Leading Systemically

Quarterly Reflections on Leadership

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The Wise Leader

Introduction

In western society we equate intelligence with IQ. Over the course of the 20th century average IQ rates rose by 3 points a decade[i] – 30 points over the course of the century, a huge increase. Yet what has that brought us? As time passes our leaders find it increasingly difficult to navigate the issues of the day - climate change, pandemic, pollution, poverty, international relations … These issues worry us all and we continue to look to our leaders to fix things. We expect them to have all the answers, to make decisions and stick to them, to show us they are in control. Consequently, our leaders invest more energy in being right than they do in acknowledging the complexity of these issues.

The limitations of IQ as a sole index of leadership ability were recognized a long time ago. Almost a century ago, Elton Mayo studied workers at the Hawthorne Plant of the Western Electric Company in Chicago and discovered that they performed at their best when motivated. This put the onus on leaders to be able to engage others, to 'bring them on the journey'. But the ability to engage and motivate is not easy to precisely define or measure. People have tried, to the extent of inventing 'EQ' – a notional equivalent of IQ. EQ is about our ability to understand, manage and regulate our emotions. Yet we have no valid or reliable measures of these abilities. Our capacity to motivate and engage can only be measured by asking people if they feel motivated and engaged. Hence the emergence of multi-rater surveys. But these instruments don't offer objective measurement. The ability to speak frankly may be interpreted as transparent and candid in one organization, but brash and intimidating in a different organisation. The emotionally intelligent individual is suddenly lacking.

We know our leaders need to be able to motivate and engage but we're not sure what that looks like, because what it looks like depends on the context. We call these 'soft' skills because they feel elusive and intangible. So, we keep selecting for IQ and delivery, but struggle to decide if people will be good at motivating and engaging people. Meantime we see some world leaders display abysmal people skills. We see leaders warring with each other via the media, insulting each other, and blaming each other for the breakdown in relationship. Some of these leaders appear quite oblivious to the feelings of others, yet someone appointed them to these important roles.

A new literature has emerged over the last couple of decades to fill the gap. Most leadership texts these days recognize the importance of getting things done and building relationships - hard skills and soft skills, but skills are not enough in dealing with the complexities of everyday life. Instead, we must think about how we can help our leaders become wiser.

What **is** wisdom?

In this paper we condense a long list of attributes into five mantras, five themes that characterise the wise leader.

There exist multiple definitions of wisdom. They emphasise the importance of rational decision making and emotional regulation, but also self awareness, openness, reflectivity, a commitment to lifelong learning, a positive attitude, transcendence, generosity, collaborativeness, acceptance of change and humility[ii iii iv v]. In this paper we condense a long list of attributes into five mantras, five themes that characterise the wise leader.

1. **Know Yourselves**

   The leadership literature depicts people as unitary entities defined by a single set of beliefs, motivations and experiences. To become a great leader, so the story goes, a leader must develop a deep understanding of his/her 'true' self, then behave in accordance with that self at all times. Behaving in accordance with one's true self is often referred to as being authentic. We conduct personality tests and 360 feedback surveys, interpreting the findings as if they reflect the operation of a single self. Yet there is no evidence to support the idea that there is one me or one you. There is no single centre of self in the brain. The only evidence for the existence of a single self is our subjective sense of being. This sense of self may be comforting, in that it gives us a sense of being in control, but it is likely illusory[vi vii]. There is more evidence to support the idea that we are not one, but many.

   Multiplicity theories have been around a long time. Plato spoke of the rational self, the appetite and the spirit. Freud described the ego, superego and id. Eric Berne defined parental, adult and child ego-states. Richard Schwartz went so far as to posit a whole family of internal selves, with different 'parts' both cooperating and working against each other within an 'Internal Family System' (IFS)[viii].

   Authenticity, through this lens, is not about a single self in control of all its actions. It is about the extent to which all these different mini-selves are aware of each other and work together collaboratively. Mary Watkins, a clinical and developmental psychologist, said that a hallmark of healthy psychological development is the progressive elaboration of different internal characters, and the continuous enhancement of imaginary conversation among those characters.

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Leaders must therefore think more deeply about how they want to behave in different contexts and how they will bring the most appropriate version of themelves to a specific context. A traditional psychometric test or 360 survey may not help much – these tools imply we should take our true single self to all contexts.

Some theories demonise aspects of ourselves – self doubt, for example – and invite us to push these selves away. But another school of thought says all our selves have our best interest at hearts. They strive to show up because they believe we need them, but this eagerness to help is sometimes misplaced. For example, my cautious self may whisper in my ear that I definitely should not deliver that presentation to 500 people, because I will make a fool of myself. Rather than seek to push this part of myself away, I need to get to know it, understand its concerns and negotiate for it to step aside and let a more confident part of myself make the presentation.

I once coached a leader who advanced rapidly up the ranks because he was creative and innovative. He found himself attending senior leadership meetings and things weren't going well. He spoke enthusiastically at these meetings about what his division planned to achieve, but the story kept changing and he rarely delivered what he said he would deliver. As a consequence other divisions and support services were constantly uncertain how best to align themselves to his activities. Over the course of our time together he identified two aspects of himself – Crazy Juan and the Aggressive Librarian. Crazy Juan was wild and loud, creative and innovative. The Aggressive Librarian was reserved, disciplined and organised. Crazy Juan thought the Aggressive Librarian was boring. The Aggressive Librarian found Crazy Juan exhausting, and let him run the show at senior leadership team meetings – it was too hard to persuade him to sit to one side. This leader got know both these aspects of himself, and worked hard to help them get to know each other and work together more effectively.

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2. **Transcend Yourselves**

   Many leadership programs focus purely on skill. It is assumed that the primary attribute of an effective leader is intelligence, defined in terms of some combination of numerical, verbal and conceptual reasoning. Program tutors appeal to the cognitive capacity of the leader in communicating new theories and frameworks. This is the 'toolbox'

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approach to leadership, the objective of which is to enable leaders to acquire new tools (tools being a metaphor for skills) with which to approach the challenges they face.

This approach fails to recognise the significance of adult development. It assumes that all adults make sense of the world essentially the same way. In fact there is plenty of evidence to suggest that we tend to think about the world differently depending on our stage of adult development. Adult development is constant and ongoing and we are all at different stages of development. Robert Kegan suggests there are five levels of development[ix] and we don't all progress through every stage. An important principle of adult development theory is that we are subject to our current way of thinking and don't have access to those ways of thinking we have not yet encountered. We may understand other ways of thinking *intellectually*, but we don't understand what it is actually like to think and feel through these as-yet unencountered perspectives.

We'll consider here Kegan's stages three, four and five, because these are the stages most of us transition through in adulthood. At stage three I am dependent. I can tell you what my values are and what's important to me. I can relate to you my principles. But I don't fully own this aspect of myself. When the pressure is on and I am being asked to make difficult decisions in situations where there different stakeholders with different opinions – I struggle. I am driven to please 'significant' others, who I look to for guidance – am I doing the right thing? If those significant others don't speak with once voice, then I get stressed.

At stage four I am more independent. My values, beliefs and principles are more integrated. If I find myself pulled in different directions then I am able to look inwards. I am less concerned with pleasing others and more concerned with honouring myself. At this stage I am more sure of myself but I tend to experience my perspective as truth.

At stage five I see my values for what they are, a set of beliefs that have evolved over time through my interaction with others. My appreciation of that process leads me to feel curious about others values and beliefs and how they have evolved. If I find myself in conflict with someone I am more likely to see that in terms of one set of values and beliefs bumping into a different set of values and beliefs. I am able to transcend myself and others, and see the world and my relationships in the world from a meta-perspective.

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Many leaders operate from somewhere between stages three and four. Talking to those leaders you get a sense of what they stand for, but at the same time they find it difficult to prioritise because they are reluctant to challenge their leadership, and avoid challenging conversations. These folks need to find a way to access stage four more often.

Those leaders who do operate predominantly from stage four are more confident, but can sometimes seem fixed and intransigent in their views. They may have difficulties forming good working relationships with people who see the world differently to them. For these leaders the challenge is accessing stage five, a vantage point from which they can notice the subjectivity of their own values and respect the beliefs and values of others.

This journey goes unacknowledged in most leadership development programs. Leaders are taught new theories and frameworks, but are left to implement those models through their current way of thinking about the world. It isn't much use giving leaders models that help them manage difficult conversations if the model asks them to think about the world in a way that they don't think about the world. That just leads to a *"yes, but …"* response – "*the model makes sense to me in theory, but* …"

This account of adult development theory has so far been quite linear. It doesn't wholly resonate with leaders, nor does it make intuitive sense. Most people can think of times when they have felt beholden to others opinions – when about to step on stage and present to a room full of CEOs, for example. Most of us can think of times when we have acted in accordance with deeply held values and beliefs. And some of us can think of times when we have resisted getting into a debate and been curious instead as to why the other person thinks the way they think. Rather than think of adult development as progression up a scale it may be more useful to think of progression in terms of growing new skins. When I develop the capacity to think 'stage 4' style, I retain the capacity to think 'stage 3' style.

Which style emerges depends on the context and how I respond to it. It is useful to combine '**know yourselves**' thinking with '**transcend yourselves**' thinking. Consider each of yourselves and ask – when did this self emerge? Who is this self? At what stage of adult development is this self? I worked with a lawyer once, who found this model useful. She hated public speaking. The task became easier once 'independent

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self' and 'dependent self' agreed that independent self would do presentations from now on.

The wise leader has a sophisticated understanding of self that includes an understanding of how all her inner selves make meaning of the world. This helps the wise leader take on challenges and tasks other leaders find more daunting.

3. Think Meta!

In these days of complexity and uncertainty leaders find themselves asked to think 'systemically'. The inference is that they need to think somehow more astutely about the world around them. The problem is that few people take the time to define what thinking systemically means. There are at least five different definitions of thinking systemically, each of which is quite different[x].

Linear systemic

The leader sees the organisation as a simple machine. If the machine isn't working perfectly, then the leader can step outside the machine, diagnose what's wrong, plot an intervention, then step back into the machine. The leader implicitly believes she can control the functioning of the organisation and expects others to behave accordingly – i.e. doing what they are told to do by people more senior. This leader relies heavily on data to understand what is happening in the organisation, believes in the power of hierarchy and adopts an authoritative approach to leadership.

Non-linear systemic

The leader still thinks in terms of linear cause and effect but recognises how complicated often is that relationship. The leader still sees the organisation as a kind of machine, but this machine is more like an aircraft engine than a washing machine. This leader prides himself on his intelligence and ability to solve complicated problems. He recognises the need to take time to make certain decisions and to consult with others, other people whose intelligence he respects.

Collaborative systemic

This leader is humble enough to recognise that the organisation is too complex for one person to understand. This leader recognises the limitations of her own subjective perspective on events and actively seeks out the perspectives of others. A view of the system built on multiple perspectives is more likely to be right. This leader is fully committed to consult and collaborate and always makes time to seek out others perspectives when addressing complex issues, a wide range

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of perspectives from different locations in the organisations, not just 'smart' perspectives.

Complex systemic

This leader thinks fundamentally differently. He recognises that the idea of stepping outside the 'system' is absurd – he is as much a part of the system as anyone else, and everything he does is a part of that system. He knows he cannot hope to control the system. The functioning of the system is based on what happens at the local level. People get together in their local areas with the people they trust and make sense of the world together. From those interactions emerge local intent. The outcomes of these local interactions combine to create higher level patterns. These patterns cannot be controlled, but they can be influenced. This leader recognises that it is his job to get out there and interact – to listen intently, and to say what needs to be said. This leader is hungry to understand what others think, curious, open to multiple perspectives, and comfortable not knowing. This leader is still decisive, because he recognises every decision is ultimately an experiment which will inevitably lead to learning and new insight.

Meta systemic

This leader thinks similarly to the complex systemic leader, with one key difference. This leader knows that organisations are not systems. To talk about an organisation as a system is an imperfect metaphor, sometimes useful, sometimes not. This leader recognises that to talk about systems (and sub-systems) is to over-privilege the idea of boundaries. It is too easy to think of teams, divisions, organisations as boundaried entities. To think this way is to over-privilege the impact of the conversations that take place between people within that entity, and to under-privilege the impact of conversations that take place across 'boundaries'. For example, the CEO recounting how she made a great investment decision will likely refer to the conversations she had with her leadership team. She may not mention the conversation she had with her partner, or the conversation she had with a friend at the cricket, or the words of encouragement she received – the day she was prevaricating – from her barista. She probably isn't even *aware* of the impact these conversations had on her decision making. These leaders are also hungry to understand what others think, curious, open to multiple perspectives, and comfortable with ambiguity. And they work and think across boundaries.

Ultimately the wise leader thinks meta-systemically, recognising the value of all the other ways of thinking and recognising their limitations.

The wise leader can think through all these lenses. Ultimately the wise leader thinks meta-systemically, recognising the value of all the other ways of thinking *and* recognising their limitations. This leader recognises the value of metaphor in simplifying complexity, but understands also that this simplified view of complexity is not reality. This leader is constantly hypothesising, experimenting, reflecting and re-hypothesising.

4. Engage in dialogue

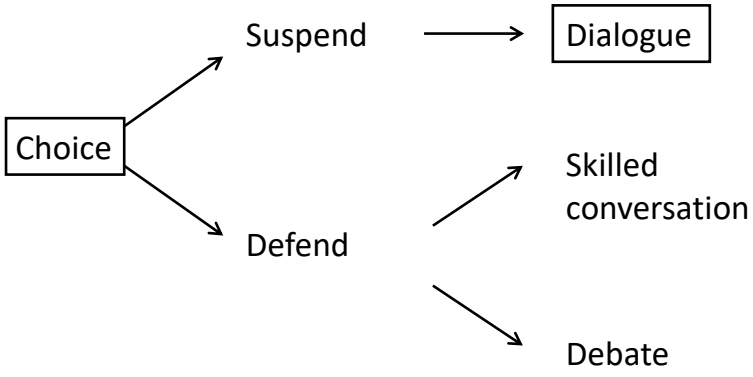
Based on a sophisticated understanding of self and system, this leader recognises the value of dialogue in seeking to influence.

But what is dialogue?

Dialogue is a particular type of conversation (see diagram below[xii]). When we engage in dialogue, we come prepared to do two things:

1. Listen without prejudice to what the other person is saying, suspending our convictions, opinions, and beliefs.
2. Say what needs to be said – respectfully.

Dialogue is not the same as skilled conversation. Skilled conversation is the coming together of people with personal agendas. They can come to an agreement without tension. Skilled conversation is about negotiation and compromise. Often, little new arises from skilled conversation and sometimes that doesn't matter.



Dialogue is also different to debate; the exchange of views, without much listening going on. All three types of conversation have their place, but dialogue is particularly appropriate when seeking to navigate change, to influence, to foster innovation, or to build a climate of trust.

Many leaders say they want to engage in conversation, but ultimately they are determined to sell a message.

Talking about dialogue is important because it opens our eyes to the essence of change. Our default approach to change tends to be monologic. Many change models are implicitly monologic. There are lots of change models, most similar to the diagram below[xii].

This is the 'Kotter Model', and it lays out a sequence of actions the change manager must implement to make change happen. Notice how it is the role of a central team to decide what needs to change and to create a vision that others can align to. It is then the role of the leader to 'communicate' that vision. However – the word 'communicate' has two meanings in the English language:

> *"… the successful conveying or sharing of ideas and feelings."*

The successful *conveying* of information (I talk – you listen) or the successful *sharing* of information (we talk – we listen). Most often in change programs the focus is on conveying information, not on sharing information. Many change programs include workshops. People are invited to come to these workshops to align around a particular course of action. Although the facilitator is there to help people work together, the facilitator has already decided where the conversation needs to end up; it needs to end up aligned around the centrally driven intended change. We call this facipulation; manipulation dressed up as facilitation. This is what many leaders do on their visits to different parts of the organisation to explain a change initiative. They say they want to engage in conversation, but ultimately they are determined to sell a message. This approach to change is implicitly top-down and tends not to work. Here are three aspects of the way change really happens:

The best way to influence is to create a space in which people have the opportunity to make sense of things for themselves.

1. Change happens all the time, whether we are embarked on an official change program or not. The economy changes, viruses emerge, clients behave unpredictably, people have new ideas. When you implement a change program, you are just adding to the mix.
2. If you tell me to do something, I might do it, especially if you are my boss and I think I must do it to stay in your good books. However, if you tell me to *think* something, I might nod politely, but ultimately *I* will decide how I choose to think. Positional power is important, *and* it is over-rated. You can't make people think the way you want them to think, and you can't make them do what you want them to do, unless you stand over them and watch their every move.
3. We think together. We share perspectives, share our thinking, listen to others thinking. From those conversations emerge new ideas and intentions. Change emerges from these conversations. Change is social.

The wise leader thinks meta and understands that their role is to influence. The best way to influence is to create a space in which people have the opportunity to make sense of things for themselves. The wise leader understands how people are making sense of events, because she is constantly listening to what people are saying. She is good at expressing what she is thinking and feeling, without fear that people may not agree – and that some other, hitherto unthought of, course of action may usefully emerge from the dialogue.

5. Commit to learning

Definitions of wisdom focus on the role of experience. We learn through doing – and reflecting on that experience of doing. As John Dewey wrote[xiii]:

"We do not learn from experience. We learn from reflecting on experience."

Few leaders push back on the importance of learning. Leaders recognise that learning is important, but they nevertheless fail to embrace just *how* important learning is. So many leaders these days feel overwhelmed by the demands of those around them. Learning is something that is always on the list of things to do, but rarely makes it to the top of the list. For the wise leader, learning isn't an action, an event, a training course. For the wise leader learning is a way of being. The wise leader is open to experience, curious and determined to know, open to multiple perspectives and reflective[iii xiv xv]. The wise

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leader is an explorer, continually seeking to probe, discover and understand[xvi].

The wise leader doesn't only understand the importance of reflection but knows how to reflect. More is not always better when it comes to developing wisdom through reflection[xiii]. More important are the *why* and the *how*. Wise leaders are more likely to reflect in order to become more self-aware, learning lessons that guide future behaviour. Less wise leaders may spend more of their reflection time time blaming circumstance or other people when things go wrong.

Wise leaders spend more time exploring the deeper meaning of an event, adopting a non-defensive, self-critical and open stance to learning. This process is deep and profound, yielding complex, growth-oriented lessons and insights. Wise leaders adopt a positive mindset, transforming negative events into emotionally positive events. Less wise leaders may spend more time reflecting, but if that process is defensive and negative, it is unlikely to lead to useful learnings.

These are the five mantras we believe will help today's leader become wiser and more capable of managing complexity and change.

1. Know yourselves
2. Transcend yourselves
3. Think Meta
4. Engage in dialogue
5. Commit to learning

In future papers we will expand on each of these themes and bring them to life in more detail. We will illustrate how we can build more effective approaches to leadership development based on an understanding of these themes. For now we invite you to reflect on this perspective on wisdom and ask yourself – to what extent is your organisation doing a good job creating an environment in which your leaders are likely to become wiser?

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