

## Chapter 10

# Creative Leadership

### *Fulfilling the Promise of Leadership*

The transition from the Reactive to the Creative Mind is arduous. Only about 20% of adults fully make it. It is the major transition in most adults' lives. In the Mythic literature, it is called the Hero's Journey or the Heroine's Journey. It is not for the faint of heart.

#### PERFORMANCE REVIEW

Before we launch into the nature of the Creative Mind and how it develops, let's summarize briefly what we have said about its effectiveness (Figure 10.1).

While Reactive Leadership styles are strongly inverse to Effectiveness ( $-.68$ ), Creative Competencies are very strongly and positively correlated to Leadership Effectiveness ( $.93$ ). In the highest performing businesses, those evaluated in the top 10% compared to industry peers, Creative Competency scores average at the 80th percentile compared to the world-wide norm base of 500,000 rater surveys. Reactive Leadership styles are well below the norm at the 30th percentile. The reverse is true in underperforming businesses (bottom 10%).

In our Stage of Development study (Figure 10.2), those people assessed as living and leading from a Creative Structure of Mind had average Leadership Effectiveness and Creative Competency scores at the 65th percentile compared to norms. This constitutes a Leadership Quotient of

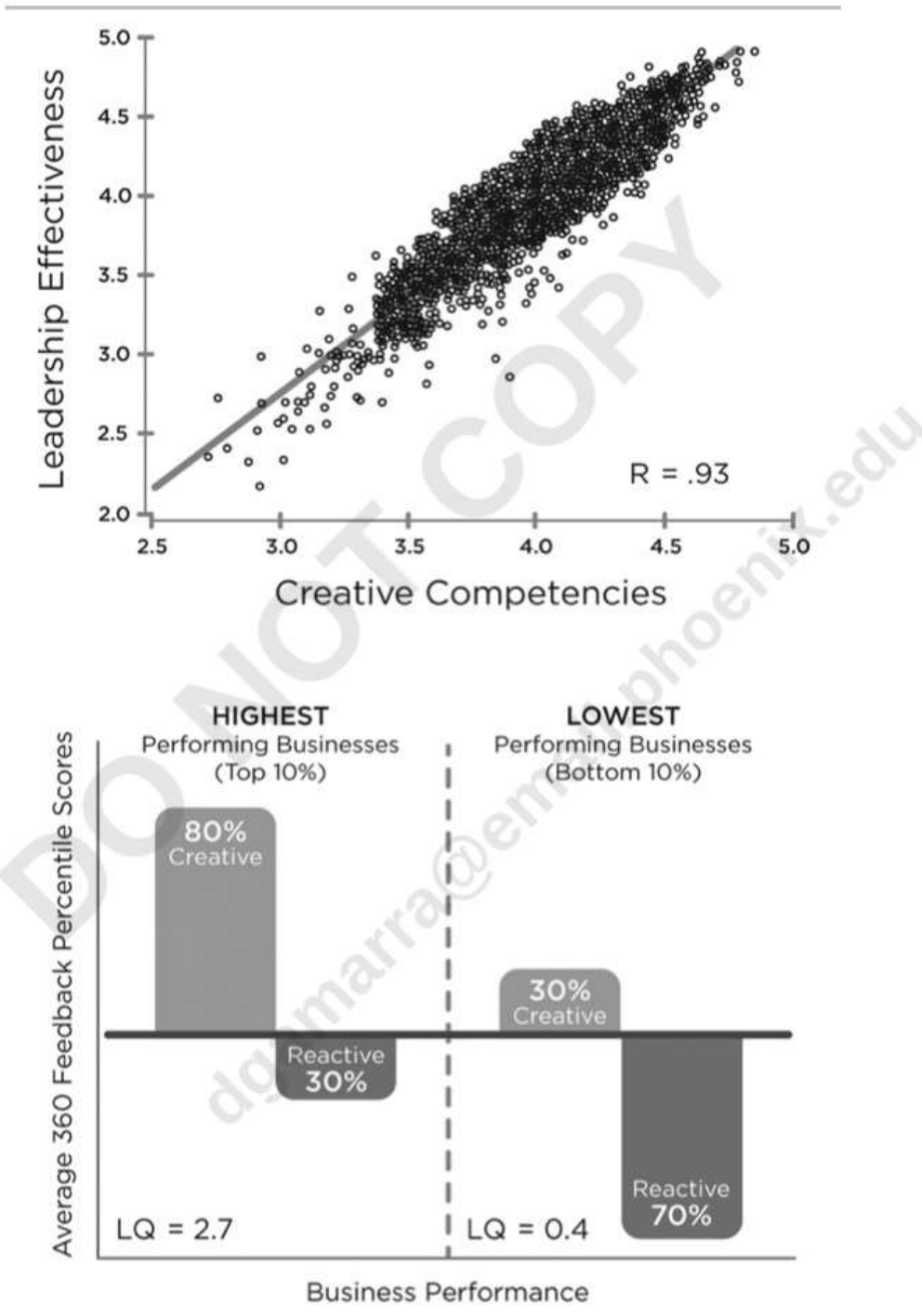
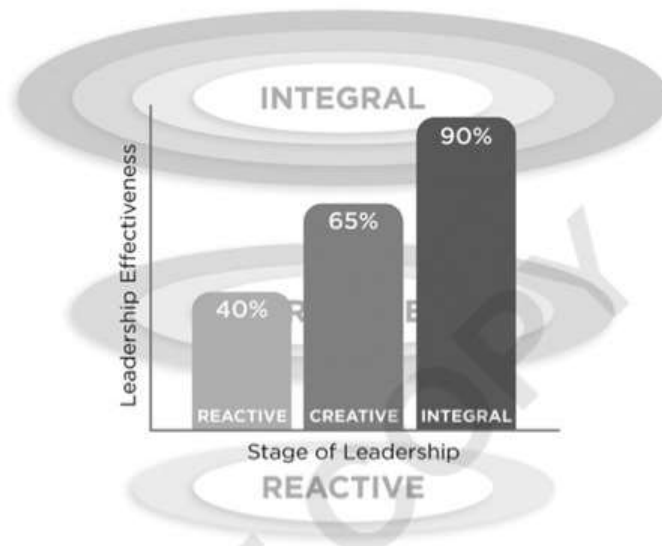


FIGURE 10.1 Creative Leadership and Effectiveness



**FIGURE 10.2** Stage of leadership and effectiveness

nearly 2.0, suggesting the leaders who function out of a Creative mindset create a big competitive advantage.

The Creative Mind is much more capable of leading in today's complex organizations. Since only 20% of leaders operate out of a Creative mindset, the Development Agenda in most organizations should be to accelerate the development of Creative Leadership, individually and collectively. This is a leadership imperative.

To execute this Development Agenda, senior leaders and HR executives need to lead the way by developing Creative Mind themselves and then by developing it within the organization. For that to happen, we need to understand the nature of Creative Mind, how it is different than Reactive Mind, why it gets a different pattern of results, and how Creative Mind develops—what needs to happen to support its development. The metamorphosis of Reactive Mind into Creative Mind is the major transition in most adults' lives. It is a profound development, and those who make the passage into Creative Mind seldom, if ever, go back.

### THE HERO'S JOURNEY

In his book, *Hero With a Thousand Faces*, Joseph Campbell describes this transition as the Hero's Journey (Campbell, 1949). In the Mythic

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stories of many traditions, the hero goes on a journey in pursuit of a deeper call or aspiration. Usually the kingdom is in peril; the land is in famine, war is rampant, the kingdom is under a spell, and there is much suffering. The hero takes the journey to heal what is broken. At the start of the journey, heroes may not be aware of the relationship between the kingdom's need and their aspiration. They respond to the call of the soul from a deep place of longing without fully understanding why. The movement from the known to the unknown makes no sense. The journey only makes sense at the end, looking back.

Shortly after the heroes cross the "Threshold of Adventure" (code for leaving behind the conventional mind, with all its socialized assumptions and well-worn solutions that are reaching adaptive limits), they get thoroughly trashed—abducted, lost, swallowed by a whale, attacked, dismembered. Mythologically, this is the way of expressing the arduousness of the passage and the reality that the one who starts the journey is not the one who finishes it. The person who starts the journey is too small, too reactive, too full of themselves, too scared, too controlling, too cautious, too protected, too subject to conventional wisdom, and too caught in an unseen play-not-to-lose game to be ready to lead with the necessary uncommon wisdom. The old self, the Socialized, Reactive Self, is too much on autopilot and can only replicate what is, not lead with courage and clarity into a new and thriving future. That self must die. It must come apart and be reconstituted into a new self, one that marches to the beat of a different drummer. What makes this passage so disorienting is that the hero is shedding all the known and familiar ways of knowing that have worked well. The old self is being shed for a new self that has not yet been discovered. It feels like death, and when the hero/heroine goes through this transition, they are not gifted with the certainty that it will all work out. There are no guarantees. There is only the pull of the unknown longing to contribute.

This transition is "Spiritual Boot Camp." It is hard but required if we are to move from the old conventional reality to a new creative reality. The spiritual traditions refer to this process as *Metanoia*—a profound shift of mind, a transformation in the Structure of Mind. The butterfly is the symbol for this transformation. The caterpillar, following some unknown impulse, spins a cocoon, crawls inside, and disintegrates. Halfway through the cocooning process, there is no form, only gelatinous goo. Disintegration precedes integration. Death precedes

resurrection. As the butterfly gives itself over to the metamorphosis process, a new, higher-order structure begins to take form. When the transition goes “full circle,” the butterfly emerges. No longer limited to crawling, it arises to a winged life. This life is more free, more agile, more fluid, and capable of going farther and faster and doing so from a higher perspective.

In this transition, the tension between purpose and safety is re-optimized. The self that was previously playing-not-to-lose (in a Complying, Protecting, and/or Controlling game) reorients on higher purpose. It orients on the question, “What would you do if you could?” The outside-in identity is traded for an inside-out identity. The Socialized, Reactive self moves from subject (operating unseen) to object (seen and capable of being reflected upon). The emerging Creative Self can now take a perspective on the old Reactive Self, which no longer runs the show on autopilot. It is incorporated and utilized from the higher perspective of the Creative Self. This is the shift from an External Locus of Control to an Internal Locus of Control, from a Dependence to Independence (Covey, 1989), from the Socialized Self to the Self-Authoring Self (Kegan and Lahey, 2009). If it happens, it is often seen, and experienced, as a crisis.

#### WHAT THE TRANSITION LOOKS LIKE

When we first met Joe, he was the Chief Technology Officer for one of the largest U.S.-based telecommunications companies. It was the morning before the first day of a public workshop. We were in the meeting room preparing for the day. We had arranged the tables and chairs and were writing on the flipchart when we heard the door open. We did not turn around, but continued writing. We heard Joe say in a loud gruff voice, “This room arrangement sucks! I do not think I can find a seat in this room.”

We were surprised by his outburst, but continued to work.

You can imagine what Joe’s 360° feedback might look like, given the way he entered the room. It showed, among other things, low scores on Creative *Relating* competencies and high scores on Reactive *Controlling* and *Protecting*. His feedback, handed out on the afternoon of the first day, sobered him. He became quiet and reflective.

The next day, we asked the group to write down the results they would commit to create going forward. We looked at Joe and noted that he was

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not writing anything. He was simply staring at a blank sheet of paper. Our first assumption was that he had checked out of the workshop. However, we noticed that this judgment was our reactivity to him, so we walked up to him and asked, “We notice that you are not writing. Is there anything we can help you with?”

He looked up, aggressively jerked his thumb in the direction of the door and said, “Let’s take this outside.” We were not sure if he wanted to talk or punch us out.

When we stepped outside the room, he said rather aggressively: “Let me tell you what I got from this workshop. If you want me to write down on that sheet of paper a list of results, that is a no-brainer. I do that every day. But, if you want me to write down what I really want, I don’t know. That is what I got from this workshop, and I got it from the 360° feedback and from the stories you told about your own lives.”

What he next said is a vintage example of the Socialized, outside-in, Reactive Level Mind in the form of Controlling-Protecting, being seen perhaps for the first time. You can also read, in what he says, the Creative Mind starting to boot up. Joe’s next words to us are an example of the vulnerable and courageous inner work that goes on in this transition.

He continued: “When I was a boy, my dad told me to go to college. So I did. When I was in college, they told me that the highest job availability was in engineering, so I became an engineer. No one asked me if I wanted to be an engineer, but I did so. When I started working as an engineer, they told me that I should be a manager, so I became a manager. When I became a manager, they said I was better off if I moved up the ladder, and so I began to climb. Now I sit at the top of a very large organization and I can chase results with the best of them. So, if you want me to write on that sheet of paper a list of results, that is no problem. I do that every day. But, if you want me to write *what I really want*, I don’t have a clue. What do I do with this?”

Joe was now looking at us, wide-eyed, like a deer in the headlights, and his eyes were misty as he said, “What do I do with this?” Needless to say, we worked with him to create a supportive plan going forward.

In this story, you can hear Joe describe his Socialized Mind and how it was formed. You can hear him describe the core of his identity, “I can chase results with the best of them,” which is code for, “That is who I am. If I am not that, who am I?” Given this self-definition, you can understand the source of his aggressive and autocratic way of leading. It

makes perfect sense. You can also see him start to take a perspective on the limitations of his externally defined and driven Reactive Structure of Mind. “I can chase results, but I do not know what I really want.” You can hear in the core organizing questions of the Creative Mind. “Who am I if I am not my ability got get results? What do I really want? What would I do if I could?” You can also hear the courage and vulnerability of a leader facing these questions.

This is the Hero/Heroine’s Journey. In this story, you can hear the old self disintegrating and the new self that has not yet emerged. This is what makes the transition so scary, a crisis. Joe is messing with the core of the operating system that has brought him the success he has achieved. He is not sure that if he dismantles this way of being it will work out well for him. He does not yet have any experience with the new Creative Mind. He will not know the benefits of Creative Mind for some time. All he has is the question that naturally arises from the Creative Mind to initiate the transformation, “What do I really want?” While Joe does not know where this question will lead, he intuitively knows that this is the right question. Joe does not yet know that this transition is *not* asking him to give up his hard-won capability to get results. He does not yet realize that he is hanging that gift on a Reactive Structure, and that in doing so is limiting the gift and introducing liabilities (evident in his 360° results). Joe has not yet experienced that, in the transition to Creative Mind, you keep your gift and jettison the liabilities. As a result, you get your gift in a higher form. The Creative capacity to achieve far outperforms what can be achieved from his Reactive *Controlling-Protecting* mindset. Joe does not know any of this yet. All he can say is, “What do I do with this?” So he is faced with the courageous choice to go forward on a journey with no guarantees, or to retreat back into his Reactive Mind. That choice will define the future of Joe’s leadership.

### TALKING ABOUT IT WITHOUT KNOWING IT

The leadership literature has described Creative Leadership for decades, but without the framework of Adult Development. This has limited our ability to understand what it is, what makes the Reactive and Creative Mind so different, and how to support the evolution.

Robert Fritz masterfully described the difference between the Creative and Reactive orientations. However, he did not place each orientation

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within a vertical development framework. Larry Wilson did the same thing. He described these same two orientations as play-not-to-lose and play-to-win, but did not see these as progressively developing structures of mind. This is true of most of the good leadership theory and research.

In the work that led up to his book, *The Empowered Manager*, Peter Block started out trying to get the bathroom conversation into the meeting room (Block, 1987). In the bathroom, people say how they are really experiencing the meeting. When the meeting reconvenes, everyone agrees that things are going fine. This is usually not the conversation that happened in the bathroom at break. To address this, and to get the truth to appear in the meeting room, Peter began to work on teaching the necessary authentic “political” skills.

As Peter engaged leaders in the skill-practice of telling the truth in meetings, he ran into caution. Peter constantly heard leaders say, “If I stand up, I will get shot.” In order to address this cautious, play-not-to-lose game, Peter realized that he needed to help leaders discover a vision or purpose that was bigger than their fear—worth the risk. This led him to challenge leaders with the question of vision: what would you do if you could? These questions (How am I playing not-to-lose? How am I getting in my own way? What do I really want? What would I do if I could? How would I lead if I knew I could not fail or would not be fired?) are key developmental questions for the evolving Creative Mind. If asked frequently and with searing honesty, they reliably boot up the Creative Mind.

Peter was on to something. He and others were describing Creative Mind and how to develop it without seeing or describing the vertical process of development. The Leadership Development field is a random collection of great stuff—models, frameworks and research. Each is useful, but partial. Most of it describes the leadership that emerges at the Creative Mind, without attributing it to a natural, sequential process of development.

In his book, *In Over Our Heads*, Bob Kegan made a game-changing statement. He said that most of the leadership literature describes the kind of leadership that naturally emerges on Creative Mind (Kegan, 1998). The leadership literature and competency research is quite clear in describing effectiveness. Effective leaders are purpose driven and translate their deep sense of purpose into a clear and compelling vision and strategy, which become the focus of execution and decisions. Leaders are

systems-aware, redesigning systems to produce higher-order results. They are authentic and courageous in their conversations, lead with integrity, and are self-aware, emotionally intelligent, interpersonally skillful, and relationally competent—fostering high teamwork and trust, as well as mentoring and developing others. Kegan says that such leadership is vintage Creative, Self-Authoring Mind (Kegan and Lahey, 2009). He concluded that these leadership competencies arise naturally on Creative Mind, but do not reliably boot up on Reactive Mind. Our research corroborates Kegan's conclusion.

The leadership literature has described Creative Mind without knowing it. This has led us to approach Leadership Development primarily as an outer game of skill development and ignore the maturity of the inner game. Meanwhile, a well-researched understanding of the process of development, and the vertically sequential structures of mind, was being incubated in the field of Developmental Psychology, outside the mainstream of the Leadership Development field. Stage Development theory needs to move to the center of the Leadership Development conversation. It is at the center of the Leadership Circle Profile and the Universal Model of Leadership.

### CREATIVE STRUCTURE

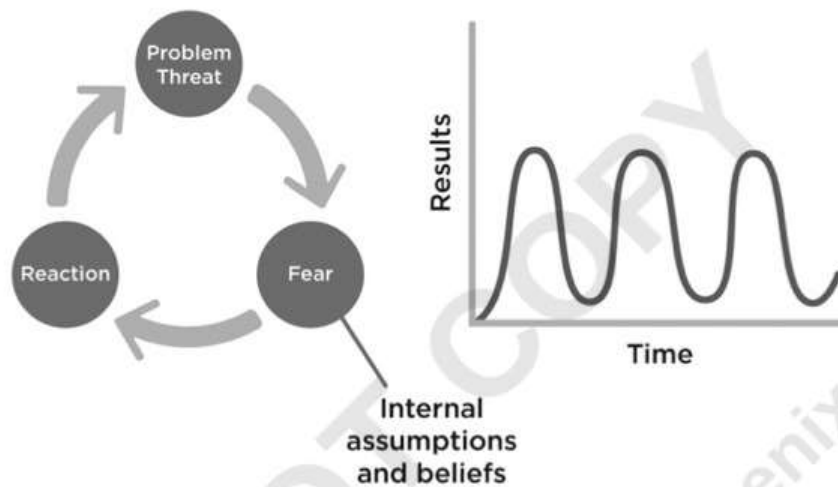
The Reactive Mind creates an oscillating pattern of performance over time, the natural tendency of which is to seek equilibrium and return to normal (Figure 10.3).

The natural tendency of the Reactive Mind is to establish hierarchical, patriarchal structures, dynamics, and cultures. Such organizations do not perform as needed today.

The Creative Mind creates a different pattern of results. In the story of the insurance salesman, we mentioned that he talked about the problem, his disgust with himself, and his swinging into gear, but he never talked about his vision or why he cared about selling. He expressed no overarching passion, which is the heart of the Creative Mind. Creative Mind orients on Purpose. The core of the Creative IOS is a constant focus on a desired future vision, and amid the current reality (with all its mixed messages and hurdles) taking authentic, collaborative action to bring that vision into being over time. Creative Leadership is about creating an organization that we believe in, creating outcomes that

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**A REACTIVE structure of mind seeks EQUILIBRIUM between current reality and beliefs.**



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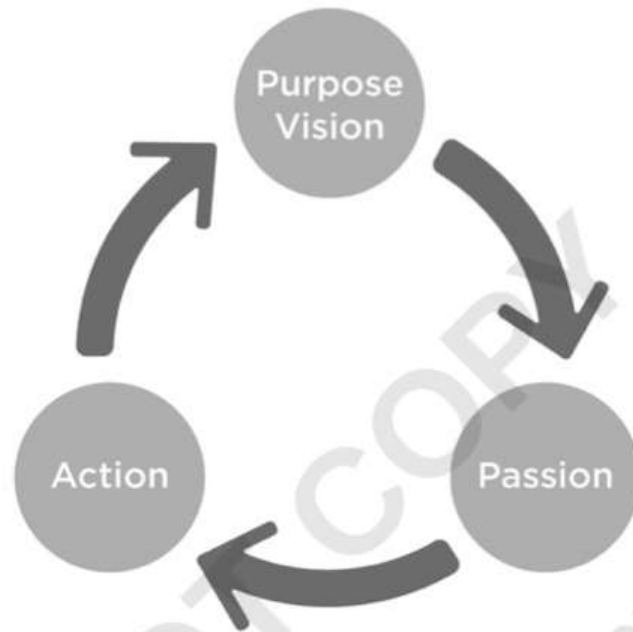
**FIGURE 10.3** Reactive Structure of Mind

matter most, and enhancing our collective capacity to create a desired future. It is designed for change, to bring into being what is envisioned (Figure 10.4).

The Creative Mind starts from purpose and vision, not with a problem. There are plenty of problems to deal with as we create the futures we want, but the driving focus is on creating a vision that we care about, a vision worthy of our deepest commitment. Not any vision will do. If it does not matter, it generates no energy. The energy that fuels the Creative Mind is passion. Love is not too strong a word.

While fear is naturally present when creating what we want (the spark behind fear), fear is not running the show. The focus on purpose and vision generates a passion, love, and commitment that is bigger than the fear. Love is superordinate to fear. It is more powerful, and, thus, Creative Structure supersedes the Reactive play-not-to-lose game.

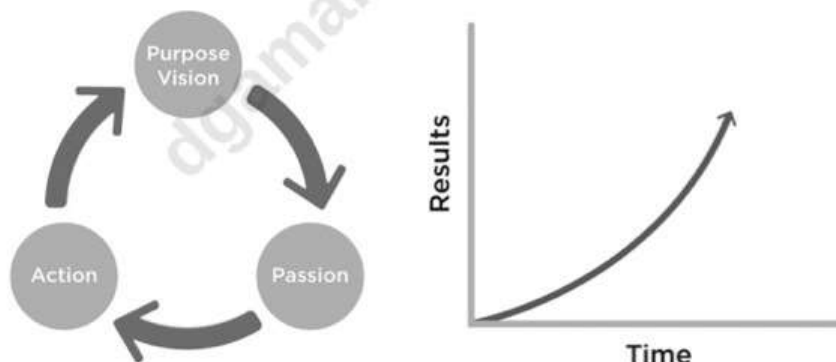
The focus on vision, fueled by passion, results in action, not reaction. In Creative Structure, we do not take action to eliminate what we do not want. Nor is action a reaction to fear—trying to attenuate it. In the Creative Mind we do not react, but we act to bring into being what we



**FIGURE 10.4** Creative Structure of Mind

most care about. This mind structure is fundamentally different from Reactive Mind and gets a different pattern of performance over time.

The Creative Structure is not a balancing loop. It does not seek equilibrium or have a natural tendency to oscillate. In System Dynamics language, the Creative Structure is a growth loop—each time you cycle through the loop, it grows (Figure 10.5).



**FIGURE 10.5** The Creative growth loop

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As we get clearer about our purpose and translate that into a clear picture of the future we want, passion naturally grows. As passion grows, the tendency to take the action necessary to creating our desired future also grows. As we take action to create what we want, we either get closer to our vision or clearer about it. Then our passion grows again (or stays high). As passion grows, the tendency to take additional action also grows, which takes us farther in the direction of our vision. This is a virtuous growth cycle. Each time through the cycle, it grows and funds future growth (unlike the Reactive Mind, where each time through the loop, it reverses the direction of results, thus oscillating). Creative Mind is designed to seek vision, not equilibrium. It is designed for the complexity of leading change and creating new futures. It is the minimum system requirement for mastering leadership.

### CREATIVE STRUCTURE OF IDENTITY

The Creative Structure is inside-out. It marches to the beat of a different drummer. It is not driven by what we are socialized to think is in our best interest. We live and lead from our own internally discerned sense of purpose, values, and vision. This is why Kegan calls it *Self-Authoring* (Kegan and Lahey, 2009), Covey calls it *Independent* (Covey, 1989), and Susanne Cook-Greuter calls it *Individualist* (Cook-Greuter, 2004). We call it *Creative* because it is designed to create what matters most.

In the transition to the Creative Self, we experience a shift from an externally based identity that is dependent on outside validation to an internally based identity. In this identity, we do not base our self-esteem, worth, and security on how others see us. Our self-esteem, worth, and security are in our own hands. We establish them, not by living up to others' standards, but by living up to our own.

In this transition, people often refer to "finding themselves," discovering their "authentic self," and enjoying a new level of inner freedom and creative capacity.

### RESTRUCTURING IDENTITY BELIEFS

The new level of creative capacity that comes with this transition results from a rewriting of the IOS code. Reactive beliefs are structured and

depend on outside validation: “I am okay if you like me, accept me, see me as smart, or as the one who is in control and gets results. If I am not that, who am I?” These beliefs can be structured to Comply, Protect, or Control, depending on how we have organized our character/ego structure, with what core strengths/gifts we are identified—heart, head, or will.

At the Creative Stage, these assumptions are not running on autopilot. We are not subject to them. We can intervene and challenge them when the fear that they produce hits our bodies. Instead of reacting to the fear as if it is real, we think: “I know this is when I always go into fear and say to myself, ‘If I stand up, I will be shot,’ but, now I know that voice of fear in me like an old familiar friend. I now know that this fear comes from the illusion that my future is in your hands and, thus, I constantly need you to like me and think highly of me, or else. I now know that this is not the truth.”

This ability to, in the moment, gain perspective on the old Reactive assumptions and to challenge their illusions is one hallmark of the Creative Mind. It is now running the show. It is managing the limitations that come with hanging our gifts on a Reactive Structure.

As this perspective-taking and challenging process unfolds, we develop new assumptions that are structured from the inside-out, not dependent on outside validation. The belief that “my future is in your hands” is replaced with “I am responsible for, and capable of, creating my own future.” The belief that “I am okay only if you always like or admire me” is replaced with “I am okay whether or not you like and admire me.” The belief that “to be is to be successful and, thus, failure is not an option” is replaced with “I create results; I am not my results. Failure and mistakes are part of the process of creating success.” As we see, challenge, and rewrite earlier Reactive assumptions, we upgrade the Reactive IOS into a Creative Level IOS. Consciousness is the operating system of performance. Since structure determines performance, and since consciousness is the deep structure of performance, this restructuring process transforms how we lead and live.

**Rob’s story** (from Chapter 3) has all the elements of this restructuring process, as well as the corresponding shifts in performance that come with it. Rob was the manager that we called two years after debriefing his LCP with him. What Rob said to us illustrates this shift of mind, the ability to take a perspective on the old Reactive IOS, the ability to

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intervene and challenge the old assumptions when they reassert themselves, and the presence of new assumptions that do not depend on outside validation.

As you recall, Rob's 360° feedback clearly indicated that he was a strong Controlling-Protecting type. He described himself as "The Ogre." He told us that *if he had not changed, he would have failed*. Listen to what the transformation from Reactive to Creative sounds like.

When I returned to the office, I did a lot of soul searching and observing of myself. I saw more clearly all the stuff that we had talked about. I realized that I am hard-wired for results. I care about people, but when problems erupt, I explode and take over. I am constantly worried about what others will think if we fall short of expectations. Fear of failure runs me. I measure myself by always succeeding. So, when problems hit the fan, I become the Ogre!

About six months ago, I received a promotion. I am now in charge of all supply-side management for the start-up of our new plant in another country. I could not have been successful here had I not changed. This is a different culture. It is very relational. People hug each other when they come into work. They look each other in the eye when they say hello. Had I led the way I used to lead, it would have been game over.

What is even more amazing is that it would be okay with me if I am not the guy. If I fail here, I will be okay. It would not be the end of the world. Consequently, when problems come up, I can deal with them. Instead of blowing up, blaming people, and taking over, I work with and through the team. I am direct and firm, but in a way that builds accountability, trust, relationship, and teamwork.

Sure, I still feel the urge to blow up. I feel that fireball erupt in my chest, but now I manage it—it does not manage me. I am not as defined by my results now, and that enables me to be more effective at achieving them.

Rob then told us that before he worked for his current company he worked for another company in Detroit. He told us how painful it was to live through the downturn in the industry, the closing of plants, and

the impact of all of that on people and their families. Rob began to cry as he said: “Now I can have a positive impact in another community. I am becoming the leader I have always dreamed I could be. I am a much happier person.”

In this story, you can hear Rob’s ability to take a perspective on his earlier IOS. He finds humor in how he was subject to it. It took him over and he became the Ogre. You can hear his insight into the structure of his socialized mind. He describes himself as having been hardwired for results, convinced that failure was not an option, in constant worry about what others would think if results were off, etc. He is no longer subject to these assumptions. He has them. They do not have him. He can intervene when they reassert themselves. He has learned to manage the fear and the “fireball” of anger that comes up in him when these assumptions are triggered.

In this story, you can also hear the presence of the newly written Creative code. The new Creative level assumptions are evidenced when he says: “And what is even more amazing is that it would actually be okay with me if I am not the guy. If I fail here, I will be okay. It would not be the end of the world.” Here he is describing that he is no longer as dependent on outside validation. He is responsible for this and is managing it.

Finally, in this story you can hear that he has shifted from a fear driven, problem focus to a vision focus. “Now I have the opportunity to have the opposite, positive impact in another community. I am finally becoming the leader I always knew I could be.” This focus on vision and his ability to manage his fear and anger puts Rob more consistently in the Creative growth loop. This is the structure that is now determining his performance.

Rob is experiencing a restructuring of mind and identity and re-optimizing the tension between purpose and safety. Thus, he is less subject to the oscillations of the Reactive Mind. Purpose and vision are now leading, and he is managing his Reactive Tendencies. He has not lost his gift of getting results. He keeps his gift and jettisons the liabilities that come with identifying with those gifts (hanging them on a Reactive Structure). He is getting his gifts and strengths in a higher, more effective form. He is now capable of meeting the adaptive challenge presented by the plant start-up in a foreign culture, in a way that works. He will never go back to his earlier Reactive mindset.

### DESIGNED FOR LEADING CHANGE

The Leadership literature has been describing the leadership capabilities that naturally arise on the Creative Structure of Mind and the kind of effectiveness and business performance that go with it. Where the Leadership field has missed the point is not noticing the structure of the IOS that enables such high performance.

Figure 10.6 describes Rob's shift. It shows the relationship between Levels of Mind, Structures of Mind, and the patterns of performance associated with those structures. From this diagram, we clearly see why Creative Mind is more adapted to lead.

Once people experience the new capability and freedom of the Creative Self, very few regress to an earlier stage because the Creative Self is far more adapted for the challenges of adult life. It is far more capable of leading amid escalating complexity. It can create desired results much more effectively and with lower energetic cost.

The developmental challenge, as we move from adolescence into the Reactive Mind, is to merge with the current culture, to take on its mental models about how things work, and to define our self in a way that will succeed within the current culture and system. The developmental

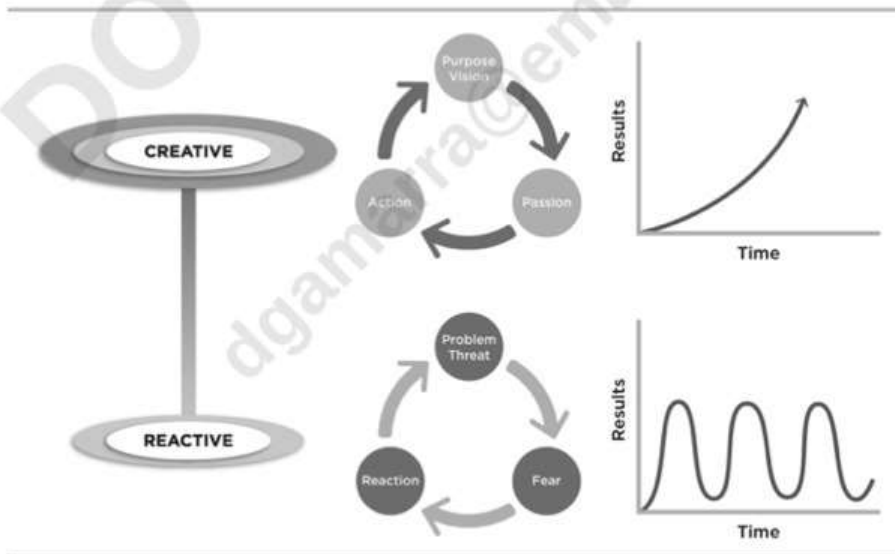


FIGURE 10.6 Two Structures of Mind and Leadership

challenge is to develop an outside-in operating system. As such, it is designed to perpetuate current reality, not change it.

Because the Creative Mind is not governed by the dictates of the surrounding environment, it is free to change it. The developmental challenge in the transition to Creative Mind is to individuate from the Socialized Mind—to become our authentic self (inside-out) amid current realities and, thus, become the envisioned change. Creative IOS is inside-out precisely because we discern, out of all the environmental messages, what we stand for. This internally constructed self is not dependent on outside validation. It is, by design, focused on a vision of a desired future that matters. As such, it is free to lead in ways that create a new, more agile, innovative, creative, empowered, and high-performing culture while bringing the best of the old culture forward. In changing from the old to the new, when old Reactive Tendencies reassert themselves, individually and collectively, and create a force for going back to normal, Creative leaders now have the inner resources to manage these Reactive Tendencies and stay the course. This is why the Creative Structure of Mind is designed to lead and sustain change.

## CREATIVE MIND AND PERFORMANCE

Not only is Creative Mind designed to lead change, but it is highly effective. The circular diagram below shows the correlation of every dimension on the LCP and in the Universal Model of Leadership to Leadership Effectiveness. Much can be learned from this diagram about the Universal Model and about what helps or hinders effective leadership. All the key Creative Competencies that naturally arise on the Creative IOS and do not boot up well on Reactive IOS are strongly and positively correlated to Leadership Effectiveness. Reactive dimensions are mostly inverse. Draw your own conclusions (Figure 10.7).

Note that the two most highly correlated dimensions to Leadership Effectiveness in the outer circle are the dimensions of *Purposeful Visionary* (.91) and *Teamwork* (.89). These are the two strongest correlations in the 29 dimensions that make up the outer circle of the LCP. When these two variables are plugged into a multivariate regression equation, their combined correlation to Leadership Effectiveness is .94. No other combination of variables in the outer circle explains so much of what it

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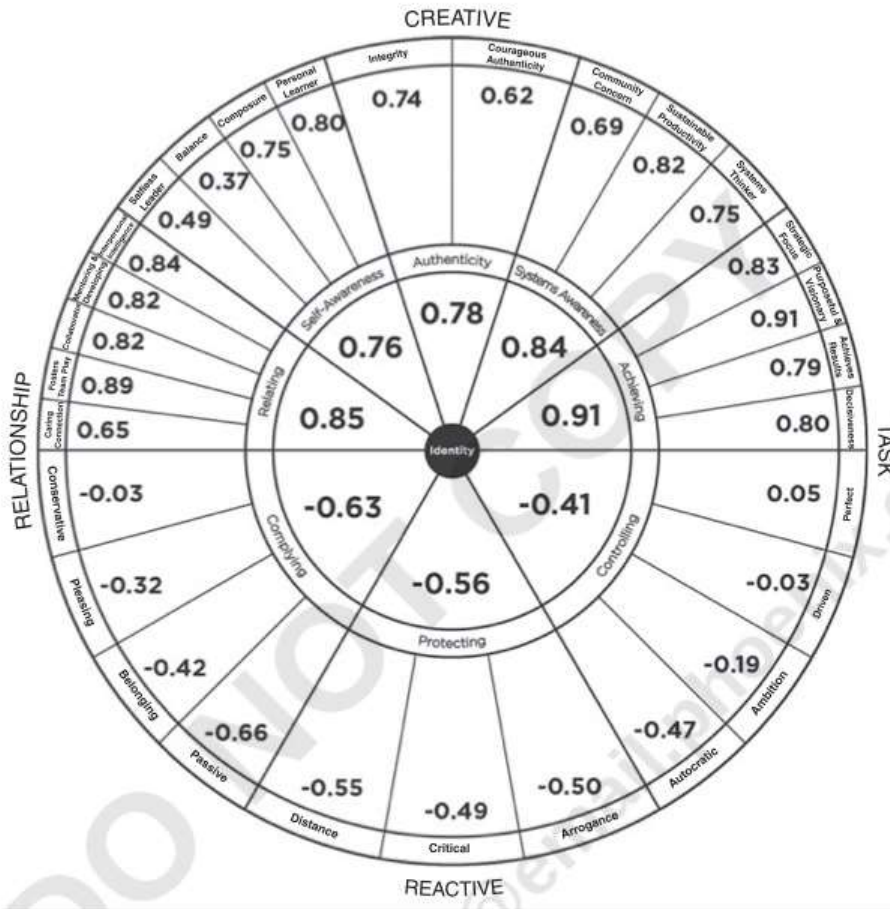


FIGURE 10.7 Correlations to Leadership Effectiveness

takes to be an effective leader. If you lead from a deep sense of purpose, translate that into clear vision, and build alignment among key stakeholders (teamwork) in the realization of that vision, you are highly likely (.94 correlation) to be an effective leader.

Also, these two dimensions are on opposite sides of the circle. As found in the Ohio State Leadership Studies in the 1950s, the development and balancing of Task and Relationship capability are fundamental to effectiveness. *Purposeful Visionary* is task focused. Vision is the driver of task accomplishment in the *Creative Achieving* Structure of Mind. Achieving is *power with* not *power over*. Achieving builds alignment in order to accomplish vision. Likewise, when *Complying* evolves into *Relating*,

it naturally develops teamwork and high alignment. The power that is reclaimed as Complying shifts to Relating is put in service of advocacy for Vision. Consequently, if you do nothing else to become a more effective leader, work toward building high alignment and teamwork among key stakeholders by focusing them on a vision that they collectively care about.

### ALIGNMENT

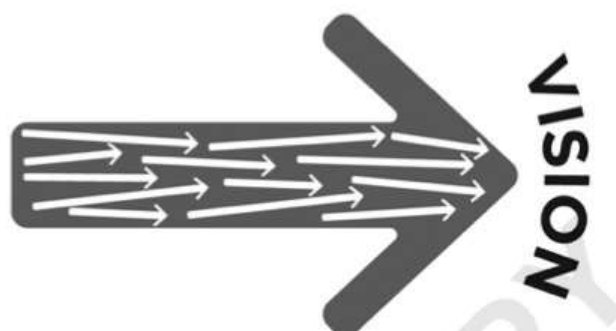
In his book, *The Fifth Discipline*, Peter Senge describes the condition of most leadership teams with the image in Figure 10.8 (Senge, 1990).

Each arrow (within the larger arrow) symbolizes an individual leader on the Extended Leadership Team. The length of the arrow represents that leader's personal power and the direction of the arrow represents the focus of that leader's activity and impact.

As we can see, the organization will make forward progress as all arrows point to the right. However, the sum of the vectors is not very potent. There is much wasted energy going into misalignment. This common condition of leadership teams led Senge to make his infamous statement that "the collective intelligence of most teams is beneath the average intelligence of its members." The level of collective effectiveness in this group is simply not high enough to result in the collective intelligence being higher than the average intelligence. This leadership team is likely to be caught in a host of Reactive dynamics that undermine its effectiveness. Patrick Lencioni says much about this in his book, *The Five Dysfunctions of a Team* (Lencioni, 2002). These Reactive



**FIGURE 10.8** The condition of most leadership teams



**FIGURE 10.9** Alignment

Tendencies lower the Leadership Quotient to less than one—a competitive disadvantage.

Senge was also clear, from his experience consulting to Senior Leadership Teams, that the fastest way to move a group into alignment is to get them focused on a vision that they collectively care about. When members of the team can see that they can pursue their personal purposes by achieving the organization's vision, they fall into alignment. This condition is represented in Figure 10.9.

Any leader receiving LCP feedback should ask two simple questions: How is the combination of my Creative Competencies and Reactive Tendencies contributing to my standing clearly for a vision of greatness for the organization? How is my combination of Creative Competencies and Reactive Tendencies serving to support, or undermine, building alignment among key stakeholders toward that vision?

Addressing these two questions could clarify how a leader might become more effective and boot up Creative Mind, since the heart of the Creative Structure is purpose and vision as well as the authenticity required to embody the vision and courageously engage the conversation that results in high alignment and teamwork. Thus, these two variables explain more of what it takes to be an effective leader than any other combination of leadership competencies.

#### **PATH OF DEVELOPMENT—MOVE TOWARD YOUR NEAR ENEMY**

The Universal Model of Leadership not only helps leaders gain breakthrough insight, it also points out the direction of development. In this

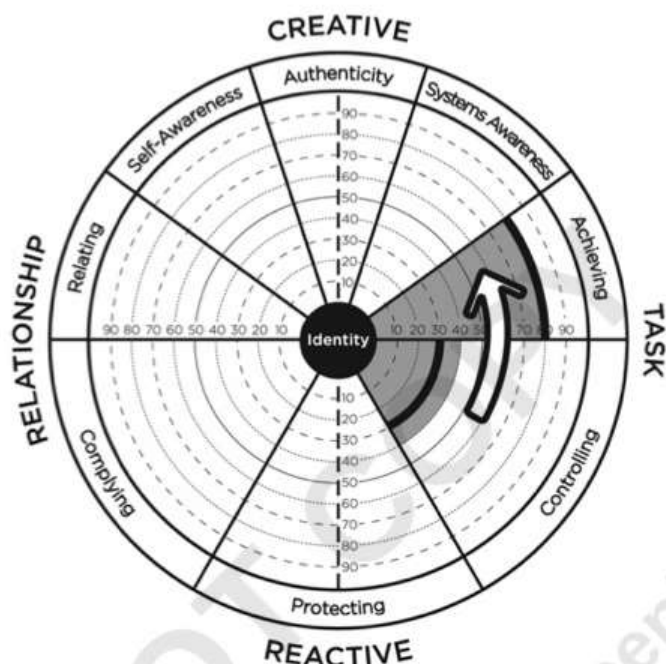


FIGURE 10.10 Controlling's path of development

model, the Path of Development into Creative Mind is to mature your core gift—to leverage the strengths that are hung on a Reactive Structure. This focus of development is counterintuitive and runs opposite to how we usually attempt to improve our leadership.

In the East there is a teaching story that goes: “It is not the enemy out there that you most need to fear. That enemy you are prepared for, you have counted their numbers, you have built your defenses, and you have studied their tactics. The enemy you most need to fear is the *Near Enemy*, the one in your own camp, the one that you think is working for you, but is not in the way that you think. That is the enemy you most need to fear.”

In the Universal Model, *near enemies* are next to each other. For example, the near enemy of *Achieving* is *Controlling* (Figure 10.10). If you ask high *Controlling* managers why they need to be so controlling, they say that they do it to get results. Yet *Controlling* is inverse to results as measured by *Achieving* (−.24). While this is not a strong correlation (because *Controlling* and *Achieving* share the gift of driving for results), it is inverse.

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This suggests that Controlling is not working for you the way you think it is. Controlling works against results and undermines its own gift. Controlling is the near enemy of Achieving. Achieving outperforms Controlling as evident from Controlling's inverse correlations to Leadership Effectiveness ( $-.41$ ) and Business Performance ( $-.21$ ) and Achieving's high correlations to both ( $.91$  and  $.61$ , respectively). Controlling is the near enemy of Achieving.

Counterintuitively, near enemy relationships provide the optimal direction of a leader's development from Reactive to Creative because they share the same gift (Figure 10.10). The gift of both Controlling and Achieving is the will, or use of power, to get results. Controlling hangs this gift on a Reactive Structure, and this creates liabilities. Since the Will type is all about getting results, the natural direction of development is to keep the gift and jettison the liabilities. In the transformation from Reactive to Creative, the Will type is most naturally suited and open to shift from Controlling to Achieving. In this way, Will type leaders leverage their core strengths.

The same is true of the relationship between Relating and Complying (Figure 10.11). If you ask a Complying type why they comply, they will talk about creating harmony and teamwork. They do it, in part, to preserve relationship. However, Complying is solidly inverse to relationship, as measured by Relating ( $-.44$ ). Complying actually undermines its core gift. It works against relationship. Complying is the near enemy of Relating. Relating outperforms Complying, as can be seen from Complying's inverse correlations to Leadership Effectiveness ( $-.63$ ) and Business Performance ( $-.40$ ) and Relating's high correlations to both ( $.85$  and  $.50$ , respectively). Complying is the near enemy of Relating.

Finally, the same "near enemy" analysis can be made of the relationship of Protecting to the Awareness dimensions above it in the circle (Figure 10.12). Protecting is rationally gifted. It seeks to know. In its Reactive form, it uses its knowing brilliance to prop up its self-esteem, put others down, and place itself above others. In so doing, it undermines its own gift. The off-putting style of the Protector limits the transfer of knowledge and wisdom that is the Protecting type's core gift. These gifts come into full form as Self-Awareness, Authenticity, and Systems-Awareness. The correlations bear this out. Protecting is inverse to Self-Awareness ( $-.74$ ), Authenticity ( $-.38$ ), and Systems-Awareness ( $-.51$ ) while each of these is highly correlated to Leadership Effectiveness ( $.76$ ,  $.78$ ,  $.84$ , respectively)

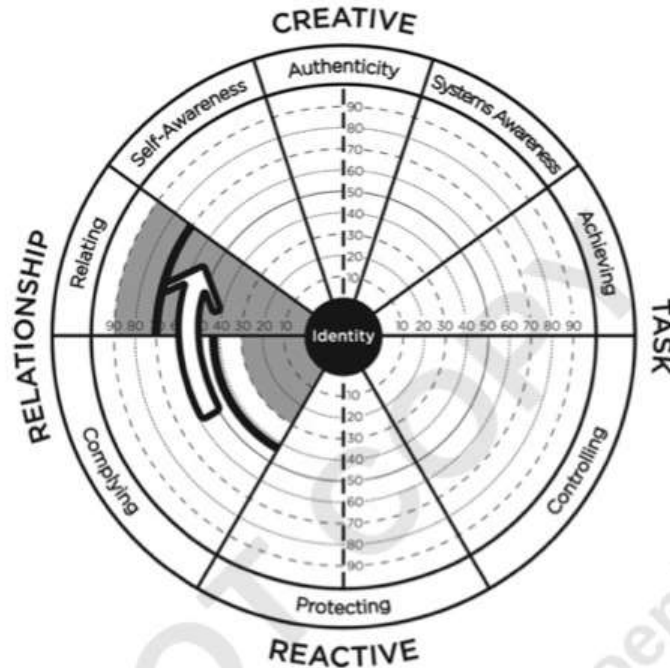


FIGURE 10.11 Complying's path of development

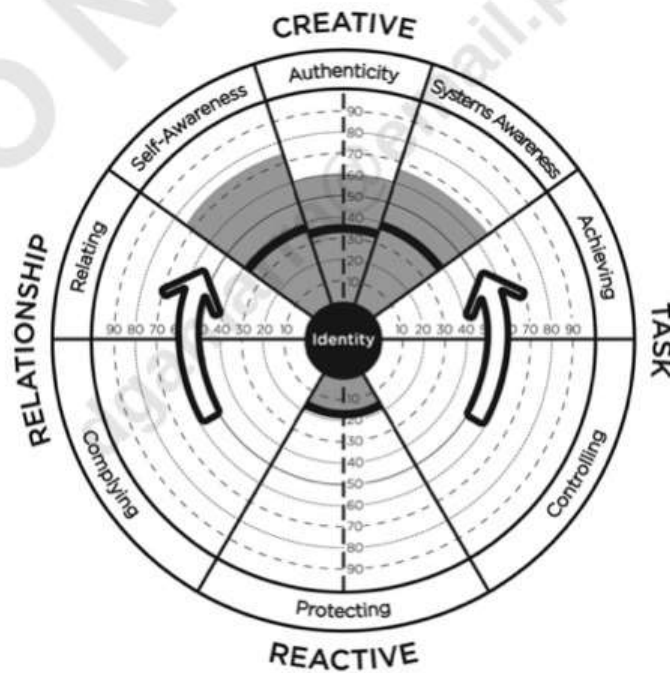


FIGURE 10.12 Protecting's path of development

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and Business Performance (.48, .50, .57, respectively). The near enemy of Awareness and Authenticity is Protecting.

In the Universal Model, the optimal path of development is to move toward the near enemy and leverage its gift. The first move is to get insight into the Reactive near enemy. Once managers gain deep insight into how they are leading, what they want to change, and the identity beliefs that influence the way they are leading, the circle also suggests the direction of their development. This is depicted through the layout of the circle. The direction of development is to move directly up, more than up and across, the circle.

This is important because it is more natural for a Heart type Complying person to focus on developing the strength of Complying. Complying then matures into Relating, which is more natural than asking that person to change their nature and become a Will type Achiever. When Complying evolves into Relating, Achieving develops nicely. When Controlling evolves into Achieving, Relating develops as well. When Protecting evolves into Authentic Awareness, Achieving and Relating come along with it.

This converts The Leadership Circle into a powerful development system. It works with a manager's strength, even when it is being reactively over-used. It does not ask managers to become different, but to develop their strengths into higher levels of maturity and mastery. It does not ignore weaknesses, but works with them to foster deeper insight.

The promise of vertical development is to "transcend and include." In development, we do not ignore the liabilities of Reactive styles as is popular today with our over-emphasis on leveraging strengths. Nor do we reject the strength hung on a Reactive Structure for its liabilities. We do not leave it behind. Instead, we transcend and include; we go right into the heart of Reactive Mind and free the gift from the Reactive assumptions and Structures of Mind that limit its full expression. Thus, we transcend the limitations of the earlier Structure of Mind, while harvesting the gift along with all the competence that has been developed in learning to use the gift. In this way, we leverage the true strength of our core type and bring it into its higher-order Creative form. Controlling becomes much more effective as it evolves into Achieving. Controlling becomes power with others, not power over them. Complying reclaims the power it gave up to be accepted and is now standing in the true power of Relating. As such, it is much more effective than Complying. Protecting

harvests its rational strengths and becomes highly Self-Aware, Authentic, and Systems-Aware. Each type, as it transforms from Reactive to Creative, gets its core strength in a higher-order form. The correlations in the Inner Circle Table substantiate this, as do the correlations to Leadership Effectiveness and Business Performance.

### **TYPE THROUGH STAGE**

The Universal Model of Leadership can be summarized as a Type through Stage Model: three core types (Heart, Head, Will) evolving through sequential Stages of Development (Reactive, Creative, Integral, Unitive). This model does not ask leaders to change their type—their core nature—it encourages leaders to evolve that essential nature into higher-order Structures of Mind. With each evolution in the Structure of Mind, leaders leverage their core strengths and gifts while jettisoning the liabilities of the earlier Structure of Mind. In so doing, they become more effective even as life gets more complex.

The Universal Model describes the differences between the core types at each level of development, how these types relate to each other, and, thereby, establish relational, team, and cultural dynamics that can hinder (at Reactive) or support (at Creative and higher) teams and organizations in effectively creating the future to which they aspire. The model is designed to provide developmental insight and to point out the direction of optimal development. Since it does this individually and collectively, it is very useful in developing the individual and collective effectiveness and intelligence required for high performance.

### **CREATIVE ORGANIZATIONS**

The design of systems, structures, and cultures have their origins in the structures of consciousness that create them. The cultures and structures that most organizations are moving toward are Creative Structures. They are thus designed, led, and sustained by leaders functioning out of a Creative Mind. The natural tendency of Reactive Mind is to create and recreate patriarchal and overly hierarchical organizations. Creative Mind tends to establish systems, structures, and cultures that are creatively unique and different. These change efforts have many different

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labels—lean, agile, adaptable, fast, innovative, flexible, empowered, involving, inclusive, participative, engaging, self-managed, intrapreneurial, creative, fluid, flat, purpose-driven, visionary, and so on. We are moving to these types of organizations because the worldwide leadership experience strongly suggests that they can better compete in today's environment of constant change and escalating complexity.

Creative Mind is more adapted to lead this kind of change. Reactive Mind too readily defaults to old patterns of leadership. Reactive Mind is not mature enough to lead change into a Creative organization design. This requires Creative Level Mind or higher.

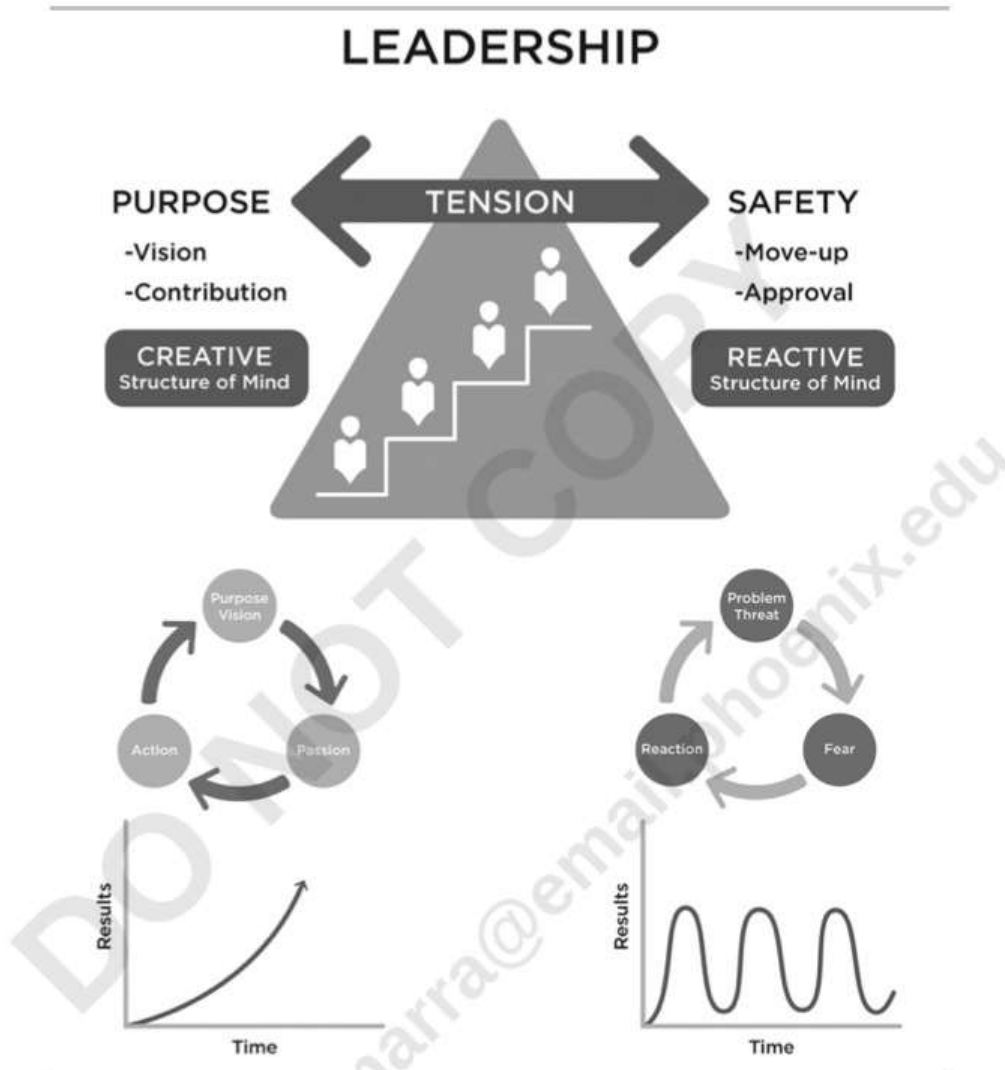
### INTEGRATION

Figure 10.13 summarizes the transition from Reactive to Creative. It shows how identity shifts from outside-in to inside-out as the tension between purpose and safety is re-optimized by a choice to live and lead from purpose and accept the inherent risk that leading entails. The game changes from playing-not-to-lose to playing-on-purpose.

The diagram also shows how this identity shift changes the Structure of Mind from one designed to oscillate and return to normal (instituting and re-instituting current reality both individually and collectively) to one designed to create new vision.

Because Creative Leadership is designed for change, it is the first level of leadership adapted for leading toward a more Creative culture. It does this more effectively, efficiently, and with far less energetic cost individually and organizationally. Because Creative Leadership is designed to create an equilibrium between current reality and vision, it can create and sustain shifts in culture and business performance (not returning to the normal of the old culture and starting over with a new flavor of the month).

Such Creative Leadership is what the literature has been describing in various ways with lots of good models and research. What the leadership literature has largely missed is that this kind of leadership requires a shift of mind. The literature, until very recently, has not understood leadership from a developmental perspective. Developmental Psychology has much to add to our understanding of what makes for effective leadership and how it develops. Understanding the development of leadership effectiveness as a heroic journey of transformation through an invariant sequence of Stages and Structures of Mind has the potential to greatly



**FIGURE 10.13** The transition from Reactive to Creative

accelerate the pace at which we can develop leaders for a future so greatly in need of both wise and effective leadership.

### LITERACY IN THE PATHWAYS OF TRANSFORMATION

Most leaders lack literacy when it comes to effecting inner—personal and cultural—transformation. Lack of literacy does not mean lack of intelligence or competence; it means we don't know what we don't know.

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As parents, we celebrate our children becoming literate in our native language. First, they recognize letters and then learn the sounds of each letter. Letters become words and words become sentences, which in turn become paragraphs and books. Young children do not know they are illiterate, but they are. They also do not always know why they should become literate. From our view as parents, we know what literacy means and what it brings. We make it clear they do not have an option and that claiming their place in adult society requires literacy. The development of literacy takes years if not decades. So we fervently support the process because we know it is essential.

The same is true for literacy regarding inner change: psychological, spiritual, and cultural. This is literacy in the transformation of the Inner Game. It is literacy in soul-work. We are not born literate in soul-work. It is not something we naturally know how to develop. Little to no attention is paid to developing this literacy in our educational systems. The development of inner literacy requires intentional efforts and sustained attention supported by skillful guidance. To develop transformative leadership, we must be transformed. As leaders, we must become soul-literate—literate in the pathways of transformation. With literacy, we become capable of pursuing the transformation in consciousness (individually and collectively) that makes organizational shifts in performance possible and sustainable.

### TWO CURRENTS OF TRANSFORMATION

Literacy in the pathways of transformation requires that we excel at navigating two currents: the Ascending Current and the Descending Current (see Figure 10.14). Learning to navigate the Ascending Current means orienting our life and leadership on our highest aspirations. It means giving ourselves over to the purpose that wants to have its way in our lives. The soul is a jealous lover. It refuses to invest itself in a compromise. We either move toward the spark of our longing, turning it into vision after vision, or the body fills with dense smoke. This discipline of stalking our longing—our purpose and our highest aspirations—is literacy in navigating the Ascending Current.

Navigating the Ascending Current is only possible if we can also navigate the Descending Current. The pursuit of purpose brings us face-to-face with the ways we are playing-not-to-lose. Literacy in navigating