that if we develop the habits of inquisitiveness and creativity (or playfulness) and use them to respond to a challenge that has no consequences, we are more likely to call on them in real situations that normally provoke fear and result in mediocre decisions.

More organizations seem to be exploring how cohorts of new leaders can be developed rather than thinking in terms of individual high potential leaders. In this issue’s contribution to the Emerging Knowledge Forum, SoL members Jim Miracle and Diane Oettinger describe a particular method using the World Café process. “Developing High Potential Leaders with Strategy Cafes” documents in detail a process for gathering cohorts of managers to discuss their organization’s future, and to work together on a few well-defined projects with likely strategic impact. Participants become familiar with an important process, produce results for their organizations not likely to be achieved through other initiatives, and create a new web of intelligence within their enterprises.

In this issue's book excerpt from *Leadership Agility*, authors Bill Joiner and Steve Josephs offer a developmental view of leadership for collective intelligence in a world of change and complexity. The findings of their extensive research complement those previously reported elsewhere with a useful refinement. As you might expect, those individuals, teams, and organizations that continue to be successful in tumultuous circumstances are good at taking cues from their environment, and in working effectively with other stakeholders. In addition, the authors highlight "creative" agility as critical to success. This ability to bring (or stimulate) fresh thinking in a life or death situation is the high leverage version of making lemonade when life gives you lemons. Their "Five Levels of Leadership Agility" should prompt an interesting conversation among readers about how leaders' behavior is interdependent with the field in which they are acting.

In addition, we've included brief summaries of the following recently published articles and books. Please see Recommended Reading at the close of this issue for the full list.

"Collaborating for Systemic Change" by Peter M. Senge, Benyamin B. Lichtenstein, Katrin Kaeufer, Hilary Bradbury, John S. Carroll in the *Sloan Management Review*, Winter 2007, pp. 44-53 (Reprint # 48211)

"In Praise of the Incomplete Leader" by Deborah Ancona, Thomas W. Malone, Wanda J. Orlikowski, Peter M. Senge in the *Harvard Business Review*, February 2007 (Reprint R0702E)

Theory U: Leading from the Future as it Emerges by C. Otto Scharmer (SoL, 2007)

Inside Out: Stories and Method for Generating Collective Will to Create the Future We Want by Tracy Huston (SoL, 2007)

A Leader's Guide to Reflective Practice by Judy Brown (Trafford Publishing, 2006)

The Change Handbook: The Definitive Resource on Today's Best Methods for Engaging Whole Systems, 2nd Edition by Peggy Holman, Tom Devane, Steven Cady (Berrett-Koehler Publishers, 2007)

Leadership is Global: Co-creating a Humane and Sustainable World, edited by Walter Link, Thais Corral and Mark Gerzon, including contributions from SoL members Adam Kahane and Alain Gauthier. (The Global Leadership Network, 2006)

The Real Wealth of Nations: Creating a Caring Economics by Riane Eisler (Berrett-Koehler Publishers, April 2007)



C. Sherry Immediato
Managing Director, SoL

INVIGORATING LEARNING

PHIL RAMSEY'S ATTEMPT TO CLOSE THE GAP BETWEEN "HOW WE *THINK* OUR ORGANIZATIONS work and how they actually do work" in "Teaching Organizational Learning: Permission to Exhale" (*Reflections* 7.4) by allowing his students to experience his own classroom as a learning organization does feel "fantastic and invigorating" to me. His experiment challenges some of the values deeply ingrained in the established educational system and addresses probably one of the biggest gaps of management education and leadership development. The barriers to learning that surface in his classroom are those that are imminent in many organizations: the experts, the boss, the formal structure, the physical settings, and the meeting agenda, to name just a few. How can one expect leaders in organizations to promote dialogue, tap into collective intelligence, work effectively together, provide constructive feedback, and tell the truth when all they experienced in the classroom is one or at best two way communication (student-teacher) and discouraged from really talking to one another due to competition or fully engaging in the process of learning?

Management education can benefit from the unconventional approach Ramsey depicts. While all educators aim to create an outstanding learning experience for their students, seldom do collaboration and teamwork win over competition and individual accomplishments. This is a significant challenge not many can readily undertake. It forces everyone involved to examine the assumptions and values taken for granted in educational institutions and systems. I concur with Ramsey that the challenge is definitely worth the effort and the risk as it contributes to develop a new and different generation of leaders.

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Growing Knowledge Together: Using Emergent Learning and EL Maps for Better Results

Marilyn Darling and Charles Parry



Marilyn Darling



Charles Parry

We were working with a senior executive many years ago who was keen to turn his large staff organization into a learning organization. We often sat in on his team meetings. Whenever he could, he would invite a leader from another part of the company to come and present a talk to his team about how they had become a learning organization. The presentations were impressive. Each leader had chosen a different path and created innovative ways to foster a learning culture. When each speaker completed his or her PowerPoint presentation, it was met with a round of applause and compliments from everyone in attendance. The presenter would stride out a few inches taller.

What invariably followed was a series of carefully worded comments directed at the executive. They were generally positive, but at the same time they included a subtle observation about how different that organization was, or about the barriers his staff organization faced that the other organization did not. These comments, by the way, were all accurate – each organization was in fact quite different. One was a greenfield manufacturing plant; our executive’s organization was a staff function. Another was a small team in Europe; our executive’s team lived at the corporate headquarters in the U.S.

What became abundantly clear to us was not that our executive’s team had nothing to learn from these presenters, nor that they could not become a learning organization. Rather, the way that we go about sharing knowledge is flawed. The speakers came with prepared PowerPoint presentations they had spoken to many times before. There was no easy way to know in advance what was important to our executive’s team, and there was no structure for holding a useful exchange of ideas about what it would take for this staff organization to learn from their example. The kind of interaction this team needed to have was more collaborative: “What prompted you to take this on? Did you stumble along the way? How did you pick yourselves up and keep going? Let us tell you what we’ve tried and maybe you can help us think about why it hasn’t stuck so far.”

That set of meetings was the genesis of emergent learning and EL Maps.¹ Our executive could have been seeking any big change: to make his organization lean, green, innovative, a center of excellence, etc. The more we explored how people tackle complex challenges and goals together, the more we realized that there was a big missing piece: How do we learn when the textbook can’t be written fast enough? What does it honestly take to learn from our own work? From the successes and failures of our peers? How do we notice a lesson ready to be learned and make sure that we actually learn it? We coined the term “emergent learning” to describe this process, and conceived EL Maps as a way to create both the space and the structure to allow two or more teams to have a more collaborative learning conversation;

the metric being that each team could actually do something based on what they learned and reasonably expect to produce a better result.

In this article, we will look at a series of situations like this one where teams need to learn about complex challenges from and with each other. We will look at what we typically do – like these PowerPoint-laden sessions – that makes it difficult to actually learn, and talk about how EL Maps offer a way to grow knowledge together.

Triggers for Learning Conversations

Whether we work in the public, private or nonprofit sector, we all encounter circumstances that call for bringing people together and trying to learn our way through an important challenge or a wildly new situation. In a constantly changing environment, closed-door planning by a few people is not enough to ensure success. Some of the most common triggers include:

- Preparing a broad response to a crisis or emergency
- Preparing for a major discontinuity on the horizon
- Learning across teams, organizations or communities tackling similar challenges
- Seeking fundamental solutions to an intractable problem
- Creating a cultural transformation

Emergency Response

How can we ensure that everyone is prepared to respond effectively and in concert to a major crisis situation?

Natural disaster and political turmoil are on everyone's radar screen today. Any situation that calls for so many people to act relatively immediately and independently reveals the community's level of readiness to respond.

So it came to be that Hurricane Katrina offered such vivid lessons about the importance of preparing for disaster and coordinating response among a complex web of organizations and individuals. But how do those lessons actually get "learned" such that next time will be different? The challenge is that neither the nature nor the timing of the next crisis can be predicted. Katrina prompted an across-the-board increase in emergency preparedness activities, including many large "what if" scenarios and planning events.

Major Discontinuities on the Horizon

What will it take to ensure that we continue to succeed in the face of a major external change? How can we use this change to help us gain momentum rather than lose it?

Any organization facing a major and complex discontinuity may call for collective learning; major demographic shifts; the need to merge two organizations after an acquisition; the anticipated entrance of a powerful new competitor; new legislation like the introduction of Sarbanes-Oxley. Web 2.0 could turn the way we do our work literally upside down.

What will it take to preserve the wisdom of a generation and reinforce critical social networks? How will a whole new generation of workers approach their work differently?

The impending wave of baby boomer retirements is a case in point. It is prompting much hand-wringing as important knowledge about how to do the work prepares to walk out the door. Well-established networks are threatened with disintegration. Complicating this picture is the fact that the next generation, wanting to make its own mark, may not see the wisdom of their elders as especially relevant . . . until a situation arises and a critical question can't be answered.



Tackling Similar Challenges

How can we learn from each other so that we raise the level of our performance across all regions? What will it take to achieve a challenging new goal in different cultures and circumstances?

Corporations aim to manage performance against key metrics (profit, quality, safety, customer satisfaction) across manufacturing plants, regions or business units. Government contractors manage many large and expensive programs simultaneously. Large nonprofits aim to serve their mission in a wide range of regions and communities. Any of these organizations may face wide and frustratingly unexplainable variations in performance across regions, operating units, programs, projects, sectors or communities and seek to understand why.

Our executive who aimed to create a learning organization is a variation on this situation. The traditional “capture and replicate best practices” model pits the star performers against the “problem children.” The executive was sending the implicit message that his team was not as good as the best practice learning organizations he invited in to speak. It’s natural that his team would seek to protect their sense of themselves by looking for ways in which they were different from the other organization. The tragedy is that, used well, difference can be a powerful source of learning. (More on that later...)

Solving an Intractable Problem

What would it take to make a fundamental shift in the dynamics underlying this problem?

Occasionally a leader comes along who refuses to believe that a longstanding, complex problem is unsolvable. This is the essence of work in the nonprofit sector, which often brings

people together to try to learn together from each others' experience. They might be tackling anything from fresh drinking water in Africa to rural poverty in America; to huge social issues like AIDS or hunger. In the private sector, a visionary leader may decide to take on pernicious structural issues that are driving down quality or creating a rift between a company and its customers.

These leaders could start by bringing in an expert to shape the solution. But what if the experience of many hands, hearts and minds doing the work could first come together and think through what they have learned so far and what their real burning questions are? Waiting to bring in an expert until after this conversation happens would raise the quality of the request and the quality of the idea exchange between people doing the work and the expert they collectively hired to help them.

Creating a Cultural Transformation

What will it take to fundamentally change the culture and work habits of our organization?

Nearly every organization is in some phase of creating a cultural change – promoting diversity, adopting environmentally-friendly policies, cultivating innovation or lean thinking. Traditional change management programs start at the top and cascade down. Practitioners have learned a lot about how to manage resistance to change. But what if the real problem is that people don't like to be told to implement something they had no part in creating, don't think will work, and will take them away from important work priorities? Forward-looking organizational leaders often bring together a broad group of stakeholders to launch an effort or reinvigorate a flagging change program.



All of these situations have in common that there are no easy or permanently “right” solutions. They require many people to take *thoughtful* action independently. Replicating one solution won't work in a diverse set of cultures. Closed-door planning won't lead to the kind of thoughtful action called for. Like our executive's meetings, these large gatherings can easily become overburdened with PowerPoint presentations of success stories or expert solutions.

Getting everyone to the table who will have their hands, hearts, and minds on these kinds of problems and getting their thinking into the “bones” of the solution produces at least three major benefits: 1) it generates more robust solutions that take into account a range of situations; 2) it creates more ownership for the solution rather than imposing it; and 3) it sets the stage for learning and adaptation at every level of implementation.

This kind of collective learning is especially challenging. The circumstances that call for it are typically complicated and dynamic. The complexity of learning collectively from experience – growing knowledge – increases as more people or organizations are involved in the learning process. Without a structure to promote dialogue, advocacy can disable listening. Lastly, it can seem daunting to build effective feedback loops into implementation.

EL Maps

EL Maps were once described by a user as a “blank canvas” on which learning can take place. Each map starts with a “Framing Question” to focus the conversation. An EL Map is built around a simple timeline [see Figure 1]: everything to the left of center refers to the past

and everything to the right of center refers to the future; everything below the line refers to facts and concrete events, while everything above the line refers to our thinking about those events. The vertical line gives equal weight to past and future, which helps groups avoid getting stuck in painful “post-mortem” analyses of the past. The horizontal line evokes a distinction between the world of experience and our thinking about it, which helps groups develop their skills in balancing inquiry and advocacy.²

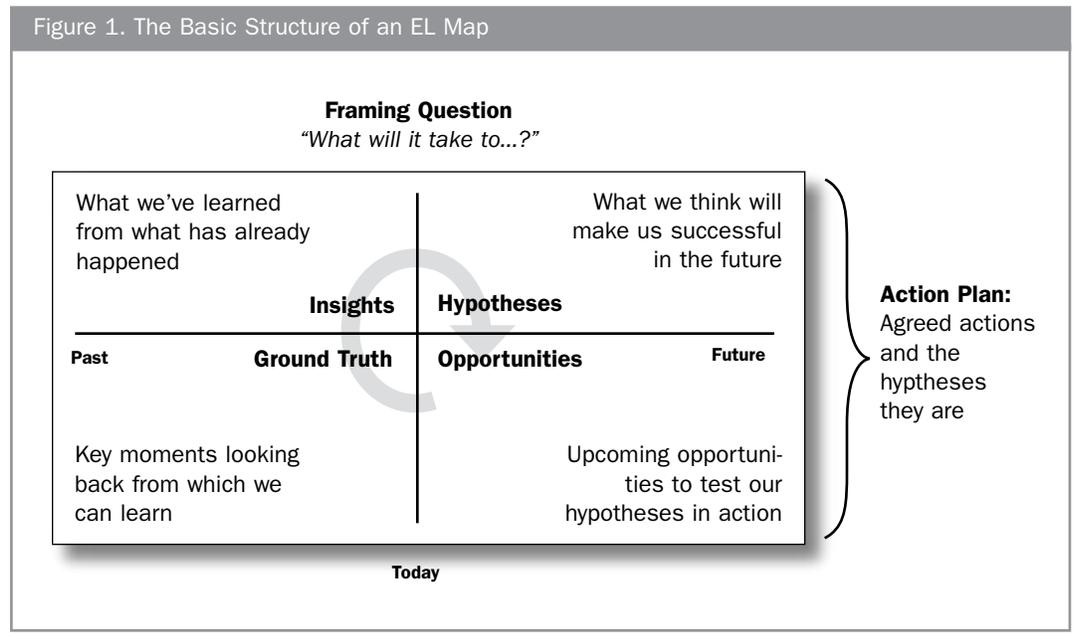
This creates a map with four quadrants. To read clockwise from the lower right quadrant:

- 1) A group starts by having in mind one or more concrete events that are going to happen in the near future related to their framing question;
- 2) They look back at similar events that have happened in the past;
- 3) They reflect on insights gained from those events about what caused past results;
- 4) They formulate hypotheses (a shared theory of success) about what will make the events coming up successful;
- 5) Finally, they match hypotheses with upcoming events to create more robust and testable action plans.

The same process can be used to circle back around as today’s opportunities turn into tomorrow’s ground truth.

A community seeking to improve its ability to respond to emergencies could bring together first responders, hospitals, local governments and neighborhood organizers to look back at several past emergency response situations – their own and others – to see if there are commonalities or differences that would point to better ways to prepare for and respond to future emergencies.

An organizational leader seeking to create a fundamental cultural change could bring together a cross-section of the organization to reflect on what has happened (successful and not) in past change efforts, or to look over the history of the corporation for defining moments when the culture has shifted and reflect on what they can learn from those moments.

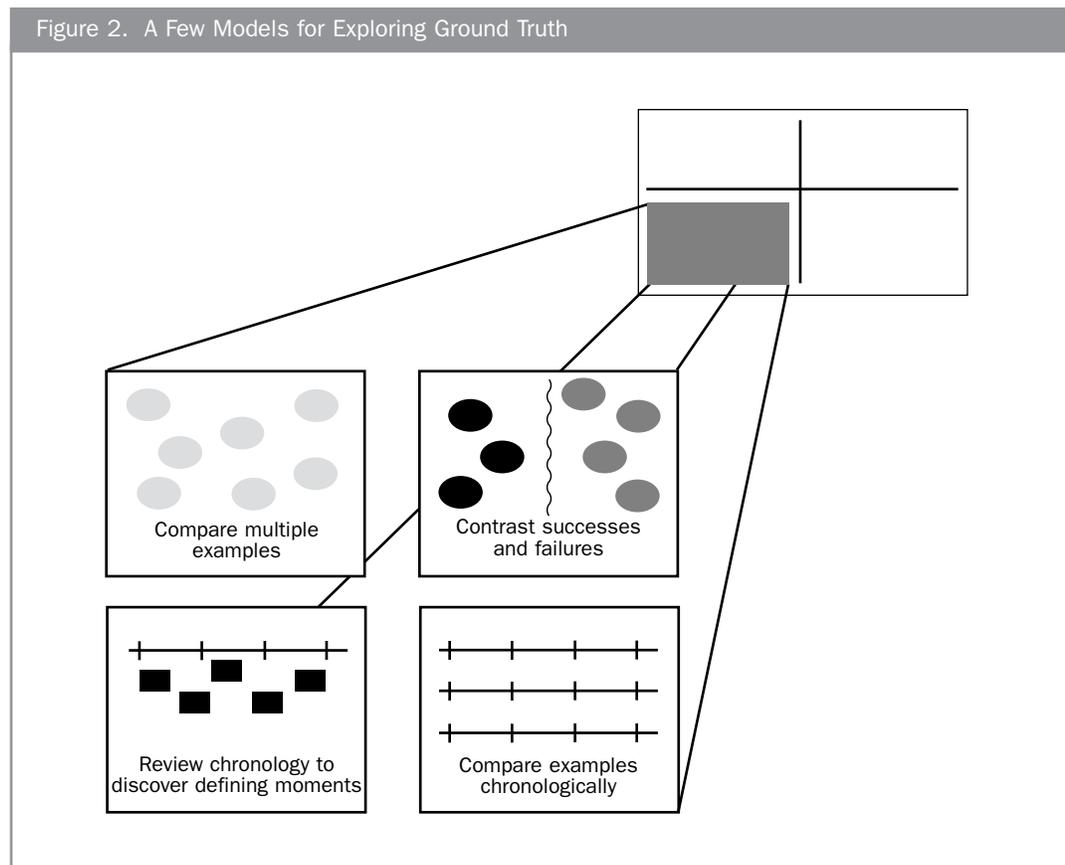


An operational leader wishing to preserve the knowledge of a retiring generation might identify a mission-critical scenario and bring a cross-generational group together to have a conversation about their experiences in similar situations in the past. This structured conversation would surface important questions and fuel knowledge sharing around what will matter most to future success.

Finally, our executive's team could invite a few peers who were involved in creating the best practice learning organizations to tell the story of how and why they started along this path and engage in a dialogue about what bumps they experienced and what the executive's team might anticipate if they commit to a similar effort.³

A Blank Canvas

EL Maps are a blank canvas in the sense that groups can craft the conversation in any one quadrant, or even the sequence of working through a map, to fit the situation. The "Ground Truth" can be organized for reflection in a number of ways. For example, some maps compare a cluster of examples to search for similarities and differences. Other maps look at one or a handful of examples along a chronological timeline to seek out defining moments that contributed to their ultimate result. [See Figure 2.] There are likewise many ways to generate insights. Tools like the Five Whys or Causal Loop diagrams, or approaches like World Café, can all be used within the Insight quadrant of an EL Map.



A few more examples illustrate the versatility of EL Maps:

- They have been used by a global company to compare regional Supply Chain Management implementations, in order to tease out the most important lessons to apply to future implementations in other regions.
- They have been used by a large county to convene the mayors, schools, hospitals, community activists and other stakeholders from three cities within the county to think about what it would take to create a county-wide health initiative, using everyone's collective past experience as a guide to think through what works and what doesn't to create sustainable change in their community.
- They have been used as an application exercise as part of a leadership development program to help participants select and consciously test out principles from the program in real work between sessions and bring insights back to the next session.

One EL Map session was called for by an information systems team that was dead tired of six-year projects where every decision demanded total consensus among all key stakeholders. They took a chance and did one project on their own without asking for permission. What normally took six years took only six months. They asked for an EL Map session essentially to create a case for why they should switch to the new model.

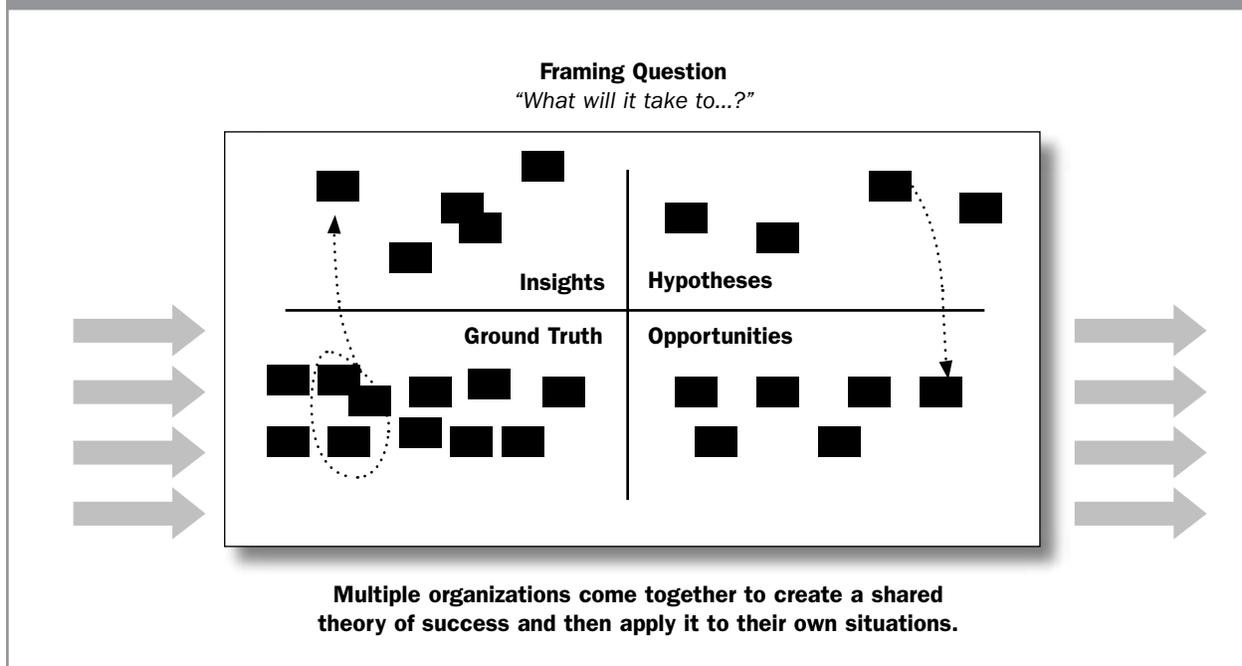
First, the team reflected on their original outcomes and measures of success for two projects. Using a chronological timeline, they compared the six-month project with a recently completed six-year project by laying them out in the Ground Truth quadrant and comparing what had happened, phase by phase. While the six month project was obviously shorter and less expensive, what they discovered was that neither project had produced the kind of outcome – in terms of user acceptance – they aimed for. While the long project had arrived too late to be of great value, the six-month project had no buy-in from its customers. Further reflection led them to the insight that there were times when consensus was important, and times when it was a wasted extra step. Rather than creating a rationale for throwing out the traditional consensus model in favor of a “just do it and apologize later” model, they came away with a more adaptive theory of success, a renewed commitment to clarify outcomes in advance, and a plan to track their results more rigorously in future projects.

Think Globally, Act Locally

EL Maps make it possible for a group of organizations or communities to come together to share thinking, while still independently owning the decision about which actions to take. [See Figure 3.] This distinguishes the process from the manufacturing mindset common a few years ago that an organization could identify one best practice and replicate it, without regard to local ownership and differences in local environments. Because each participating group will create its own action plan, there is less pressure to come to a consensus about the one “right” solution or hypothesis that everyone is going to implement. This frees up the group to stay with the inquiry and not shift into advocating for favored solutions.

It also frees them up to explore difference. In rapidly changing environments, our common tendency is to explain away unusual situations or unexpected outcomes rather than learn from them. EL Maps facilitate comparison across different situations to seek out what is the same and what is different, in order to produce a theory of success that can withstand different situations and cultures. In fact any story that is substantially different, either because the

Figure 3. Using Framing Questions



situation was unusual or the results were different, becomes a valuable resource to test out the prevailing wisdom to see if it holds up in this unusual situation or if it needs to be refined.

Grantmakers for Effective Organizations (GEO) recently convened a collection of nine foundations, large and small, local and global in scope, to ask the question, "What does it take to sustain seasoned nonprofit leaders?" Hard-working and typically under-funded, these leaders often became involved in this work because of their passion for a cause. But as executive directors of their organizations, the time they have to devote to their cause is squeezed by administrative responsibilities. Years of work in this arena can cause severe burnout.

The stories the foundations shared involved a number of different kinds of programs to support nonprofit leaders (sabbaticals, fellowships, leadership development), but because they all came to address the same framing question, lessons could be drawn from different kinds of programs being provided in very different situations. As one participant observed, "Initially I only wanted to talk with people doing sabbatical programs. As it turned out, I learned most from the person who has no sabbatical program." No one program was held out as the best practice, even though some foundations had modeled their own program on others in the room. Everyone had something to share and everyone had something to learn.

Localness is a core principle of emergent learning⁴. The people who should participate in an EL Map session are the people doing the work; the Framing Question should be one they themselves care about, not what an external convener cares about. For instance, if GEO had convened the same group of foundations but had asked them "*How can GEO more effectively support your work?*" this would violate the localness principle. The only participants who would walk away with a hypothesis to test would be the conveners.

A Journey, Not a Single Event

As the project team aiming to adopt a six-month “apologize later” approach to project management learned, in a complex situation, the first solution a group of people comes to is probably incomplete. Unlike traditional planning processes, EL Maps are designed to help everyone keep in mind that the ideas they walk out with are *hypotheses* that need to be tested and refined. And unlike traditional knowledge management practices that capture the story of a big success or failure and disseminate the “lessons learned,” in emergent learning, the lesson is not *learned* until a team goes out and tries out its thinking and actually improves its results.

Unlike the traditional “capture and disseminate” model, therefore, the first and best customer for an EL Map is the team itself. If they can come back and report a significant improvement, then a real lesson may be ready to be disseminated. If not, the team can refine its hypothesis based on new data and try again. The payoff to the team is not only improved results, but validation that taking the time to build learning into implementation is worth the effort.

Thought of in this way, an EL Map is not an event but a punctuation point in a paragraph. It sets the stage for learning experiments around big challenges. The Framing Question is not just in service of a single meeting. It reflects a learning priority that will continue; something the team or community needs to focus on over time.

As we described triggers for collective learning efforts, we started each one with a framing question. To keep the learning conversation positive, action-oriented and forward-focused (versus retrospective, analytical and fault-finding), a framing question starts with “*What would it take to...?*” or “*How can we...?*” *Effective framing questions are simple and avoid assuming a solution.* “*What will it take to succeed in creating this desired change?*” is a more powerful question than “*How can we get buy-in for XYZ change model?*” More powerful yet: “*What will it take to create our desired change in such a way as to guarantee that things will not return to the way they were?*”

Sharing Lessons Learned

Once a lesson *has* been learned, EL Maps offer a good transitional device for sharing emerging knowledge. The very structure of the map offers a script for telling the learning story. In essence:

- The situation and challenge we faced was: [describe what led to the need to learn together]
- Therefore, the Framing Question we asked was:
- What we have learned so far is: [describe key insights from successes and failures]
- Based on this, our current hypothesis about what it will take to succeed is:
- Opportunities to apply and further test this hypothesis are: [describe situations to which this might apply³]
- Our own plan to continue to test this hypothesis includes: [describe the team’s action plan based on its own upcoming opportunities]

Thinking back to our executive who wanted to create a learning organization, the presentations his team heard focused on the final result of a single success—the artifact that was

Unburdening Local Learning

In Emergent Learning, the first customer for what is being learned should be the people having the conversation. If they become convinced that taking time to gather and apply what they are learning actually improves their results, they will insist on doing it. But the process must be fit for purpose—it cannot be burdened by unnecessary restrictions or expectations. We err when we insist on waiting for something that delays the process: availability of an external facilitator, more data, 100% participation. We err when we insist that each learning conversation be captured for dissemination. We don't argue that these are not good things to strive for, but that getting the learning habit embedded in a group's work process is a higher priority.

Therefore, we urge readers to use EL Maps for their highest and best purpose: to bring together people to launch a learning effort, to break through a stubborn challenge, or periodically to track what a whole community is learning in its own work. It should be paired with local learning practices [see Figure 4]. Our favorite method for local learning is the Before and After Action Review.⁸

As Figure 4 illustrates, the local team's learning cycle is the heart – literally the heartbeat – of a learning culture. It should not be burdened with having to serve the institution by 1) focusing on questions beyond their own scope of responsibility; or 2) being asked to stop and capture and disseminate lessons for the benefit of others. Yet the lessons learned that a team produces can feed into, and be fed by, the institution's larger learning and knowledge processes.

The EL Map is a trademarked tool of Signet Research & Consulting, LLC. Readers are encouraged to experiment with EL Maps, provided that Signet's trademark is acknowledged by adding a note on each map that says: "EL Maps are used by permission of Signet Research & Consulting, LLC. www.signetconsulting.com."

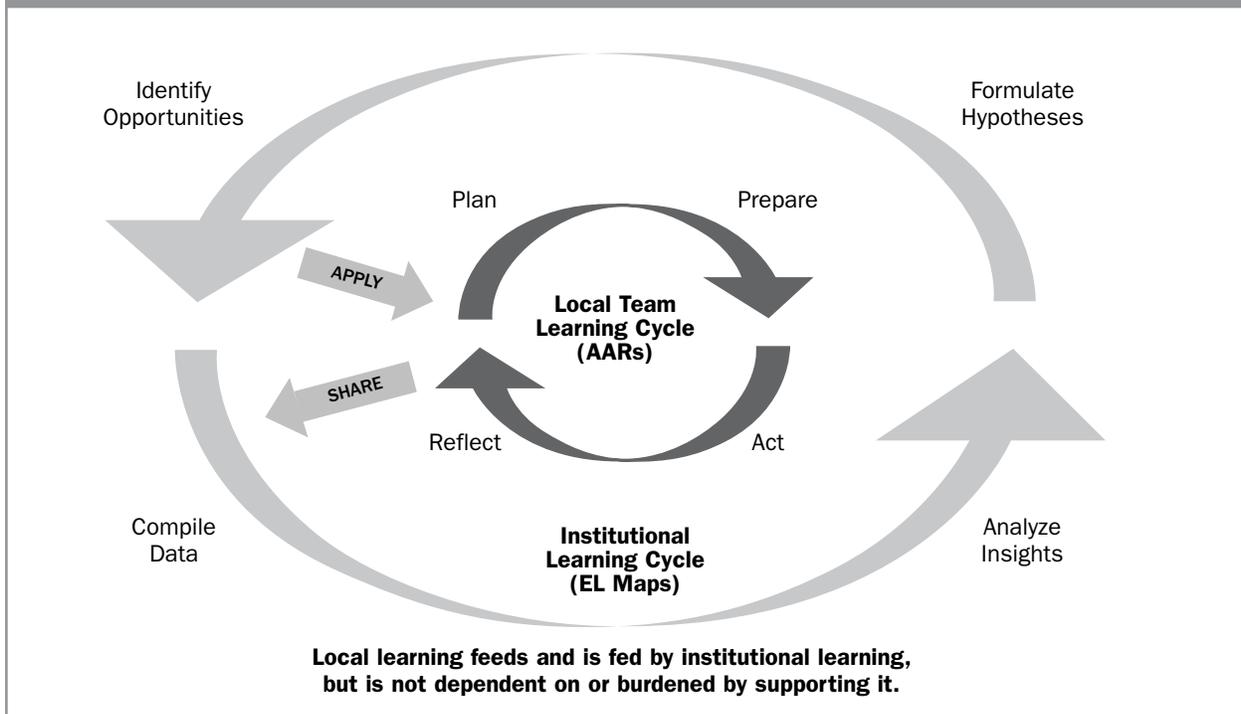
created in a particular situation. The implicit message is that this is a complete and replicable solution. In a complex environment, it is not. The difference between this kind of story and an emergent learning story is that the latter is the story of the journey, not just the result. It also compares multiple situations, rather than talking about one big success.

Note also that an emergent learning story offers the opportunity to acknowledge "failure" by talking about what we learned from it that will make us more successful in the future. It demonstrates what one of our colleagues refers to as "the humility of the craftsman before the task."⁶ We believe that sharing this kind of learning-from-mistakes story is one of the key actions a leader can take to begin to shift the culture toward a true learning culture.

Keeping learning in the forefront is, indeed, a leadership act. No one meeting will produce a sustainable capacity to create the future we envision. A parade of PowerPoint presentations or a library of "lessons learned" will not transform our executive's organization into a learning organization. "In a fast-changing environment, the capacity to learn lessons is more valuable than any individual lesson learned."⁷ EL Maps provide a forum to bring great minds together around complex challenges. They create ownership for shared solutions, and set the stage for learning through implementation.

But it is this sustained focus on learning around important Framing Questions that ultimately creates a learning culture. At its essence, emergent learning is the scientific method paired with good organizational learning practices. As Arie de Geus, author of *The Living Company*, commented, "EL Maps are more than a tool. They are a blueprint for how living systems learn, and reflect recent research findings in neurobiology and cognitive science."

Figure 4. Local and Institutional Learning Cycles



Adapted from Larry Karasevich, ExxonMobil Corporation

ABOUT THE AUTHORS

Marilyn Darling founded Signet in 1989. Over the last ten years, she has partnered with Charles Parry to conduct research on the learning and leadership practices of highly effective organizations, translating their findings into the principles and tools of Emergent Learning and EL Maps™. Marilyn is a founding member of SoL.

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Charles Parry has engaged in translating the mental models and strategies of top performers into pathways for rapid skill development since 1986. Today, with Marilyn and four other partners, Charles helps leaders embed team learning strategies into the everyday fabric of their organizations. Charles is a consulting member of SoL.

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Endnotes

- 1 This does not mean that the convener's question is not worth asking. The convener's staff could ask for feedback from its members and use this as the ground truth data for its own EL Map. But when facing a complex challenge with lots of moving parts, creating nested framing questions and holding a series of smaller EL Map sessions keeps everyone engaged in learning about what matters most to them. It reinforces personal accountability and sets the stage for learning and adaptation at every level. [See sidebar: "Unburdening local learning."]
- 2 Readers who are familiar with the Ladder of Inference can use an EL Map to reinforce this idea.
- 3 For readers familiar with the Peer Assist process, this is essentially a Peer Assist using an EL Map to guide the interaction.

- 4 Darling and Parry, "Emergent Learning: Taking 'Learning from Experience' to a New Level," *The Systems Thinker*, May 1999.
- 5 Three natural audiences might be: 1) groups facing a similar challenge; 2) groups who have experienced a similar "failed" result; and 3) groups about to step into a similar kind of event or situation.
- 6 Stephen Danckert, reported by Darling and Parry in "From Post-Mortem to Living Practice: An in-depth study of the evolution of the After Action Review."
- 7 Darling, Parry and Moore, "Learning in the Thick of It," *Harvard Business Review*, July-August 2005.
- 8 Ibid

Thanks to David Flanigan for contributing to this article.

Commentary

By Judy Rodgers



Judy Rodgers

One way to look at organizations is as networks of conversations. Embedded in the “memory tracks” of these networks are the beliefs of the organization, and the requests, offers, and promises that have defined the contours of the organization’s evolution over time. I have always felt that one of the most important leadership acts is to engage the attention of this network of people in the ideas and concerns that are most important to the long term health and learning of the organization. EL Maps are an outstanding way to do that.

Marilyn Darling and Charles Parry have laid out some of the rationale for the EL Maps: they concern themselves with what is local; they represent a journey – not a single event; and they serve as a blank canvas for the creative act of generating conversations for learning. For these reasons, these simple and elegant maps are a valuable instrument to anyone who is trying to keep the dynamic of learning at the heart of an organization.

A question I have about the EL Map has to do with the “blank canvas” metaphor. A blank canvas is literally a space on which anything can happen, but the authors have suggested that the simple framework of the EL Map encourages a certain kind of conversation, a certain sequence of conversations, to happen, and that those particular conversations help an organization to sustain a culture of learning. What isn’t so obvious is that there are certain kinds of tacit knowl-

edge that Marilyn and Charles and their clients who have worked with EL Maps have developed that allow them to be successful with the instrument. For those new to EL Maps, it may be important to consider some of these areas of tacit knowledge.

One is the decision about who should be at the table. The authors say that “Localness is a core principle of Emergent Learning.¹ The people who should participate in an EL Map session are the people doing the work.” However, in the actual decision making about who to convene, I wonder if there aren’t key stakeholders – customers, suppliers, key contacts, partners inside and outside the organization – whose insights and input in the meetings are critical. I suspect that those who are familiar with emergent learning, would instinctively sense whose input would be vital to emergent learning.

The second, and I think larger, issue is that of the framing question. The guidance Darling and Parry offer is that the framing question should be one that the conveners themselves care about; that it reflects a learning priority over time; that it’s positive, action oriented, and forward focused. They say, “framing questions are simple and avoid assuming a solution.” Even with all of these useful pointers, it seems that creating a framing question is something of an art, confounding a list of “tips.”

Though my experience with EL Maps is limited, I suspect that the most powerful EL

1 Darling and Parry, “Emergent Learning: Taking ‘Learning from Experience’ to a New Level,” *The Systems Thinker*, May 1999.

Map sessions would be those that position themselves at the heart of an area of strategic significance for the company. I also wonder if being positive is enough? Are there some EL Map sessions that reach beyond the positive to the aspirational and inspirational – to the framing of a domain of possibilities that raises the level of engagement and quickens the pulse of the group in the conversation?

My sense is that the full potential of EL Maps is still waiting to be tapped. The simple framework of past/present and action/reflection is brilliant, and still it is up to those using the instrument to bring it fully to life. It may be that instead of a blank canvas, the EL Map is the process equivalent of a Stradivarius, a remarkable instrument that will reach its full potential in the hands of a gifted practitioner. If so, what we need now is the more subtle guidance as to the secrets of genius in “playing” the EL Maps.

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Conflict Alchemy: A Practical Paradigm for Conflict Solutions

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David B. Pauker

Five studio executives voted to fire the uncooperative director of an over-budget Hollywood motion picture in danger of not being delivered on schedule or budget. I was the sixth person in the room, with direct responsibility for completing the picture on time and within budget. I voted to retain the director, even though there would be penalties of several million dollars if the film were late or of unacceptable quality.

My experience was that, if managed correctly, the turmoil of conflict could be a catalyst to produce inventive solutions that could improve the film. I also knew interpersonal conflict is always tricky within the normal drama that results from lack of money and time on the one hand and the needs of creative vision on the other. There were other considerations as well, and I presented my reasons to the others in the room. The director was not fired. That was not the end of this story, however, or of its conflicts.

As the drama with the director developed, this engagement became an object lesson for the important differences between simply managing and really solving conflict. Managing conflict merely controls the tensions. Genuinely solving conflict generates good will and an opening to harvest valuable benefits that exist beneath the surface of many conflicts – including new information, creative solutions, and seeds for new opportunities. Conflict’s frictions can catalyze progress – just as friction vibrates the strings of a violin to make music, and friction of braking generates electricity to propel a hybrid automobile forward.¹

The result of this and other experiences is a paradigm for solving conflict and harvesting its hidden values. This is a system that works whether the facilitator is a neutral third-party or a participant in the conflict, and whether the basis is business, politics, social, personal, or of other origin. It is a system easy to learn, though its components, like muscles, are best utilized when exercised daily to develop healthier relationships, establish environments that decrease the number and severity of conflicts, and build shortcuts for reaching solutions that do develop. Beneficially solving conflict can, in this way, become a natural part of life, as natural as breathing.

Seven Conflict Truths

There are seven important truths about conflict:

1. *Conflict is about “no.”* People in conflict are saying, “no,” or feel “no” is confronting them. They are in disharmony and separation – with others, with situations, with themselves, or with some combination of two or all three of those. At the root, people in conflict are saying “no” to themselves about something.

Conflict is a source of progress and profits – we need not be its victims.

2. *Conflict is primarily an internal process that has external manifestation.* The roots of conflict, and the majority of turmoil, are internalized and hidden within the individuals involved. With groups of all sizes, the group collective, factions within the group, and persons in the group each have their own process that must receive attention. This is not therapy, and can be done relatively quickly for the purpose of solving conflict.

3. *The issue on the table must be acknowledged.* Addressing it will provide some relief, but not a solution. Additional issues may be masked, and the issue manifesting is rarely the authentic problem. In other words, in business conflicts it is rarely only about the money, but dealing with the money helps.

4. *There is a difference between “real-needs” and apparent needs.* Real-needs, important to solving conflict, are commonly hidden below a party’s own awareness – beneath egos, agendas, justifications, fears, and other obstacles. People in conflict, and those trying to help them resolve it, commonly focus on apparent needs and interests.

5. *Positions are not intellectual – they have an emotional and visceral binding.* At every subjective level, an emotion protects an underlying belief, with several of these layers likely to be present in each party. Emotions run the spectrum – anger, fear, and righteousness are particularly popular.

6. *It is not possible to effectively work with conflict from the mind.* The mind inherently creates separation. Its nature is self-identity (ego) and duality. One proclivity, for example, is to develop differentiation by naming and judging what it perceives as otherness.

7. *Real conflict solutions come from the heart.* The nature of the heart is acceptance and connection. This is not a strange or new notion – even in business, those with the best employee relations are perceived as caring, nourishing and supportive.

Traditional conflict resolution methodologies are too often focused on just “dealing” with the conflict.

Traditional conflict resolution methodologies are too often focused on just “dealing” with the conflict. “Dealing” with something, however, is an attempt to make it go away while maintaining a safe distance. This is very desirable when solving the problem of a too friendly skunk. But, commonly, there are opportunities within conflicts that must be nurtured, and that requires real solution.

Merely moderating tensions with first-aid methodologies also may create more problems than it solves, and can often be more time consuming and difficult than actually solving the conflict. Participants may leave feeling manipulated. Underlying issues may flare up at a later time. Deep-seated tensions may become a cancer that sours good will and beginnings of trust, and makes future discussions exponentially more difficult.

Experiences resolving conflicts and crises prove really solving conflict, as opposed to merely ameliorating tension, can generate agreements that are more successful, improve relationships, increase cooperation, and help better actualize vision. This is true whatever the location, stakes, and nature of the conflict.

The setting here is around business. This true story is about conflict involving business in Hollywood where large sums were at risk. The system described, however, works with all natures of conflicts – including those of long standing with deep animosity, and those that have recently flared. It is effective with groups of all sizes, as well as with individuals.

Seven Elements for Connection

Shortly after the decision not to fire him, the director of the motion picture began instigating confrontations with fellow employees, including me. His justifications varied; primarily he fumed at people for not doing their job, and blamed them for making it impossible for him to do his job. Everything became a battle. This culminated with the director storming out of a planning meeting for the next day's work. After considerable thought, I realized these incidents were escalating with the approach of the deadline for a number of key decisions. I recognized the director was in panic, and I saw the director would sabotage the film if his behavior were allowed to continue.

The beginning of reaching real conflict solution is making connection and establishing trust in three directions:

- (a) between the person facilitating solution and the conflicting parties;
- (b) between the parties themselves – and if the conflict involves groups this is connection between the groups as organisms, factions, and key individuals within those groups; and,
- (c) between each opposing party and their own unspoken selves – and this is not about psychological therapy, but rather opening the door for parties to discover their own “real-needs.”

The following “elements for connection” establish and enhance connection and trust – in the sense of meaningful contact. They respond to the needs of those in conflict and answer the imperatives of the “conflict truths.” These elements are non-linear – they operate in harmony and not sequentially, inter relating and working together, instead of one following the other.

Establish an “Environment of ‘Yes.’” Participants and observers should do their best to relate to everyone, including himself or herself, with acceptance and without judgment. This is an environment of “Yes.” This is not an intellectual exercise, but rather a heart centered awareness that can be developed. People flower in this kind of setting. In an interview, a manager asked how she could help her staff grow to be better at what they do – and one fundamental answer is to put in place an “Environment of ‘Yes.’”

People often have more trouble genuinely accepting and honoring themselves than others. It is not possible to fully accept others without self-acceptance. I have found it useful to move beyond a mental experience of self-acceptance by asking people having difficulty to imagine their feelings if they honored themselves in this way, and then helping them experience those feelings more deeply.

Acceptance and non-judgment, or their lack, are communicated by everyone in the room in both verbal and non-verbal ways. Verbal communications are colored by many factors,



including content, tone, and intention. Non-verbal communications include such things as body language and, yes, even the emotional tone of their thoughts and vibrations.

Adopt personal responsibility for actions and, more importantly, reactions. When something in the conflict – such as its circumstances, emotional content, or even an action – resonates subconsciously with the residual stored emotions of a participant or onlooker, s/he may have a strong instinctive reaction to what is occurring. The emotional or physical response may be uncomfortable, even overwhelming for that person.

Real needs are usually unrecognized because they remain hidden beneath a party's own awareness – under layers of assumptions, expectations, fears, agendas, defenses, and other obstacles.

The source of the discomfort is not the other person in the transaction. The cause of the (extreme) discomfort is in the person feeling it, and that person can choose to not play out the emotions and, still, honor herself. Each person must take responsibility for what is aroused in them. Their reaction can inflame and expand the conflict, or calm it.

An example of the subjective and personal nature of reactions occurred in last year's World Cup when Zinedine Zidane, the captain of the French team, was ejected from the title match because he head-butted Marco Materazzi of the Italian team who he said called him a "terrorist." If Mr. Materazzi called another person a "terrorist," s/he might or might not be offended – s/he might even

laugh – and whether or not what Mr. Materazzi actually said was accurately reported, the point is the same. It is not what someone says that is offensive – it is the receiver's emotional and psychological tenderness that paints it as offensive and triggers a charged response.

Every person has responsibility for his or her own awareness. Every person can take responsibility for his or her own actions and reactions. Even if a person believes that is not completely true, or even if it is, in fact, not completely true, he can adopt this as a "workable position." People can act as though it is completely true, and this will be beneficial for at least two significant reasons: First, adopting this position greatly reduces feelings of being a victim; and, second, it materially lessens any environment of blame.

Base solutions on satisfying real-needs, and not apparent needs. Discover real-needs by using "deep listening" (discussed below).

Real-needs are genuine interests. They have the power of truth. They are usually unrecognized because they remain hidden beneath a party's own awareness – under layers of assumptions, expectations, fears, agendas, defenses, and other obstacles.

Apparent or perceived needs, in contrast, often reflect settling for the obvious, a quick fix, or ego gratification. Because they are not genuine expressions and lack substance, they often cause inflexibility, defensiveness, confusion, and limit vision.

Recognizing and meeting real-needs will reduce the anxiety of those in conflict. It is not necessary to meet these needs in the way a party expects. The final solution may, in fact, be creative and surprising.

Pursue understanding in depth. Seek to genuinely understand what other parties are saying, what they are feeling, and their positions within subjective and real world contexts.

In their own way, the parties want optimum understanding and performance. Inquire into what is missing in their pursuit of these goals, and establish the grounds to achieve them. In

many cases, what the parties are avoiding or are not saying is as important as the things they do express. Deep Listening also supports understanding in depth.

Take “wrong” out of the equation. No one is right all the time, and this may be the time you are not right – not “wrong,” but not right. Everyone in the conflict may be a little “not right” or, looked at differently, “partially right.”

Each person is seeing the situation from their own point-of-view, based on their unique history and needs. There are many possibilities. It is possible, for example, that the parties are merely misunderstanding each other because their judgments and positions are based on different assumptions. Be generous.

Have faith in the process. Be detached from the outcome, and from what might seem to be needed, in order to discover what is really needed. Let go of preconceived ideas, identities, and roles; rigid positions limit possibilities. Concerns and objections are part of any process. They may help reveal how a solution is incomplete or flawed. Politicians understand it is better to have a law with good purpose adopted, even if it is less than what they think is perfect – and generally they maintain good will throughout the give and take. It helps to recognize that under their skin all people are very much the same.

Recognize that ineffective or hurtful behavior is not a character flaw, but a person’s best attempt at accomplishing their goals. Very, very few people do things to be purposefully bad or hurtful; most of those that do later have regrets and want to make amends.

Do not confuse “what’s” and “how’s.” Make sure everyone is talking about the same thing.

Establish what must be accomplished. Then work at discovering how that can best be done. At one board meeting, for example, the members argued for an hour about contract language to embody an already agreed approach. Finally, one board member proposed a simple resolution stating they needed a contract with that approach, and instructing their attorney to draft it. They saw it was their job to establish a “what,” the need for a contract, and that the attorney could best accomplish the “how” it would be done. The board passed the resolution in three minutes.

Be detached from the outcome, and from what might seem to be needed, in order to discover what is really needed.

While a “Yes” environment is a first among equals, none of the Elements is more important than another. They work together to form a lattice of contact, support, confidence and communication. They are not formulas or plug-and-play techniques that magically cause the tension and discomfort of conflict to disappear. They are better than that. As genuine ways to be with people who are in conflict, they create an environment in which solutions flow. They are intangible muscles to be developed and strengthened.

People in conflict are in pain. Feelings of isolation and alienation may include certainty a just solution is not possible – if there are even thoughts of solution. Anger and righteousness may be so strong that a person in conflict can only think of how right they are, and of attacking their “opponent” or getting even. This is especially true for those who have no experience with effective solution of previous conflicts.

In contrast, those who understand that solving conflicts is a process, and who have successful experience with the method employed to solve it, do develop a confidence that speeds resolution.

The discomfort of conflict extends to those around people in conflict who often feel awkward or threatened. In some situations, the reaction of friends, family and coworkers is fear; similar to feelings about being near someone with a serious disease they are afraid of catching. People fear conflict for many reasons, including the way it connects with their own inner demons, the “ugliness” they see in it, or their fear that things will spin out of control. Managers, co-workers, and other interested persons who may want to help, often do not know how to respond or fear being drawn into the struggle, and as a result feel frustrated or inadequate. They may also be reluctant to be seen as taking sides.

Many may deny that discomfort, even to themselves. Faced with conflict, they ignore it or distance themselves from it. At best, they merely try to reduce it – to make it go away, rather than solving it and benefiting from the results. In business settings, this denial among employees, between managers, and in the boardroom limits a company by sidetracking vision and draining significant time and energy from accomplishing important tasks. For these people, too, experience and confidence in the method and its process are helpful for establishing positive expectations and patience that allows solutions to evolve.

Two Key Principles

The elements for connection embody two key principles.

Containment: The First Key Principle

Containment has two elements. The first element of containment can be described as real presence. This is providing complete and unqualified attention to another person(s) with acceptance and lack of judgment, and such openness, empathy, and receptivity so as to be available for surprises, wonder, and the miraculously creative. This presence is not about saying or doing any right thing, but about your way of being.

Containment involves accepting who that person is, what they have done or are doing, and what they are saying. Just simply listen. It is not necessary that you agree with them or allow them to be destructive – only that you accept them as one human with another. Every human being has a story to tell that is worthy of this commitment.

The second element of containment is putting aside defenses, judgments, agendas, intentions, and other psychological obstacles in order to provide openness and real presence for another. Our own judgments, agendas, intentions, defenses and other psychological obstacles do not stop. We do not deny them. We observe them in a neutral fashion and without judgment, as a witness, despite the pain we may be feeling. We maintain a merciful attitude toward our own defenses and pain, and put them to the side. In this way, we can be present within the context of providing a spacious container for others, as well as ourselves.

I remember a saying from elementary school science – that nature abhors a vacuum and fills it. In these moments of containment, I can allow myself to be receptive, without abandoning my integrity, to provide a safe container others may fill with their truths – and when I am really available, the miracles of the moment inevitably follow.

Compassion and empathy are also elements of containment. It is important to distinguish them, especially when acting as a neutral third-party. Empathy is a bonding connection around understanding and sympathy. Too much empathy, however, may be seen by other conflict participants as biased partisanship precisely because of the connection and sympathy.



Compassion has love, and, at the same time, neutrality and lack of judgment. Compassion also requires courage because it makes us open to being hurt.

It is also possible – and advantageous – to give one’s own self the attention and commitment of containment. I have found there is a direct relationship between my ability to hear my own story and to meet myself with openness and presence, and my ability to provide that presence for other people.

Containment is related to the following elements for connection: establishing a “Yes” environment; eliminating “wrong”; understanding in depth; and, personal responsibility.

Trust: The Second Key Principle

Trust provides freedom to let go of attachments, and the presence of mind to go forward with whatever is genuinely needed. It allows letting go of the outcome a person thinks is required in order to create something that is new to fill real needs. It supplies security to feel safe with the new circumstances, to have confidence one can deal with them.

This is not a signal to abandon one’s core integrity. Healthy boundaries that acknowledge societal limits and protect against personal abuse are important. It is a challenge not to confuse healthy with unhealthy boundaries, and to not establish the latter as excuses for avoiding responsibility about moving forward.

Where an individual is a participant in the conflict, that person must first take responsibility for adopting containment and trust for themselves; second, gently, and without making others “wrong,” help them adopt the elements for connection; and, third, work with them to

solution. The situation is generally easier for an objective observer trying to resolve the conflict because their neutrality makes it more likely conflicting parties will listen to what they have to say and adopt their suggestions.

Three Supporting Tools

After the director stormed out of the meeting, I struggled with my anger and frustration, and during a difficult night managed to put it aside. The next morning, I appeared at the director's door before breakfast and the day's pressures began. I wanted to get the director away from his "safe" space, and suggested a walk. As we began, I asked the director to talk about the film. He was not very forthcoming. Rather than immediately responding, I kept prompting him to say more or just kept the silence. Sometimes I asked him if I understood him correctly and restated what I thought he had said. After a while, the director admitted he thought the situation impossible, and that he feared being blamed for the inevitable fiasco.

I asked him to talk more about those fears. Then I expressed my complete confidence in the director, and assured him he was not facing the dilemma alone. At one point, I stopped and reached out to touch the director's arm, looked him in the eye and told him, "I will not let you fail. This is my responsibility too. If you have any problems, you come to me and I will make it work for you. I will not let us fail. You can do this brilliantly."

I held the director's eyes, and (putting aside my own large doubts) made sure the director felt my confidence and knew I was sincere in what I was saying. Only when I saw the director's posture straighten did I resume walking. Then I asked the director about what had to be accomplished, and together we worked out an agenda for the day. That, however, was not the end of the saga.

My emptiness and acceptance provided containment, and gave the director a safe place to park his panic and other anxieties. I accepted and valued him, as well as what he had to accomplish, what he was saying, and what he was feeling but not saying.

The way I said what I did was as important as what I said. In a non-directed way I encouraged the director to say more about his concerns. By making eye contact, I communicated vulnerability and caring. I gave him opportunity to get his opinions, evaluations, and agendas out of the way, so he was available to listen with openness. I tried to demonstrate honest and heartfelt acceptance of the director, recognition of his needs, and support on his own terms.

I thought a long time before making a promise that I would "not let us fail." First, people will intuitively know if promises like this are less than genuine; and, second, a situation can easily get out of control if a promise like this is not kept. In addition, I consciously referred to "us" to emphasize I regarded the two of us as a team. I meant that he could count on me despite my own doubts about the situation.

It was only when I saw his posture change that I knew he had successfully adopted his new resolution. Physical changes – such as straightened posture, quieting of hand gestures (or the reverse where there were none), muscle changes around the eyes or mouth, and alterations in skin color – often signal internal changes. Physical manifestations may, of course, signal deepening anger or resistance, and it is important to check on what is being perceived.

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nized, and that those needs will be met. They are likely to be feeling unheard, unappreciated or unrecognized, or some combination of two or all three of them. These “un-feelings” may be feeding one on another, becoming self-fulfilling prophecies that isolate, build walls, and make meaningful communication more difficult. One way to help break down these walls is to be with the person in complete containment. “Deep listening” is, in fact, one of three supporting tools I used to actualize the two key principles of “containment” and “trust,” to help establish the “elements for connection” and to make sure the director heard what I was saying.

Deep Listening

Deep listening is an important component of containment. This is more than listening with understanding to what another person has to say, though that is an important part of it.

Deep listeners adopt an “eager to hear” non-judgmental presence. This is about the speaker, and attention should be 100% on the speaker. Do not advocate any position or try to change the position of the speaker. Everything the speaker says is correct from the speaker’s point-of-view. Therefore, since s/he is not “wrong,” there is no reason to change her positions.

This level of attention is also the secret for discovering real-needs. People will tell you their truths if you create the climate in which they can safely do it. We can only discover real-needs from the person. We cannot imagine or research what they might be for another because we cannot truly imagine their internal process.

If the other person is playing games, nothing happens. But, in many instances, openness changes other people in the room. Amazing personal truths are often revealed – deep truths people hide even from themselves until the moment they are spoken.

There are many approaches that support the deep listening process. I offer two – and underline the importance of maintaining the appropriate underlying attitude that gives them integrity. Mere techniques that emphasize just saying the “right thing” are empty games that may only exacerbate a problem.

One, ask only open-ended questions. Simply asking a person to “Say more,” invites the person speaking to go deeper into the well of her being to discover unrealized truths, from her point of view, about the subject. A listener’s accepting presence makes this safe. Open-ended questions allow people to structure answers in their own way, with honesty, and the answers often contain content that even surprises the speaker. Examples of open-ended questions include, “Say more about that?” and “I thought you said ‘brightness,’ and I am not sure what you mean by that?” Do not ask loaded questions designed to make a point or lead the conversation. “Why?” is not an open-ended question.

Two, mirror understanding back to the speaker, specifically asking the speaker to correct anything that might be wrong. The listener should state her understanding of what has been said. She might, for example, begin by saying, “I want to make sure I am understanding you. Please tell me if I am correct.” Then in as much detail as possible state her understanding of what the person said. In describing her understanding, a listener may include any unstated emotional content they perceived in what the person said. Growing awareness of emotional content provides a doorway for the speaker to go deeper beneath the surface. Do not color what the speaker has said. Deep listeners have no agenda. At the end of her summary, the listener should again invite the speaker to make any corrections.

Deep listeners adopt an “eager to hear” non-judgmental presence. This is about the speaker, and attention should be 100% on the speaker.

Mirroring creates connection, reinforces the fact that the listener understands what the speaker is saying and that she cares, and, importantly, helps the speaker consciously hear what s/he is saying and place it in context.

It may be necessary to periodically interrupt the speaker when the listener has filled her or his capacity to hold information. For example, “I am sorry to interrupt, but I want to make sure I am understanding you correctly. Correct me if I don’t have this right.” Then she relates her understanding of what the speaker said.

Blame-Free Language

Take blame out of the discussion. There are many ways to approach this, including the following:

- Avoid language with express or implied blame. Take personal responsibility. What some people call “I” statements” are helpful. An example of blame-free language is, “I felt angry when you said I ruined your day.” The speaker is assuming responsibility for her reaction; there is no accusation that the other person said anything wrong or was responsible for making the speaker angry. “You embarrassed me when you flirted at the party” is an example of a statement with blame. This is hard; there is much that could be said on this subject.
- No matter how bad things seem, find some good and build on that. Things cannot get good from bad. They can only get better if they are already good. In other words, from the perception of bad, circumstances can only get worse, and they can get better only from the perception that they are already good. There is at least a kernel of good in everything – find it and build on it.

Some people believe others know the good and only need to hear the critical, “to help them improve.” This is a myth. In truth, many people focus too much on their negatives and fail to appreciate their strengths.

Component Solutions

Break the big problem into its simplest component parts. One issue is that people become confused by the complexity of large problems. Another issue is that they often approach problems from different points of view, and the more complicated the problem, the more likely this will be true. It is much easier to get agreement around simple issues. Then build the simple agreements into an approach to the whole. Give people something to rally around.

Get agreement on a simple agenda of tasks to be accomplished within a short time. It is easy to be overwhelmed by everything that must be accomplished. I had the director, for example, speak about everything that had to be completed, but only set the agenda for that day, and had the director commit to that.

It is feasible to begin the conflict solution process at the moment the parties are willing to talk about anything – the weather, baseball, anything. In the process of talking, it is practicable to cultivate “real listening,” and amazing things can grow with real listening. I believe it is true, as some people say, that true conflict resolution becomes possible when the parties commit to changing their situation. But there is much a neutral third-party and those in conflict can do to facilitate reaching that point, whether with individuals or groups.

Working with conflicting groups presents additional challenges, including the following: First, in addition to the members and representatives, groups and factions within them each have their own collective consciousness, which must be dealt with at the table. Second, mem-

bers may have merged their individual identities with the group's, and be fixed on their interpretation of the group's identity. Third, the group may not have a coherent vision, and may not be able to move forward. Fourth, the superficial issues on the table may be the only things giving the group its sense of cohesion. Fifth, the leaders may be answerable to incompatible factions and unable to commit to agreements. It is, therefore, crucial that all stakeholders participate in the process. One of the first tasks for a person attempting to resolve conflict with groups may be to help each group build a clear agenda of real-needs.

Long-standing conflicts may present deeper anger, hatred and other hostile feelings, and there may be a history of violence that has exacerbated problems. These circumstances will require more containment and tolerance for anxiety – and, certainly, a great deal more patience. While it may take longer to reach solution, the system for solution remains, regardless of the location, nature, stakes, or basis of the conflict.

Conflict Rewards

After the early morning walk, the director's cooperation and working good will immediately improved. He met challenges and deadlines, and he was able to innovate some creative solutions. He also allowed me to meet time and budget challenges in unusual and risky ways. But the director was not through.

Approximately ten days later, the director came with another crisis. He feared audiences would not understand the dialogue of a little girl who was one of the film's stars. The director demanded immediate action, and challenged me to pick one of the solutions he proposed – all well beyond the picture's modest budget and time constraints. I knew the dialogue was not a problem, and suggested we invite an audience of friends to see the film. The director agreed.

The audience had no difficulty understanding the star, and that crisis ended. The cumulative weight of events gave the director confidence that I would honor his needs. He began to accept my evaluations of problems that arose, and walked away satisfied when I, for example, said something was not worth worrying about. This was, indeed, the end of the conflicts, but not the story.

Throughout my experience with the director, I utilized the "elements for connection" to create an environment and relationship of containment and trust, and to defuse repeated actual and potential conflicts with the director:



Establishing an environment of “Yes.” I said “yes” to the director’s real-needs without saying “no” to everything else. Early in our process together I recognized the director’s real-needs were to have his creativity appreciated, and not to be blamed when things did not work. I could easily say “yes” to those needs. Other things dropped away naturally in the “yes” environment because real-needs were distinguished from apparent ones.

Relating with acceptance and non-judgment I related with acceptance however unrealistic his demands or outrageous his behavior. In addition, “no” was not my first reaction. I did not, for example, say the star’s dialogue could be understood; instead, I honored the director’s concerns, because they were real and deeply felt for the director, and I proposed a solution that would help the director see the truth.

Adopting personal responsibility for actions I put aside my own considerable anger and frustration to work with the director in good spirit, and honored the director’s feelings. After the director stormed out of the meeting, I set aside my own reactions. I went to see the director with good will, understanding and concrete support to assuage the director’s panic.

Taking “wrong” out of the equation I treated the director and his demands with respect, even when I thought them outrageous. I never blamed the director for anything, even in response to the director’s blame of me.

Instilling trust in the process. I trusted that events would develop in the right way if I conducted my relationship with the director appropriately. This confidence was subliminally communicated to the director. As events developed, the director’s confidence in me grew, and he could trust that his real-needs would be satisfied. This allowed the director to move forward with whatever was needed, even some things that were innovative and risky.

Basing solutions on satisfying real-needs. By honoring the director’s demands, I opened the door to helping the director discover the difference between his real-needs and apparent needs. I worked to satisfy the director’s real-needs, and the director was satisfied even though they were usually not met the way the director expected.

Understanding in depth. I took the director aside, away from the work environment, to listen to the director’s deepest concerns and fears. Having those on the table enabled me to make real contact and begin the process of building the director’s confidence in me and his trust in the process.

Distinguishing “what’s” and “how’s.” The director voiced concern about audiences not understanding a star’s dialogue, and proposed solutions based on the worst possibilities. I recognized muddled dialogue as a what. I broke this what into component issues, and looked to fulfill each with a how related to that step. First, was there really a problem? Second, if there was, in fact, a problem what was its nature and how bad was it? Third, if the problem were real I knew its nature and severity would help shape a practical solution. In this case the apparent concern dissolved by answering the first issue – I solved the problem by demonstrating there was no problem.

As a result, I avoided escalating conflicts and paralysis of the project. Instead, I engendered reduction of interpersonal tension and drama, creative solutions to problems, a better product, improved relationships, and successful achievement of time and budget goals.

Conclusion

I believe that in our deepest heart we do not want to live with conflict – regardless of the internal voices that may justify our positions. I am discovering that as human beings we seek harmony, and that it is our nature to love. Though I cannot prove this – yet – it is a question I look forward to exploring in the context of developing more complete approaches to solving conflicts.

In this instance...

Many things opened for the work on the picture as tensions eased. Three will serve as examples. First, the director completed his editing work a week early; this was a tremendous financial benefit, and I immediately realized his willingness to let go of his “baby” was a reflection of the comfort and safety he felt in his working climate. Second, the director and producer executed a new ending economically and in record time, and this gave a nice emotional lift to the film. Third, during sound mixing, which was in a distant city, two major crises arose, and the director’s response in each instance was to tell me he had complete faith in whatever resolutions I developed. He was truly happy and confident in his work; so was I – and so were the people around us.

The director delivered the picture on time and within budget. The director and I remained friendly, had dinner occasionally, and then drifted apart. The studio and everyone else involved with the film agreed that keeping the director had resulted in the best possible motion picture. And that is the end of the story.

ABOUT THE AUTHOR

David B. Pauker is a negotiator and mediator with more than 25 years’ experience in the United States and internationally. He is licensed to practice law in California, Illinois, Florida, and before the United States Supreme Court. He has a Masters of Law in both International Law and Intellectual Property Law from The George Washington University in Washington D.C., a J.D. from Northwestern, and an AB in Psychology with Honors from Stanford. He has published articles on mediation and negotiation, co-authored an early and often cited web site about domain names and trademarks, and taught an on-line course on Internet legal issues for Marlboro College. Recently, Mr. Pauker served as Executive Director of the non-profit Coalition to Advance Prescription Drug Education [CARxE].

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Endnotes

- 1 Mary Parker Follett, an early 20th Century industrial psychologist, spoke about the benefits of friction and the violin analogy almost a hundred years ago.

Recommended Reading

from David Pauker

Solving Tough Problems

Adam Kahane
(Berrett-Koehler, 2005)

By examining tough questions related to his own personal process and some of the difficult problems with which he has worked, Kahane provides insight and interesting perspective relating to what I would describe as connection, containment, and compassion. I think it a brave book in many ways.

Nonviolent Communication

Marshall B. Rosenberg, Ph.D.
(Puddle Dancer Press, 2003)

Rosenberg advocates language as a tool to put aside our own charge and make a heartfelt and compassionate connection with others. The meat here is about reconnecting with our natural compassionate nature across words and language. His points are of real use. Some people I know have become hung up by focusing on the language, and I do not believe this is Rosenberg’s point. If nothing else, go into a bookstore and read Arun Gandhi’s Foreward.

Crucial Conversations

Patterson, Grenny, McMillan & Switzler
(McGraw-Hill, 2002)

Here is presented the value of keeping communication open and continuing – you cannot win if you stop talking. The book lays out helpful approaches to overcoming what the authors see as patterns and traps in the ways we communicate. I like that it takes fear out of approaching important interactions.

Learning Together for Good Decision Making

A talk by Arie de Geus, Paris, January 2006



Arie de Geus

After thirty years with Shell, I found myself in a position of great luxury: I had a budget of several million pounds sterling and fifty of Shell's most talented brains at my disposal. At that point in my career I also had a whole series of questions for which I didn't really have answers. What I would like to do now is to revisit with you the search for some of the answers during these last seven or eight years at Shell.

I would like to share with you how we gradually became convinced of the fundamental importance to human life of what we call "learning," as well as the importance of "learning together" for corporate life. And since this is a talk before a French public, I ask myself whether I should not begin in a good Cartesian manner by posing the question of definition: *What is the definition of learning? And what is more, what does this mean: learning together?*

What is Learning?

As soon as we hear the word "learning," we think of school. We are conditioned to think that "after school, we stop learning and start work," as if we are dealing with two different phases of our life.

But even at work – in our companies – learning is linked with the word "training"; and training has the same association as the word "school," meaning that some superior being tries to convey its knowledge to less knowledgeable beings: "filling heads." Is this learning?

The answer to this question is clearer in English than in Dutch:

In Dutch, my mother tongue, we have the verb *leren*, like in German (*lernen*), and that verb can be used in two ways: a student learns (*leert*, to speak French), but also the teacher (*leert*, the pupil to speak French). This usage of the verb is possible in Dutch, but impossible in English. The English language, quite correctly, knows that "to teach" and "to learn" are two completely different things.

Not only that, but many studies have shown that the action of teaching is highly ineffective: approximately 25% of what is taught is retained. Therefore, in the 45 minutes that follow, it does not make much difference whether I speak or not! You won't learn all that much.

Of course, everyone, when pushed, arrives very quickly at the fundamental conclusion that we do not learn only in situations where someone is teaching us. On the contrary, we learn continually throughout our lives – learning is the fundamental process for organizing and leading life as a human being.

We found confirmation of this thesis in numerous academic authorities. For example, the Swiss psychologist Piaget wrote that "Intelligence plays the central role in the life of an organism." And for me, an organism is not only a human individual; it can also be a society, a company, or any other type of human organization.

In Business: Learning = Decision Making

Within organizations we do not call this fundamental process of life “learning”; we call it decision making. And it plays *the* central role in the life of Shell, just as it does in the life of every organization. Therefore, is it not surprising that so little has been written about the process of decision making (as distinct from writings about numerical- decision techniques)? Little is described, or defined, or researched. What is, gives the impression that the essential part of decision making is “having ideas.” When most people say “decision making,” they seem to think solely of the production of an idea. They give little thought to “how it is done,” or to the issue of what happens after the idea has been produced.

Twenty years ago, in Shell, we decided to examine this question more deeply. We wanted to elucidate it, and we asked ourselves the question: what happens between the first appearance of an item on the directors’ agenda and the operational implementation of the solution to the question posed?

In business, only action matters. What happens between the first observation, “there is a problem and we should do something about it,” and the moment when an action is executed and finalized? Looking around, we perceived that there were two types of decisions:

- Simple decisions, which we have called routine decisions (knowledge at our disposal)
- Decisions requiring changes in the internal structure of a business, about which there were endless discussions, and which appeared and disappeared from the directors’ agenda. Furthermore, the time it took to execute such decisions was protracted because new ideas and internal change are required.

To give you a concrete example, our industry underwent an oil supply crisis in the early 1970s, linked to an embargo on the exports of Arab countries. The resulting shortage of oil in the developed world led to a vigorous exploration for new reserves in Alaska and in the North Sea. The result of these policies was that production centers were now closer to con-



sumption centers. Previously, 200,000-ton tankers had taken three weeks to arrive in Europe from the Arabian Gulf. Now we had crude oil at our disposal only 48 hours away from the consumption centers.

At this time, Shell was the largest ship owner in the world. Its ships were better painted than its rivals and its uniforms were the most handsome among all the commercial fleets.

At the end of the 1970s, it was clear that adaptations to our proud fleet were a necessity. This example is an illustration of the second type of decision. We had to alter fundamentally the structure of Shell Tankers: reduce the number of ships, change the tonnage, adapt the charter contracts, etc. It showed us that the delay between decision making of this type and its execution varies from a minimum of 18 months to ten years. This type of decision, that of internal structural adaptation, demands a lot of time and causes a lot of trouble. It is distressing and emotions are involved, but these decisions are vital for the company and delay can have dramatic consequences: in the case of the tanker fleet, it cost Shell a lot of money over ten years.

Apart from a clearer view on the nature of decisions, the research also allowed us to observe that what happens between the first appearance of an item on the directors' agenda and the operational implementation of the solution to the question posed is basically a social process. There is no Descartes there. It is a process of people who talk, and talk, and talk – in formal and in informal meetings, around the water cooler, or during working lunches, and they will discuss it over and over and over.

How Are Decisions Made?

These observations on the nature of decisions and their process are in conflict with the folklore of the business world. The folklore tells us that decisions are made by all those (grey-haired, and mostly) men sitting around a long table, applying their accumulated knowledge, and then explaining their ideas to the rest of the organization and asking the rest to execute quickly and intelligently what had just been explained to them. However, what we found was that decision making was not so much the application of existing knowledge but, rather, the search for new knowledge – especially in the case of decisions on structural change in response to a changed world. This finding made it possible to arrive at a description as follows:

Decision making consists of trying to find, as a group – in a social and language-based process – new solutions for new situations. These solutions should give the group of decision makers a sufficient amount of confidence to dare to implement them.

You will not be surprised if I tell you that as soon as we speak of “new solutions for new situations,” very quickly the hypothesis emerges that decision making is a learning process. This hypothesis was confirmed when we consulted Jean Piaget, who recognizes the same processes in children's learning that we had found at Shell: routine and non-routine.

A child encounters a situation that requires a decision and an action. As a general rule, she has the resources and the structures to face it. But there are situations where she must learn to find totally new answers to wholly new situations. This is the case when a child finds herself in an external world for which she does not have the internal structures permitting her to respond routinely.

Those of you who are parents will understand this very well. As soon as your child reaches school age and you take her from home to school for the very first time, you completely



change her exterior world: all of a sudden the child finds herself in a different world from that of the kitchen. She finds herself in a world where everything is unknown and in which she is unable to respond because she does not (yet) have the necessary structures in her head. This makes for a rapid learning process by “accommodation,” rather than by “assimilation.”

The analogy between the example of the child and the example of Shell’s fleet of tankers is clear. Our hypothesis (that there is an analogy between decision making and learning) presented us with an enormous advantage. Effectively, if there are few things written on decision making, there is a great deal of literature on learning. It was not, therefore, necessary to invent the wheel. At Shell, the hypothesis helped us to greatly reduce the eighteen-month gap between the first recognition of a problem and the execution of its solution, because the hypothesis opened several important prospects:

1. First of all, the physicist David Bohm’s works on dialog.
2. Much later, our hypothesis found an echo in the works of a strange person, Austrian by origin and professor at Cambridge, UK: Ludwig Wittgenstein. He said two things that were important for us: “If you don’t have words, you cannot know” and “Language creates reality.” Thus, for example, if the language you use is an accounting language, you will create a numerical accounting reality of your business. If the language is anthropological, you will create a (human) community. But if you do not have a word for it, you cannot talk about it with your fellow decision makers: as a group you cannot know for which you have no word. Thus, the second prospect revealed the role of language in decision-making processes.
3. Non-routine decisions are the most dangerous and the most necessary and they seem to take an awful long time. So, quite early on, we came to the question: if there is an analogy between decision making and learning, is it possible to learn more quickly? We

found an answer at the Tavistock Institute. This institute was founded in 1946 by the men who had worked for several years on one of the most important learning exercises in the history of humanity: the training of a million men and women for a mission of life or death: the Allied invasion of France in 1944.

The Tavistock people had (re-)discovered that to learn more quickly, you had to learn by play. Today we talk about “experiential learning” but I prefer to say “learning by play.” The Tavistock team had been influenced by a London psychoanalyst, Donald Winnicott, who had worked on the role of play in child learning. Winnicott made several important observations:

- Playing is universal.
- Playing facilitates the development of the group and permits a form of communication that leads to better relations inside the group.
- When we play, we play with something that Winnicott calls a “transitional object”: in other words, a toy. When your daughter plays with a doll, she invests (part of) her reality into the doll: the doll becomes her baby-brother, or her teacher. While playing with the doll she will test this representation of her reality and test her own relationships with it.
- Playing thus means: “experimenting with a representation of reality.” The advantage of playing is that you do not have to be afraid of the consequences. When the girl plays with her doll saying that it is her little brother, her mother does not have to jump all over her if she turns the doll’s head around 360°. Playing with a representation of reality is, from this point of view, clearly superior to playing with reality itself.

Management’s “Teddy Bear”

Winnicott’s observations should not be a surprise to most business people. In the world of business, the majority of our learning processes happen while playing. First, we create a toy. We create a model of a possible offshore oil platform and put it in a model of the North Sea. We then give it to fifty engineers for two years so they can try to destroy it in every way imaginable before it is scaled up and installed in the real North Sea. Whether in product development or in process development, whether in the lab or in the office, in business we nearly always learn by play – by experimenting with a representation of reality.

Except in management. In management we learn by experimenting with reality itself! We call a young woman with potential and send her to Kenya to become Marketing Manager. There, as soon as she arrives at work on Monday, she finds herself among a team of directors who with the use of language, begin to play with reality itself. The problem is that, playing with reality calls forth fear as the emotion at the base of our decision making process. Fear dominates thought processes and discussions, and fear has well-known consequences. When fear is the basic emotion, everybody stays cautiously on the middle ground: for instance, we will prefer decisions made in the past, under conditions more or less similar, which worked more or less well.

On the other hand, in play, the deepest emotion is fun. We laugh a lot, we say inexplicable things, and we try everything. I once saw a team trying to destroy its own business in a game.

In our research at Shell, we tried to find the “management teddy bear,” the representation of the managerial reality with which a team could play without having to fear the conse-

quences – thus to try to transform the decision process into play. We found this toy in the era of the computer: it was at this time that we began working with MIT, Peter Senge, Seymour Papert, and others.

When we conducted our first experiments with this idea of transforming the decision-making process into play, we observed that the gap between perception of a problem and action had been divided by three: six months instead of eighteen!

Without much doubt, these experiments also led to the improvement of the quality of decisions. Although we were never able to prove this: a decision-making process cannot be repeated scientifically. Managers did tell us though, that play allowed them to find the better decisions, but we can only take their word for it.

Obviously, there were reactions from some colleagues. For many of them it was already difficult to digest the hypothesis that decision making equals learning. To then say that this learning improves by play amounted to adding insult to injury.

Not surprisingly, we found ourselves sometimes facing the attitude: “I became CEO or member of the Board and you are telling me that when I make a decision, it is because of a social learning process – and that it means talking, talking, and more talking... And at the same time you are telling me that I would do much better if I transformed the whole process into play?”

The Use of Human Talents in Today's World

What we learned so many years ago carries an even greater importance in today's “Knowledge Society.” I define a knowledge society as one in which the success of a business depends on the human talents at its disposal and the manner in which management makes them work together; capital and machines are no longer critical success factors.

Over the last decade or two, the winners in *Fortune's* list of largest businesses (Fortune 500), the ones that are gradually creeping higher and higher, are computer, software and pharmaceutical companies, consulting and law firms, etc. – companies whose success is uniquely attributable to the human element.



Even in sectors like the oil industry or the automobile industry, where steel still visibly dominates, it has become clear through the years that a difference in success is more and more linked to the human element. Toyota alone makes more profit than the three American automobile companies (General Motors, Chrysler, Ford) and Volkswagen combined. For thirty years, Toyota has had a policy of learning for everyone down to the assembly line.

I remember my visit to a Toyota factory. There were not very many people on the line, everything was done by robots. But at the end of the line, for the final assembly, there were a dozen very active people. I asked the question: what is required to have a job here? And I remember the response of the Japanese engineer who accompanied me during the visit: “Ah,” he said, “To work here, we require a minimum of 16 years of formal education.”

It is necessary to add that every Monday these well-educated people had a two-hour meeting to discuss what had happened the week before. Also, they had formal authority to take initiatives, to make improvements up-stream and downstream from their workstation, and they had done so for 30 years. In the end, this accumulated learning makes a profit greater than that of General Motors, Chrysler, Ford, and Volkswagen combined!

So, to summarize, I would say that a good decision is one that mobilizes all the people who are necessary for the action of implementation in that process which is at the root of business life: learning and learning together.

At this point, obviously, you are probably thinking of your own organization and you are beginning to lose hope. To give you a little courage, I would like to add that there are businesses that are structured to allow “learning together” to happen – businesses that have a legal structure like a club, a cooperation, or a partnership. In these structures, it is impossible to concentrate power in the top and decisions have to be submitted to the approval and discussion of all members. The following are four examples of important businesses that are successful in their domain:

- One of the most important (and fastest growing) companies in Spain is a Basque cooperative: Mondragon. All the decisions are made in a democratic meeting of the members.
- The only bank in the world with an AAA rating is the cooperative Dutch bank, Rabobank.
- One of the most successful consultants in the world is McKinsey. In this firm, all the senior partners are members of a “trust” and have to consult together before making important decisions.
- And Visa International, possibly the most successful commercial enterprise in the world of the last 25 years, should not be overlooked. It is a club with a Constitution that specifically prevents power from being concentrated.

These examples should help to understand that there are ways to overcome the resistance that undoubtedly exists, notably in limited liability companies, to extend the number of participants in the decision making processes – to move from learning to “learning together.”

Learning Together

Not every company can change its legal structure into a cooperative or a club. So the question remains: how can we create the conditions in an existing business or organization to distribute the power and the process of decision making, without running the risk of an untimely (re-)concentration of authority at the highest levels? How does one get to decision making by learning together?

In thinking about this, we need to consider the following: learning is risky, because in the majority of human communities it is dangerous to admit that you don't know something. People pretend to know the answers and as long as there is a pretense to know, learning will not begin. In order to make learning possible, a work community with high levels of trust must be created. It is a little like playing in a good soccer team: a player will not be afraid to make a mistake because he knows that the ten others will support him and "cover" his back (rather than putting a knife into it).

Biology indicates to us the conditions which allow us to create these levels of trust:

- The community must have a very high level of cohesion: they hang together
- The community must have a strong sense of identity: they share values and recognize each other
- The community must have continuity over time: the young members must know that one day they will take over from the older members

Where to start building this coherence and identity? I believe posing the following question can make for a useful beginning: "Who is "us" in our company?"

When the CEO speaks in the first person plural, who is he talking about? Generally, we are very imprecise. I once asked the director of a retail group this question. "When you say "us," do you mean everyone who is on the payroll?" And he responded,

"Obviously not."

"Who is not "us," in your company?"

"There's these women."

By "these women," he meant all the cashiers who came in part-time on Saturdays. They were the only people in direct contact with the clientele, but they weren't "us"!

If, in a business, "us" is only top management, or if, in an Anglo-American company, "us" is only the stockholders, you can be sure that all those who don't belong to the "us" have known this for a long time! And they will not have much reason to invest themselves in the company.

If the "not us" are a substantial proportion of your human community, your business will not go far. However, the reverse is equally true. Remember the work of Collins and Porras: *Built to Last*. The businesses that paid attention to this "us" made fifteen times more profit over sixty years than the average American business for the same period. *Fortune* magazine publishes the list of the 100 companies where it is good to work. The life expectancy of the best of these firms is 85 years, whereas the average life expectancy of American companies is 20 years.

To conclude, I would like to say that learning together brings you a great deal. And the price is worth the trouble

ABOUT THE AUTHORS

Arie de Geus worked for the Shell Group for 38 years. Since leaving, he has been active as an author. His publications include an influential article "Planning as Learning" (*Harvard Business Review*, 1988), and *The Living Company* (Harvard Business School Press, 1997), which was named one of the top ten business books by *Business Week*.

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This article has been translated and edited from the original, which appeared in Cahiers de SoL France in January, 2007.

Developing High Potential Leaders with Strategy Cafés

Jim Myracle & Diane Oettinger



Jim Myracle



Diane Oettinger

We have been engaged in designing and delivering customized leadership development programs for a number of clients. In reflecting on these programs we have noticed some common themes in the desired outcomes. This article discusses how we have approached delivering these outcomes through systems thinking, and specifically how we have employed a variant of the “World Café” method we term the *Strategy Café*.

The companies we discuss are all large, multi-business unit organizations.

The participants identified for these programs are high potential employees designated as having the capability to rise to the most senior levels of their companies within two to five years. Given the diverse participant backgrounds, the desire to expand their knowledge base to enable success at elevated levels in the company, and a desire to strengthen corporate affiliation, clients have been interested in building a common foundation with respect to company history, culture and values. They are also interested in building a broad business perspective, including strengths, weaknesses, opportunities and threats to markets, services and products.

Since these elements involve intimate knowledge of the company, we believe it is imperative that senior executives, including the CEO and direct reports, be engaged in the activities. Active participa-

tion by senior level managers demonstrates commitment to the program, gives the participants an opportunity for dialogue on important subjects in a “safe” setting, and gives the senior leaders an opportunity to view the participants in new, non-routine situations. In addition, the open exchanges offer the opportunity to ensure alignment between senior and mid-level leaders on new ideas, perspectives, and approaches. This also tends to strengthen affiliation with the company on the part of participants. Senior level involvement requires that the program be held near the offices of the executives to facilitate effective use of their time.

Clients also want the participants to build a collegial network of relationships that will last beyond the program, so that the participants can depend on each other for advice, support, and cooperation as their careers progress. Assigning a challenging project for the sub-groups to complete during the week is particularly effective in building these relationships as it provides opportunities for both socialization and accomplishing goals together.

Macro Design

These leadership development programs involve up to 20 participants and are usually multi-week (two to four) spread over the course of a year. To maintain continuity between these weeks, connecting activities are included that require ongoing application of concepts and interaction between the participants. A typical week begins with a get-together on Sunday evening and runs through mid-day Friday. Since history, culture, and broad business perspective serve as the common foundation from which additional learning is built, these topics are addressed during

the first week, specifically Monday, Tuesday, and Friday. The Wednesday and Thursday segments are used for skill-building courses in areas deemed important to future success; typically relationship centered leadership (Emotional Intelligence) and increased financial literacy. A design for week one is shown in Figure 1. These courses are custom tailored to suit the client’s needs and are delivered by facilitators with expertise specific on these topics.

The red thread that ties together the individual course modules is the evening group work. Pre-assigned teams collaborate nightly to resolve the challenges assigned on Monday and Tuesday. Participants are expected to actively share knowledge from their different skill sets and company vantage points. They improve their work each evening by incorporating relevant portions of the day’s learning into their final recommendations. The participants cross the goal line on Friday morning with team presentations demonstrating their learning as both teams and individuals. In contrast to leadership

development experiences in which only one or two attendees from a company attend along with participants from a mix of other companies, this design enables a critical mass of participants to bring their learning back to the company, create internal partners that help to keep it alive, and avoids a pitfall of external programs, namely the “only you heard it and no one else cares” syndrome.

Detailed Design

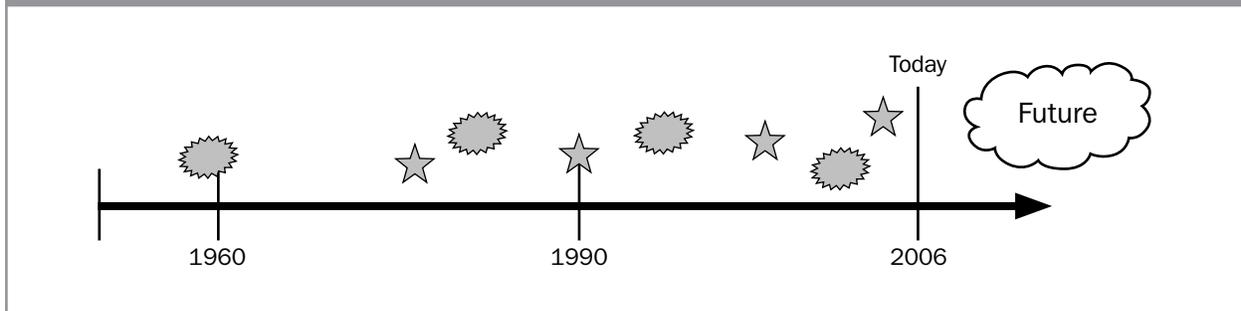
Monday begins with a *Timeline* exercise, which serves multiple purposes. In addition to the inclusive nature of the assignment it jump-starts the relationship formation process, especially among participants unfamiliar with one another. It also forms the platform for the company history and culture modules that follow. The *Timeline* exercise is relatively simple, only requiring the preparation of 4 by 20 foot long banner, as shown in Figure 2.

The participants are asked to think about signifi-

Figure 1: Typical Design for Week One

Time	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Morning		Timeline	1st Presentation to Senior Panel	Custom Course Work	Custom Course Work	2nd Presentation to Senior Panel
		The Business we are in	Culture and Values			Reflections and Closing
Afternoon	Welcoming Activities / Social	Strategy Café				
Evening		Group Work	Group Work (as scheduled by the teams)	Group Work (as scheduled by the teams)	Group Work (as scheduled by the teams) & Closing Dinner	

Figure 2: Timeline Exercises



cant company or personal career events, accomplishments, and changes. Using materials such as construction paper, scissors, and markers, the participants are asked to create milestones documenting the events, and to post them on the timeline. The participants are typically very tentative at the beginning. Once a few of the extroverts begin to write, cut, and post, the quiet room comes alive as participants read one another's creations and begin learning about each another. The learning process is further enhanced with a facilitated debrief of the completed timeline. One takeaway from this debrief is recognizing the constancy of change. This realization allows participants to feel more confident in their roles as participants in and leaders of change.

The design of the next program module depends on the availability and capability of the senior executive team. We like to use the timeline as a backdrop for a facilitated conversation between the participants and company leaders that considers the past as foundation for the present day company. In addition, this conversation can focus on good decisions, lessons learned and consistent cultural elements in the foundation, such as integrity. This examination of history ends with discussion of the present and is followed by senior executives using custom-designed exercises or questions to lead an exploration into the vision for the future.

Strategy Café

The purpose of the Strategy Café is to engage the participants in defining and analyzing the current business situation through a process of strategic

thinking and dialog. This analysis will be used throughout the week to create a strategic definition of the business, a collective vision of success and descriptions of their future roles in ensuring success. The café leads to evening team work and team presentations on days two and five to senior executives, creating *raison d'être* for full individual engagement and competitive spirit among the teams. The Strategy Café consists of five parts: (1) pre-work, (2) the *Café*, (3) evening team dialog, (4) first presentation to senior executives, and (5) second presentation to senior executives.

A pre-work assignment is provided to the participants a month prior to arrival. The participants are asked to invest the equivalent of up to a day collecting and assimilating facts and trend data in one of three strategic areas important to the company's current internal or external environment, i.e. people and organization. Every attempt is made to get a balanced number of participants investigating each area. They are provided with examples, thought starters and forms to record the information.

The Strategy Café begins Monday afternoon and just as with any café, environment contributes to experience. It is important to create a setting that supports the mindset desired for the exercise. It is also important to indicate immediately that something different is about to take place that in turn encourages participants to think differently. For one client, we chose to create a café that symbolized elevating perspectives, innovation, free expression and learning through practice. The room was decorated to resemble the artists square at Montmartre,

Paris. Montmartre is the highest elevation in Paris, where it is possible to look out and survey the City of Lights complete with the Eiffel tower. On the way to the artists square in Montmartre one will find mimes entertaining through pantomime. In the square there are artists with easels using oils, watercolors, pastels and charcoal creating portraits of tourists. Artists roam the square with scissors and cut paper silhouettes of anyone standing still. Montmartre is alive with observation, creativity and wonder. The participants in the Strategy Café enter the room to find three tables covered with checkered table cloths, wine glasses and flowers in vases. Images of Montmartre are projected on the screen. Each table has two flip chart easels decorated with artists' palettes and paintbrushes to simulate an artist's easel and canvas. Smocks are available for recorders and contributors to wear. The café opens with a description of Montmartre, its spirit of creativity, the numerous art forms created and practiced there as well as the famous artists that once collaborated there. The metaphor facilitates the assignment to collectively paint a holistic and realistic picture of the current business situation that their company is experiencing on the canvas or flip charts.

The café design incorporates three rotations or rounds to maximize participant contribution and learning as the three topical areas assigned in the pre-work are addressed.

In Round One of the café, participants with the same pre-work topic meet at a table. The pre-designated table anchor – the person who stays with the table through more than one round – identifies a recorder. The table anchor leads the participants through a process of distilling the facts and trends collected in the pre-work assignment. As each participant reviews their facts and trends the recorder builds a consolidated list on a flip chart. When the facts and trends are exhausted, the table anchor will review the consolidated list with the table. The participants are asked to state the business issues and opportunities that can be drawn from the facts and trends. The participants are asked to minimize analytical discussion of the information at this point

although questions for understanding are encouraged. Instead, they are asked to think about “*What key issues and opportunities for the business and organization are suggested by the data*” and write their thoughts on post-it notes in the form of “*How will we...*” questions. They are also encouraged to keep a rapid pace as they are given about sixty minutes to complete Round One.

In a pre-determined rotation pattern, most of the participants move to a new table (see Figure 3 for one possible pattern). The table anchor remains at the original table and leads a new group of participants through a review of the facts, trends, business issues and opportunities. The new table participants are encouraged to add their own relevant facts and trends to the list. Again, the participants are asked to minimize discussion of the information at this point and instead write additional “*How will we...*” questions. When the review has run its course the participants are directed to move to their pre-assigned Round Three table.

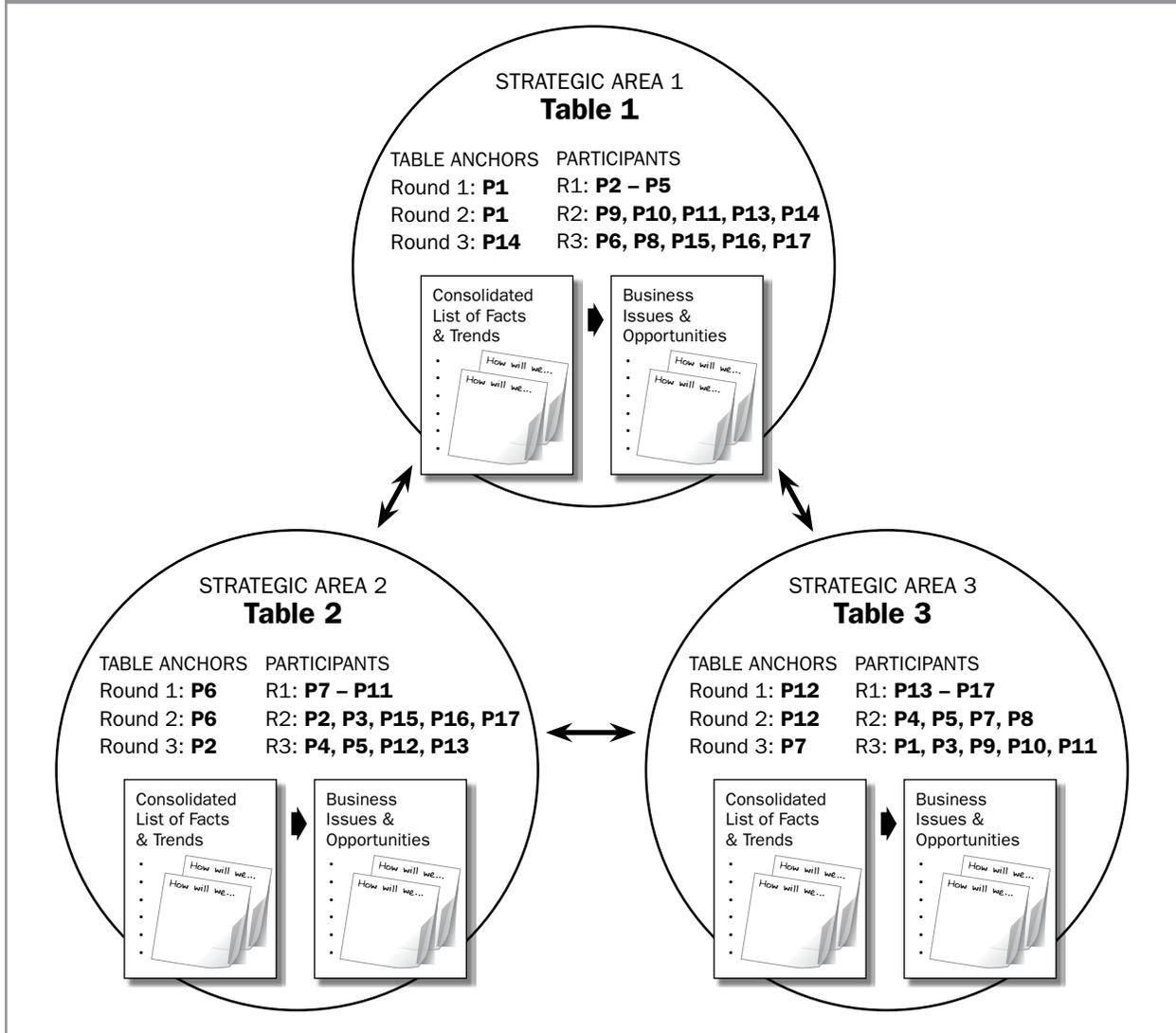
In Round Three new pre-designated table anchors identify recorders and the process conducted in Round Two is repeated. Once the review is exhausted each table begins creating their SWOT (strengths, weaknesses, opportunities and threats) analysis from the list of facts and trends identified.

The Round Three table assignments become fixed for the remainder of the *Café* steps. Careful examination of the *Café* participant rotation in Figure 3 reveals that the participants in Round Three end up at tables with different topics than the pre-work topic they had prepared for. This is intentional by design.

Leaders rarely have all of the facts, data and information desired prior to making important decisions. Further, they have to delegate the collection and analysis of data to others. This leadership simulation is typically met with frustration and resistance by the participants. Facing up to this frustration and overcoming it is usually the first step in the participants coalescing as a team.

Proper design of the participant rotation requires careful consideration and collaboration with the cli-

Figure 3: Strategy Café Design for Rounds One, Two, and Three



ent. The key to determining the participant assignment to topics is to decide the make up of the teams for round three first since it is the round three teams that remain together for the duration of the week. Once the Round Three team members are determined, a rotation plan can be designed that will enable all participants to contribute to at least two of the three topics; most contribute to all three and wind up at the appropriate Round Three table. It is desirable to balance the backgrounds and skill sets of the participants on each team. Consideration should also be given to the opportunities offered by the

team leader roles to develop or challenge certain participants. One should also consider the formation of key relationships that can occur as a result of participants working together for the week.

The SWOT analysis begins with instructing the participants to review the list of *Business Issues and Opportunities*. As each item is reviewed it must be designated as a strength, weakness, opportunity or threat. Many times participants are tempted to assign items to multiple categories. Thus, it is important to encourage the participants to continue their discussion until they can agree on one and only one

category for each item. The list is then reconstructed into the four categories as shown in Figure 4.

The participants then create additional “How will we...” questions as shown in Figure 4 and record them on Post-it notes. These “How will we...” questions are consolidated with the questions previously created during rounds one, two and three.

Participants in the Café are now ready to affinity diagram the “How will we...” questions as shown in Figure 5. They are encouraged to continue sorting until three to five broad affinity groups result.

At this point the assignment is given for the Monday evening group work. The teams are instructed to go back to the facts and trends accumulated during the Café rounds and review their work. The groups are usually under time pressure and are unfamiliar with this process. Further, the quality of their work may have been affected by the sheer volume of information delivered as well as their ability to function as a team. The review gives them a second chance to reflect, think and learn on a deeper level

than they may have at the outset. Once they are satisfied that they have captured all of the information available on the *Business Issues and Opportunities*, generated sufficient “How will we...” questions and repeated the affinity diagramming, the task is to create broad “How will we...” questions from the affinity categories. The broad “How will we...” questions need to capture the essence of the thoughts contained on the individual post-it notes.

These questions become the subject of the team presentations and dialog with senior leaders the following morning. The presentation must be largely oral, as visual aids are limited to flip charts. We want the participants to focus their time on content and minimize time spent on form. The participants are informed that the presentations will take place first thing on Tuesday morning.

We have found it very beneficial to hold an information meeting with the participating senior executives in advance of the program. At this session, the senior executives are informed of the process that the

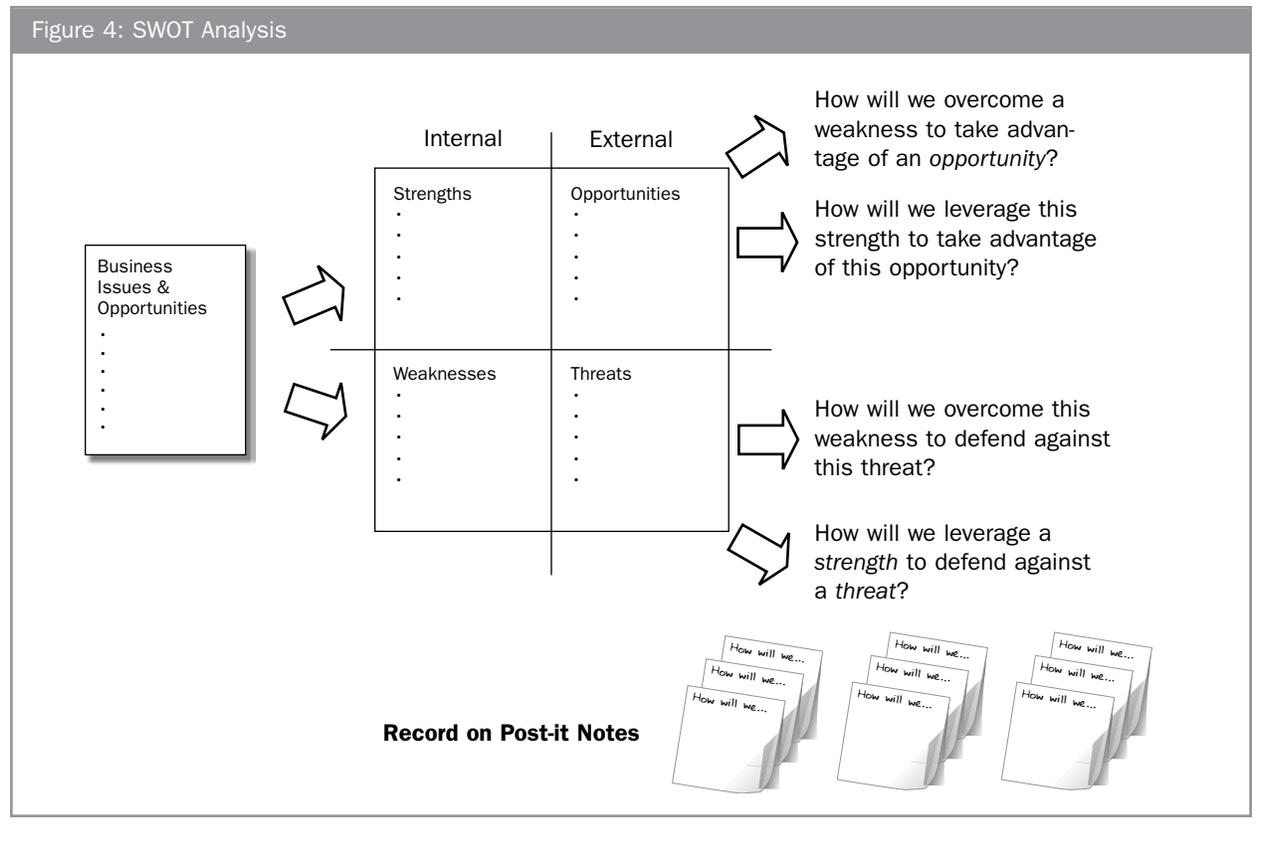
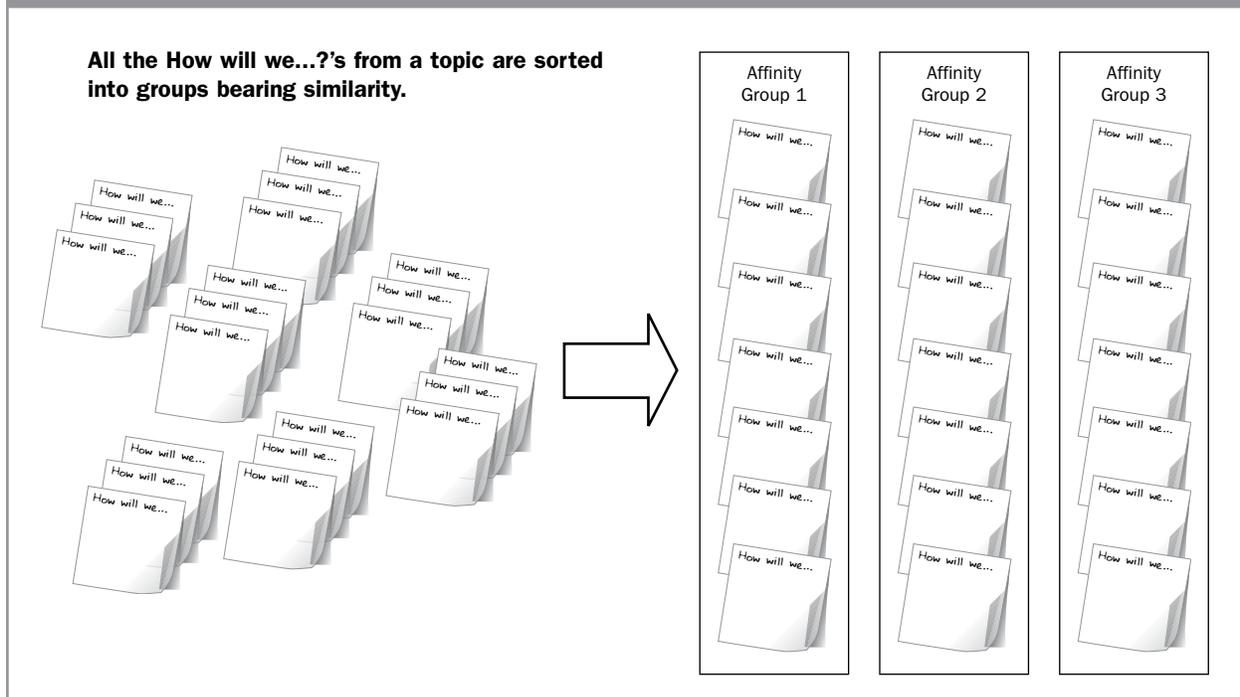


Figure 5: Affinity Diagramming



participants will follow and they are coached on their roles as facilitators and teachers rather than as decision makers. The executives are also given some practice with appreciative inquiry techniques, i.e. the effective use of questions to stimulate dialog with the participants.

The remainder of Tuesday is focused on culture and values. This module first explores culture as a leader's greatest challenge to effectiveness as well as their lasting organizational legacy. It next explores the intersection of that organization's history, culture and values; how they affect today's strategic, tactical and organizational outcomes, how they will strengthen or inhibit future success, and how they may need to evolve in order to meet future demands. It probes how multiple cultures developed within the organization, and explores how these differences can work to strengthen or weaken the organization as a whole.

Our clients have requested that these topics be taught as part of their leadership programs. We have found the café format to be highly effective as an authentic way to surface and explore these deeply internal organizational issues. Participants are typi-

cally anxious to discuss these normally undiscussable topics and the café format is a structured way to exchange observations, stories and questions between participants and across different business units. Through these exchanges, organization-wide awareness grows and questions to consider during the evening group work emerge. Examples of "How Will We..." questions that have emerged for further consideration during evening work include, "How will we use the rock bottom foundation that binds us together to help us succeed?," "How will we recognize our multiple cultures and reconcile them to succeed against our strategy?," and "How do we learn?"

The second and concluding team assignment is made prior to closing the day on Tuesday. The assignment involves three steps and requires the development of: (1) "Vision of Success," (2) "We will..." statements and (3) major strategies. To create the "Vision of Success" the teams are instructed to fast forward the calendar five years into the future and collaboratively imagine and then describe what their world would be like if they were able to successfully leverage the strengths and opportunities

and respond to the weaknesses and threats identified earlier. This description becomes the Vision of Success. The next step is to reflect on what they would have to do to achieve the Vision of Success in the form of three to five broad “*We will...*” statements. The final step is to agree upon major strategies and tactics necessary that could deliver the “*We will...*” statements created. All of this becomes the content for the Friday morning presentations and dialog.

We know through observation and anecdotes that the participants experience significant learning and bonding throughout this process. The participants get deeply engaged in the assignment and designing their Friday morning presentations. They invest a significant amount of time and are usually up late

Thursday night preparing their presentations. They always find clever ways to bend the “flip chart only” rule for visual aids when delivering their presentations. We are always amazed at the creativity and passion that results from this experience.

The senior executives who support the program throughout the week are similarly affected, with many expressing an almost speechless enthusiasm at the quality of ideas, camaraderie and confidence delivered by their participants. Best of all, there is excitement that the process itself can be sustained and spread by those who have experienced it during the week. In addition to the individual skill-building, strategic discussions and heightened organizational awareness, the value of questions and good conversation is a lasting takeaway for all involved.

ABOUT THE AUTHORS

Diane Oettinger specializes in helping organizations develop internal leadership and learning capabilities. An experienced coach to individuals and teams, she has over 30 years of corporate experience in organization change strategies and leadership development at organizations including J.D. Penney, Merrill Lynch, and Phillip Morris, where she was Senior Vice President of Human Resources for PMUSA graduate of Cornell University, she serves as adjunct faculty at the University of Richmond, Robins School of Business Management Institute, and co-founded and serves as president of TMT Associates.

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Jim Myracle focuses on guiding organizations in strategic thinking, innovation, leadership and change. He has extensive strategic planning experience and has evolved an inclusive, inquiry-based approach to planning that energizes organizational commitment. Prior to co-founding TMT Associates, he spent 22 years at Philip Morris USA, where he held executive positions in New Product Development, New Technology, Quality Systems, and Strategic Planning. A graduate of The Catholic University of America, he also serves as adjunct faculty at the University of Richmond, Robins School of Business Management Institute.

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Recommended Reading

from Jim Myracle and Diane Oettinger

The World Café: Shaping Futures through

Conversations that Matter

Juanita Brown with David Isaacs

(Berrett-Koehler, 2005)

This book is a foundation reading for understanding and structuring effective dialog processes and learning conversations.

The Toyota Way

Jefferey Liker

(McGraw-Hill, 2003)

This book examines Toyota's relentless focus on consumers, innovation, ongoing learning and community responsibility.

Shaping Conversations:

Making Strategy, Managing Change

Jeanne M. Liedtka, John W. Rosenblum

California Management Review, Vol. 39,

No. 1, Fall, 1996

(Available: HBS publishing CMR071)

This article examines the connections between strategy development, organization-wide strategic conversation and organizational adaptability to change.

Leadership Agility**Bill Joiner & Stephen Josephs**
Jossey-Bass, 2006

Leadership Agility:

Five Levels of Mastery for Anticipating and Initiating Change

**Bill Joiner**

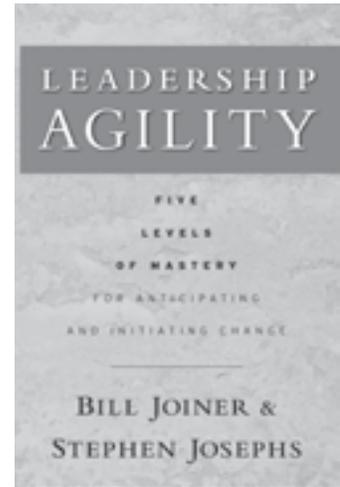
The agile organization and the learning organization have a great deal in common. In the research we conducted for *Leadership Agility*, we discovered that an integral part of organizational, team, and leadership agility is continuous learning and development. We discovered three additional competencies integral to agile leadership: Context-setting agility (scanning your environment, framing the initiatives you need to take, and clarifying the outcomes you need to achieve), stakeholder agility (engaging with key stakeholders in ways that build support for your initiatives), and creative agility (transforming the problems you encounter into the results you need).

**Stephen Josephs**

Why is creativity an integral part of leadership agility? The pace of change continues to accelerate, and everything continues to become increasingly complex and interdependent. This means that the problems and opportunities we face are more and more “ill-structured.” That is, they have novel elements and are subject to multiple perspectives. The most effective responses to these kinds of problems and opportunities are ones that utilize creative thinking.

In our research, we found that leaders with higher levels of creative agility have an enhanced ability to make significant connections between seemingly disparate problems and possibilities. They also have a deeper appreciation of the limitations of any one viewpoint and place greater value on problem solving processes that draw upon multiple perspectives. We also found that, while agile leaders can be quite decisive and never abdicate their decision-making authority, they take a much more participative approach to solving problems and making decisions than their less agile counterparts.

Finally, we were able to identify five distinct stages or levels that managers move through in developing leadership agility. Extrapolating from a research pool of over 600, we estimate that, so far, only about 10% of today’s managers have developed into one of the three “post-heroic” levels of leadership agility.



Chapter One: Agility in a World of Change and Complexity

Robert faced the biggest leadership challenge of his career. An executive in a Canadian oil corporation, he’d just been named president of its refining and retailing company.

Competitively, his company was positioned around the middle of the pack in a mature, margin-sensitive market where long-range demand was projected to be flat. With little to distinguish it from other regionals, it was watching its earnings go steadily downhill. In fact, its future looked dismal.

Within the company, morale was at an all-time low. People at

all levels were frustrated and unhappy. The previous president had taken many steps to make the company more efficient, including a series of layoffs, but these steps had not produced the desired results. The whole organization was in a state of fear. Privately, the outgoing president had been considering which division would have to be sold or shut down. As

Robert moved into his new position, everything was truly up for grabs.

Over the next three years, Robert led his company through an amazing turnaround. At the end of this period, it not only survived without selling any of its divisions, it entered a phase of aggressive growth, clearing \$71 million a year more than when he took over. In the business press, the company went from being a “bad bet” to “one of the darlings of the stock market.” Why did Robert succeed when his predecessor did not?

The company badly needed a short-term increase in its stock price. But Robert wanted to do much more than that. He wanted to transform an admittedly lackluster company into the best regional in North America. In fact, his vision was to develop an organization whose business performance and innovative ways of operating would be benchmarked by companies from a wide variety of industries. By putting the stock price goal in this larger context, Robert overturned his predecessor’s assumption that the company’s options were limited to difficult but familiar cost-cutting solutions. Instead, he decided to create a set of break-out strategies that would develop a more innovative organization.

Realizing that he and his top management group might not have all the answers, Robert hired a world-class strategy firm. He also set up ten “idea factories”: creative strategic-thinking sessions, where employees and other stakeholders developed ideas for the top

team to consider. People responded with enthusiasm, generating a huge number of ideas.

Robert then held a two-day retreat where he and his top management group synthesized the strategy firm’s ideas with those generated by the idea factories. As he put it later, “We tried to involve as many people as possible in the strategic review process. We invested time and energy up front to listen to people, build trust, and get everyone aligned. It paid off, because we started to think with one brain. Instead of being at cross-purposes, we could understand and support each other’s decisions.”

The new strategies that emerged went well beyond those Robert, his team, and the strategy firm would have generated on their own. They resulted in a smaller, more focused organization with a much stronger “people strategy” designed to catapult the company into the ranks of high-performing organizations. When the new game plan was ready, Robert and his team presented it to the employees before they announced it to the market.

The presentation included some bad news, but the employees gave it a standing ovation. Over the months that followed, Robert and his team repeatedly communicated their new vision and its implications for employees in many different forums. As the new strategies were implemented, the top team kept everyone updated on the performance of the business. Every year, Robert met with each of the company’s twenty management teams to discuss objectives and strategies and check for alignment.

Robert’s participative approach to transforming his organization not only led to innovative strategies, it also developed the commitment, trust, and alignment necessary to implement them reliably and effectively. As a result, during his first three years as president, annual earnings went from \$9 million to \$40 million, and cash expenses were reduced by \$40 million a year. A once-faltering company had become one of the most efficient and effective refiners in North America and one of the top retailers in its marketplace.¹

The Agility Imperative

Robert’s story is part of a much larger drama: The struggle of organizations around the globe to adapt to a turbulent world economy. Underlying this turbulence are two deep global trends that have radically altered what it takes to achieve sustained success: accelerating change and growing complexity and interdependence.

Every year, new technologies, markets, and competitors emerge at an ever-increasing pace. As change accelerates, so does uncertainty and novelty: future threats and opportunities are harder to predict, and emerging challenges increasingly include novel elements. Further, with the globalization of the economy and the spread of connective technologies, it’s increasingly clear that we live in a diverse planetary village where everything is connected with everything else.² In this interdependent world, the most successful companies will be

those that create strong, timely alliances and partner effectively with customers, suppliers, and other stakeholders.

This means that, while specific future developments are increasingly difficult to predict, we can make two predictions with great certainty: The pace of change will continue to increase, and the level of complexity and interdependence will continue to grow. For more than a decade, organizational change experts, acutely aware of these powerful trends, have stressed the need to develop “agile” companies—organizations that anticipate and respond to rapidly changing conditions by leveraging highly effective internal and external relationships.³

Robert is one of those rare, agile leaders who succeeded in developing his management group into a cohesive leadership team that could transform their company into an agile organization. However, as many companies have discovered, developing truly agile teams and organizations is an unfamiliar and demanding task. Left to their own devices, the vast majority of today’s managers would not approach Robert’s challenge in the way that he did. Consequently, very few firms have developed the level of agility needed to keep pace with the ever-increasing degree of change and complexity in their business environment.⁴

A major reason for this continuing “agility gap” is the need for more agile leaders, not just in the executive suite but at all organizational levels. In a recent survey of CEOs in North America,

Europe and Asia, 91 percent said that developing leaders is the most critical success factor for the growth of their business.⁵ In another survey, senior executives in Fortune 500 companies identified “agility” as a leadership competency “most needed” for the future success of their business.⁶ Yet although leadership development programs are a priority for most larger companies, very little attention has been given to understanding and developing the specific capacities and skills needed for agile leadership.

Leadership agility is directly analogous to organizational agility: It’s the ability to take wise and effective action amid complex, rapidly changing conditions. In the last-mentioned survey, executives said they much preferred agility to similar-sounding competencies like flexibility and adaptability. Why? By themselves, flexibility and adaptability imply a passive, reactive stance, while agility implies an intentional, proactive stance.

Five Levels of Leadership Agility

Based on data collected from more than six hundred managers, we’ve found that there are five distinct levels in the mastery of leadership agility: Expert, Achiever, Catalyst, Co-Creator, and Synergist.⁷ In Table 1.1, you’ll find profiles that show how managers at each agility level carry out initiatives in each of the three action arenas described in the Introduction: pivotal conversations, leading teams, and leading organizational

change. Note that the competencies you need for agile leadership evolve further with each new level of mastery. Yet each time you move to a new level, you retain the ability to use those competencies you developed at previous levels.

Each level of agility includes and goes beyond the competencies developed at previous levels. The percentage figures refer to research-based estimates of the managers currently capable of operating at each agility level.⁸

The Expert Level

The name we’ve chosen for each agility level is intended to emphasize its strengths. Experts are so named because they’re strongly motivated to develop subject-matter expertise, and because they assume that a leader’s legitimate power comes from expertise and positional authority. Experts (roughly 45 percent of all managers) are the least agile of those profiled in the chart, but they’re more agile than about 10 percent who remain at Pre-expert levels. With their tactical orientation and their capacity for analytic problem solving, the Experts’ agility level is best suited for environments where success can be achieved by making incremental improvements to existing strategies.

The Achiever Level

About 35 percent of today’s managers have developed to the Achiever level of agility. These managers are highly motivated to accomplish outcomes valued by

Table 1.1: Quick Reference Guide to Five Levels of Leadership Agility

Level of Agility	View of Leadership	Pivotal Conversations	Leading Teams	Leading Organizational Change
Pre-Expert (~10%)				
Expert (~45%)	Tactical, problem-solving orientation. Believes that leaders are respected and followed by others because of their authority and expertise.	Style is either to strongly assert opinions or hold back to accommodate others. May swing from one style to the other, particularly for different relationships. Tends to avoid giving or requesting feedback.	More of a supervisor than a manager. Creates a group of individuals rather than a team. Work with direct reports is primarily one-on-one. Too caught up in the details of own work to lead in a strategic manner.	Organizational initiatives focus primarily on incremental improvements inside unit boundaries with little attention to stakeholders.
Achiever (~35%)	Strategic, outcome orientation. Believes that leaders motivate others by making it challenging and satisfying to contribute to larger objectives.	Primarily assertive or accommodative with some ability to compensate with the less preferred style. Will accept or even initiate feedback, if helpful in achieving desired outcomes.	Operates like a full-fledged manager. Meetings to discuss important strategic or organizational issues are often orchestrated to gain buy-in to own views.	Organizational initiatives include analysis of external environment. Strategies to gain stakeholder buy-in range from one-way communication to soliciting input.
Catalyst (~5%)	Visionary, facilitative orientation. Believes that leaders articulate an innovative, inspiring vision and bring together the right people to transform the vision into reality. Leaders empower others and actively facilitate their development.	Adept at balancing assertive and accommodative styles as needed in particular situations. Likely to articulate and question underlying assumptions. Genuinely interested in learning from diverse viewpoints. Proactive in seeking and utilizing feedback.	Intent upon creating a highly participative team. Acts as a team leader and facilitator. Models and seeks open exchange of views on difficult issues. Empowers direct reports. Uses team development as a vehicle for leadership development.	Organizational initiatives often include development of a culture that promotes teamwork, participation, and empowerment. Proactive engagement with diverse stakeholders reflects a belief that input increases the quality of decisions, not just buy-in.
Co-Creator (~4%)	Oriented toward shared purpose and collaboration. Believes leadership is ultimately a service to others. Leaders collaborate with other leaders to develop a shared vision that each experiences as deeply purposeful.	Integrates his/her assertive and accommodative sides in pivotal conversations and is agile in using both styles. Able to process and seriously consider negative feedback even when highly charged emotionally.	Develops a collaborative leadership team, where members feel full responsibility not only for their own areas but also for the unit/organization they collectively manage. Practical preference for consensus decision-making but doesn't hesitate to use authority as needed.	Develops key stakeholder relationships characterized by deep levels of mutual influence and genuine dedication to the common good. May create companies or organizational units where corporate responsibility and deep collaboration are integral practices.
Synergist (~1%)	Holistic orientation. Experiences leadership as participation in a palpable life purpose that benefits others while serving as a vehicle for personal transformation.	Centered within his/her assertive and accommodative energies, expressed appropriately to the situation. Cultivates a present-centered awareness that augments external feedback and supports a strong, subtle connection with others, even during challenging conversations.	Capable of moving fluidly between various team leadership styles uniquely suited to the situation at hand. Can shape or amplify the energy dynamics at work in a particular situation to bring about mutually beneficial results.	Develops and maintains a deep, empathetic awareness of conflicting stakeholder interests, including his/her own. Able to access "synergistic intuitions" that transform seemingly intractable conflicts into solutions beneficial for all parties involved.

Note: Each level of agility includes and goes beyond the competencies developed at previous levels. The percentage figures refer to research-based estimates of the managers currently capable of operating at each agility level.⁹

the institutions with which they've identified themselves. They realize that a leader's power comes not only from authority and expertise but also from motivating others by making it challenging and satisfying to contribute to important outcomes. With their capacity for strategic thinking, Achievers can be highly effective in moderately complex environments where the pace of change requires episodic shifts in corporate strategy.

Heroic and Post-Heroic Leadership

In their book *Power Up: Transforming Organizations Through Shared Leadership*, David Bradford and Allan Cohen distinguish between "heroic" and "post-heroic" leadership. We found that managers at the Pre-expert, Expert, and Achiever levels (about 90 percent of all managers) operate from a heroic leadership mind-set.⁹ That is, they assume *sole* responsibility for setting their organization's objectives, coordinating the activities of their subordinates, and managing their performance.

Heroic leadership can be highly effective in certain situations. The predominant combination of Expert and Achiever leadership worked relatively well for most companies until the waning decades of the twentieth century, when the globalization of the economy ushered in an era of constant change and growing interdependence. In this new environment, with its increased demand for collaborative problem solving, teamwork, and continuous organizational

change, heroic leadership overcontrols and underutilizes subordinates. It discourages people from feeling responsible for anything beyond their assigned area, inhibits optimal teamwork, and implicitly encourages subordinates to use the heroic approach with their own units.

In this new century, sustained success will require post-heroic leadership. Leaders who develop beyond the Achiever level of agility retain the ultimate accountability and authority that comes with any formal leadership role. At the same time, they work to create highly participative teams and organizations characterized by shared commitment and responsibility.¹⁰ Unfortunately, as noted in the Introduction, only about 10 percent of today's managers are functioning at post-heroic levels of agility: approximately 5 percent at the Catalyst level, 4 percent at the Co-Creator level, and 1 percent at the Synergist level.

The Catalyst Level

Robert's story provides a clear example of post-heroic leadership at the Catalyst level. When appropriate, he exercised Expert and Achiever power, but he led his company in a way that emphasized the power of vision and participation. While his Achiever-level predecessor took the company's existing culture as a given, Robert, like other Catalysts, was strongly motivated to create a participative culture capable of achieving valued outcomes over the longer term. Catalysts, with

their openness to change, their willingness to rethink basic assumptions, and their visionary orientation, represent the first level of agility capable of sustained success in today's highly complex, constantly changing business environment.

The Co-Creator Level

Co-Creator leaders derive their name, in part, from their understanding that everything in business and in the rest of life is interdependent. Because of their principled commitment to the common good, many of the Co-Creators in our sample have pioneered new forms of organization where corporate responsibility is integral to their bottom line. Whether or not they establish new organizations, Co-Creator leaders are committed to developing genuinely collaborative team and organizational relationships rooted in a deep sense of shared purpose. With their emotional resilience, their capacity for dialogue, and their ability to generate creative, win-win solutions, Co-Creators are well-equipped for long-term success in the rapidly changing and often disruptive global economy of the early twenty-first century.

The Synergist Level

In conducting the research for this book, we found that the differences between the agility levels become more subtle as leaders move to each successive level. This is particularly true of the distinctions between Co-Creators

and Synergists. More than any other, the Synergist level is best understood from the inside out. Part of what distinguishes the leaders who function at this level is their ability to enter fully into the moment-to-moment flow of their present experience. As this capacity for present-centered awareness develops, it gives leaders the ability, in contentious and chaotic situations, to stand in the eye of the storm. This ability to remain centered amid competing demands allows them to access “synergistic intuitions” that transform seemingly intractable conflicts into solutions that are beneficial for all parties involved. We believe that the capacities and competencies developed by these men and women represent the cutting edge of leadership development for the twenty-first century.

Agility Levels and Personality Types

In the next chapter, we provide a more detailed walk-through of these five levels of leadership agility, designed to help you identify

your own agility level and that of the people with whom you work. Part Two will allow you to fine-tune these initial assessments by reading real-life stories that illustrate each level of agility.

Before we turn to the next chapter, we’d like to address a misimpression people sometimes have when they first hear about the five levels of leadership agility: The assumption that we’re talking about different personality types or management styles. Over the past few decades, a number of frameworks that distinguish between various personality types and management styles have found their way into the workplace. (Two prominent examples are the Myers-Briggs Type Inventory and the DISC Personal Profile System).¹¹ Influenced by this way of thinking, you might assume that some people grow up with an Expert personality, while others grow up with a Synergist personality, and so on.

We believe it’s important to understand how personality types influence leadership styles. However, the levels we’ve just described

are not personality types. As you may remember from the Introduction, each level of leadership agility correlates with a particular *stage* of personal development. Decades of research have confirmed that human beings move through these stages in a particular sequence. Similarly, the levels we’ve outlined represent sequential stages in the mastery of leadership agility. This means, for example, that leaders don’t skip from the Expert level to the Co-Creator level. To operate reliably at the Co-Creator level of leadership agility, you first need to master the Achiever and Catalyst levels. So far, we’ve found no exceptions to this pattern.¹²

All our research indicates that level of agility and personality type are completely unrelated variables. Every personality type can be found at each level of leadership agility. This means that, no matter what your personality type happens to be, you have the potential to master advanced levels of agility—an important thought to keep in mind as you read the next chapter.¹³

Endnotes

1. “Robert” is one of our clients. We tell this story in more detail in Chapter Six. Among other things, we designed and facilitated the creative thinking sessions that Robert and his management team used to develop their breakthrough strategies. The lead consultant on this project was Sheila Shuman, who subsequently changed careers and became a Jungian therapist. For more information on our customized Breakthrough Strategy Process, go to www.changewise.biz/os-bsp-overview.html.
2. “Connective technologies” include telecommunications technologies; the Internet, e-mail, and other computer-mediated communication technologies; and personal communications technologies.
3. Organization design experts first used the term *agile* in the early 1990s to describe manufacturing firms that could quickly adapt to meet changing customer needs (*Agile Manufacturing*, Kidd; *Pathways to Agility: Mass Customization in Action*, Oleson; *Response Ability: The Language, Structure and Culture of the Agile Enterprise*, Dove; and *Transitioning to Agility: Creating the 21st Century Enterprise*, Gunneson.) By the end of the millennium, the concept of agility had broadened to mean “the ability to anticipate and

- respond rapidly to changing conditions” (“Building Agility and Resiliency During Turbulent Change,” McCann). It was also being applied in the service sector to IT projects, and to the IT systems needed to support agile organizations (*Agility in Health Care*, Goldman and Graham; and *Cooperate to Compete: Building Agile Business Relationships*, Preiss, Goldman, and Nagel. Books and articles on agile IT are legion). In 2003, a study of fifty government agencies in eight countries, conducted with the London School of Economics, concluded that agile agencies not only exist, they significantly outperform other agencies on virtually every important metric—from productivity to employee and customer satisfaction (“Agile Government: It’s Not an Oxymoron,” Baker, Durante, and Sanin-Gómez). Also see *Built to Change: How to Achieve Sustained Organizational Effectiveness*, Lawler and Worley.
4. As organizational theorists have pointed out, to enjoy sustained success, companies need to develop a level of organizational agility that matches the increasing level of change and complexity in their business environment. Some organizational theorists prescribe “organizational agility” for environments where change is continuous and “organizational resilience” for even more turbulent environments where disruptive change has become the norm. (“The Quest for Resilience,” Hamel and Valikangas, and “Organizational Effectiveness: Changing Concepts for Changing Environments,” McCann). Because of the way we define agility, we say that extremely turbulent environments require organizations, teams, and individual leaders to have higher levels of agility, and we define resilience as a necessary but not sufficient condition for agility. For a discussion of the relationship between resilience and agility at the individual level, see Chapter Ten.
 5. “The Present State of Leadership and Strategies for Preparing Future Leaders,” Taylor.
 6. This survey was conducted by the global career-management services firm, Lee Hecht Harrison, in 2004. Researchers gave a list of leadership competencies to 130 senior executives and human resource professionals in Fortune 500 companies, universities, and professional service organizations and asked them which competencies were most critical for their organizations. When the responses were in, three competencies clustered together at the top: “delivering measurable business results,” “influencing others to assume leadership in their roles,” and “agility.”
 7. The names for our Expert and Achiever levels are borrowed from the pioneering work of William R. Torbert. See *Action Inquiry: The Secret of Timely and Transforming Leadership*, Torbert and associates.
 8. In this chart, the percentage of managers at each level is an approximation, extrapolated from four research studies involving a total of 384 managers. For more information about how we arrived at these estimates, see the last part of Appendix A.
 9. **In *Power Up*, Bradford and Cohen identify two forms of heroic leadership, the Technician and the Conductor. Although they don’t use the terminology of levels of agility, their Technician corresponds to our Expert, and their Conductor corresponds to our Achiever. Also see their earlier book, *Managing for Excellence*.**
 10. Conceptually, Bradford and Cohen’s post-heroic leader, which they call the Developer, spans our Catalyst and Co-Creator levels. However, the primary story upon which *Power Up* is based appears to capture a leader’s transition from the Achiever to the Catalyst level.
 11. Tools such as these are often used to help people appreciate the contributions that diverse personality types can bring to a team effort. The Myers-Briggs Type Inventory identifies four “basic temperaments,” sometimes called Idealist, Rational, Guardian, and Artisan, which are then subdivided into a total of sixteen personality types. See *Type Talk*, Kroeger and Thusen, and *Please Understand Me II*, Keirsey. The names we’ve just given for the four temperaments come from a very useful pamphlet called *The 16 Personality Types*, Berens and Nardi. The DISC Personal Profile System posits four basic personality types: Decisive, Influential, Steady, and Compliant. (See www.discprofile.com.)
 12. *The Essential Piaget*, Piaget; *Essays on Moral Development*, Volume 1: *The Philosophy of Moral Development*, Kohlberg; *Ego Development*, Loevinger; *The Evolving Self*, Kegan.

13. For example, the classic study of high-performing leaders, reported by Bennis and Nanus in *Leaders* two decades ago, found no correlation between personality type (including charismatic personality) and effective leadership. More recently, we conducted an in-depth study of twelve managers representing seven Myers-Briggs personality types and found no correlation between any dimension of MBTI personality type (introvert-extravert, intuitive-sensing, thinking-feeling, or judging-perceiving) and level of leadership agility.

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New & Recommended Reading

by SoL Members and Friends

“Collaborating for Systemic Change” by Peter M. Senge, Benyamin B. Lichtenstein, Katrin Kaeufer, Hilary Bradbury, John S. Carroll in the *Sloan Management Review*, Winter 2007, pp. 44-53 (Reprint # 48211)

A summary of research on the SoL Sustainability Consortium as an example of a cross organizational consortium with an agenda of large system change that will be essential for meeting the sustainability challenge.

“In Praise of the Incomplete Leader” by Deborah Ancona, Thomas W. Malone, Wanda J. Orlikowski, Peter M. Senge in the *Harvard Business Review*, February 2007 (Reprint R0702E)

No leader is perfect and we shouldn't expect them to be. The authors posit that the best ones develop their strengths and find ways to complement their limitations. They emphasize sense-making, relating, visioning and inventing as the capabilities most needed in an effective leadership team.

Theory U: Leading from the Future as it Emerges (SoL, 2007)

Theory U is SoL's newest publication by C. Otto Scharmer. In it, the “U” process, first introduced in his previous work *Presence*, is expanded, deepened, and offered in comprehensive detail. The shift in awareness he documents allows us to connect to our best future possibility and realize it.

<http://www.solonline.org/theoryu/>

Inside Out: Stories and Method for Generating Collective Will to Create the Future We Want by Tracy Huston (SoL, 2007)

Huston builds on U-theory by exploring “collective presencing” approaches for developing the personal, relational, and systemic conditions needed to support leaders in collaborating across their institutional boundaries to create the future they want. Drawing from her work in multi-stakeholder change initiatives, as well as from a variety of “ensemble” practices employed in the arts, Huston offers a rich mix of stories, cases, and practical methods for generating and sustaining whole system change, from the “inside-out.”

<http://www.solonline.org/insideout/>

A Leader's Guide to Reflective Practice by Judy Brown (Trafford Publishing, 2006)

What makes a fire burn
is space between the logs,
a breathing space...

SoL member Judy Brown offers this guide complemented by poetry as a way for leaders to develop much-needed breathing space.

<http://www.trafford.com/06-2202>

The Change Handbook: The Definitive Resource on Today's Best Methods for Engaging Whole Systems, 2nd Edition by Peggy Holman, Tom Devane, Steven Cady (Berrett-Koehler Publishers, 2007)

This new edition is an essential reference for those using “getting the whole system in the (proverbial) room” approaches to organizational change and effectiveness. There are many contributions by SoL members. <http://www.bkconnection.com/ProdDetails.asp?ID=9781576753798&PG=1&Type=RLMa&PCS=BKP>

Leadership is Global: Co-creating a Humane and Sustainable World edited by Walter Link, Thais Corral, and Mark Gerzon (The Global Leadership Network, 2007)

This wide-ranging collection includes contributions from SoL members Adam Kahane and Alain Gauthier.

<http://www.globalleadershipnetwork.net/book.html>

The Real Wealth of Nations: Creating a Caring Economics by Riane Eisler (Berrett-Koehler Publishers, 2007)

Riane Eisler offers a new way of thinking by transforming “the dismal science of economics” into a practical plan for solving global warming, poverty, and terrorism. Rather than only valuing traditional economic activity, she offers a way to value our life sustaining activities and the contributions of nature as well (“caring economics”), creating the possibility for everyone to participate in offering their gifts. Look for an excerpt in an upcoming issue of *Reflections*.

<http://www.bkconnection.com/ProdDetails.asp?ID=9781576753880&Type=SB&SUBSEL=BKP.CURR&Title=BK+Currents&ref=lib>

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