

Deep systemic change occurs only if we can be the change we want to see. This shift is what we mean by evolving from one level to a higher-order level. In this chapter, we describe *five levels of leadership*: 1) Ego-centric, 2) Reactive, 3) Creative, 4) Integral, and 5) Unitive.

EGOCENTRIC LEADERSHIP

This Stage begins at about 8 years of age and ends as the adolescent matures into early adulthood. Adolescence is a transition phase (between Stages 2 and 3) as the teenager adapts to the demands of adult life. We will jump into the stream of adult development by focusing on this time of transition.

As most parents know, adolescence is egocentric. Identity at the Ego-centric level is “I am my needs.” We are identified with our ability to meet *our* needs. This identity does not notice others’ (often competing) needs. Kegan calls this stage *Self-Sovereign* because at this stage *our needs are primary* (Kegan and Lahey, 2009). We are islands unto ourselves, and we relate to others primarily to get our needs met. We do not yet know how to make others’ needs equally important to ours.

The strength of egocentricity is the capacity to get our needs met and gain independence. We can defer impulse gratification long enough to plan and organize to meet our needs.

The theme song for this stage is “I Am the World.” The ego is the center of the world, and the focus on meeting personal/physical needs is primary. Meeting our own needs is *subject*, meaning, *we are not aware that we are defined by meeting our needs*. Thus, the primacy of meeting our own needs is on autopilot. We are subject to this identity and its dictates. Needs are not yet an object of our reflection, and so our needs run us. We are overly independent and cannot yet see that we are that way. We are not yet separate enough from our needs to manage them—they manage us. Looking out for Number One is the first and last focus. Decisions are made primarily on the basis of physical and personal need satisfaction. This self-preoccupied stage is marked by the absence of a shared reality.

We are so identified with our needs that others’ needs do not show up on our radar screens. Our needs and others’ needs are not integrated. We do not make decisions based on the impact of our behavior on others with whom we are in relationship (no *Mutual Perspective Taking*). We

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make decisions based primarily on what will happen to us if we please or displease others. For example, if we tell a lie, our concern is not about the loss of trust or the feelings of others, but about the consequences to us if they catch us in the lie and whether or not we can risk those consequences. There is no shared reality to which we are responsible, only effects that come back at us as we pursue our needs.

For most of us at this stage, *it is only wrong if we get caught*. How you feel, and the impact of our behavior on your reality, is not in focus. This stage is marked by the over-independence that comes from not considering the needs, values, rules, and morals of the rest of the world.

The absence of a shared reality is the structural limit of this phase. Since we are our ability to meet our needs, it feels like death to the self to subordinate its self-interest to that of others. Yet this is the evolution that takes place in adolescence. Growth at this phase is taking others' needs and expectations into account. This growth requires giving up an absolute relationship to our point of view and subordinating that view to a larger way of knowing. It requires defining ourselves co-relationally, such that our principal loyalty is no longer to ourselves, but to the relationship (friend, parent, family, organization, church, and community). This is the process of socialization, of turning the overly independent adolescent into the citizen.

As this happens, our needs move from subject to object. Kegan explains consciousness evolution in terms of major subject-object shifts in our Identity—our understanding of the self-world relationship. Like fish in water, when we are subject to something we do not see it. We see through it. We are, thereby, "subject," at any stage of development, to a way of meaning-making, a way of seeing ourselves and the world around us. Like children living in the world of fantasy, we assume that this is the way things are, the way we are, and the way the world is. We assume this is the "Real World." In fact, when we are subject to any level of identity, the assumptions and mental models by which we define ourselves and the world are so automatic that we do not even notice them. They run us in unseen ways; we do not run them. They have us; we do not have them. Since we do not see them, we cannot manage them. We are subject to them. They manage us without our realizing that we have options. A subject-object shift moves that to which we were formerly subject to an object of our reflection. We are then no longer subject to that limited understanding of ourselves and the world. We can now think and act

differently. More behavioral options are available. We are more free and more autonomous.

This subject-object shift happens at every stage transition. It happens in adolescence when we notice that we are not just our ability to meet our needs. We are not our needs; we have needs, but needs do not have us. Because of this subject to object shift, we can have a relationship with our needs in the context of a larger community of competing needs, to which we are responsible.

The end of adolescence is a time of transition in which we learn how to pursue our wants and needs within a larger system of competing needs. It is a difficult time because something is being lost: our egocentric relationship to the world. The world does not revolve around us. In order to succeed in the world, we realize that we need to give up our egocentric agenda and our hard-won independence in order to take up membership in society.

About 5% of leaders who do not fully make this transition and continue to operate with an Egocentric Mind tend to be autocratic and controlling—"my way or the highway." They are not self-organized in a way that permits more participative forms of relationships. Individuation allows for higher levels of relatedness. They are still too fused with their own needs to consider and value the needs and opinions of others. Unquestioned loyalty to *the leader*, not the organization, is the first priority. The organization and its employees exist to serve them. Their relationships are distant, marked by interpersonal insensibility. They are demanding of others, making unrealistic expectations on subordinates who feel oppressed. They manage through strict hierarchies that require unquestioned authority. Egocentric employees tend to play out victim or rebel roles. Teams and organizations that operate out of an egocentric culture are dictatorial and oppressive.

The Egocentric Mind in adolescence is normal. In adulthood, it is pathology. In leadership, it is oppressive and destructive. Development goes awry when it does not proceed beyond the adolescent mind, which in adulthood is very egocentric and ethnocentric. On the world stage, egocentric leadership is responsible for oppressive dictatorships, fascism, Nazism, terrorist extremism, ethnic cleansing, gang violence, and immoral governance.

The ability to hold both our needs and the needs and feelings of others simultaneously is the hallmark of the next stage, the Socialized, Reactive

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Mind. Most of us enter adulthood with this socially defined self, the self that the adolescent is both moving toward and resisting.

REACTIVE LEADERSHIP

Each new level is a triumph of development. As parents, we breathe a sigh of relief when our adolescents mature into good citizens and learn that the world operates a certain way and, if they want to get on in the world, they need to take on its rules, values, expectations, and ways of operating. As this developmental shift happens, the teenager takes on adult roles.

The developmental challenge of the Reactive Mind is to merge with society. As adolescents, we reluctantly give up our over-independence and learn that to get along we must go along. As we transition into the Reactive Mind, we learn societal rules and play by them in order to meet expectations. We construct a life that best fits and works within these expectations.

We dive into our chosen professions and work hard on honing our outer game. We gain the *Domain Knowledge* required to succeed in a chosen field. We create businesses and careers, climb ladders, get married, have families, and establish the homestead. We gain professional and managerial competence, learn industry knowledge, and take on roles at work, in the family, in our churches, and in the community. We learn what it takes to succeed in these roles and in the domains of our life. There is a steep learning curve to all of this, and so we take on this development agenda to gain effectiveness and become happy, contributing members of society.

This evolution is essential if we are to build a successful life. This ability to take up membership, to work and live co-relationally with others and within organizations, is the triumph of this stage of development. It enables us to build a life of meaning, self-worth, and security. This is the strength of this stage, and it is also the liability.

As we embrace the Reactive Mind, we build our new identity by living up to and into the expectations of others and the culture. Messages and expectations from key influences, institutions, and individuals shape who and what we become. These messages shape how we think about ourselves and what we conclude will make us worthwhile, safe, successful, valuable, good, and contributing members of society. We craft

Since the Reactive Mind constructs the self from the outside in, we tend to define ourselves in one of three ways: through our relationship, intellectual, or results capability. Therefore, there are three primary forms of Reactivity—Complying, Protecting, and Controlling.

Complying Types. If we form our identity around relationship capability, we are likely leveraging our big-hearted nature. We see ourselves as good, worthwhile, and safe because we are a kind, caring, and supportive person. We identify with our capacity for relationships: we know we are safe and worthy if we are liked, accepted, or admired by others. A relationship-based identity says: “I am OK, worthwhile, and secure if you like and accept me, and see me as supportive.” In this case, “I am my relationships. I do not merely have relationships. They have me. They define me.” We manage our behavior so we are always seen as caring and supportive of others. In order to be effective at getting results, Complying types tend to give up too much power in exchange for being accepted.

Controlling Types. Carl is an example of a leader who was identified by his capability to get results. His ego identity says: “I am my achievements. I not only create them, they create and define me.” Carl has leveraged his strength of getting results to a high level and is identified with that capability, which has liabilities. Controlling types tend to use power to create what they want at the expense of people. This undermines collective effectiveness and intelligence.

Protecting Types. Some leaders construct their identity out of their native brilliance. They learn that being smart has its advantages. The Reactive Mind leverages this strength and builds an identity out of it. Intellectually-based identity says, “I am my smartness. I am not merely smart. My smartness defines me. It is what I use to be seen as a valuable, contributing, and worthwhile person.” Protecting types tend to position themselves as intellectually superior while maintaining emotional distance. This limits their ability to influence.

Each of the Reactive types is externally defined. We make ourselves into whatever we have been socialized to think is good and right. We identify with these expectations and become them. Stephen R. Covey called this stage of ego development *Dependent* because, at this stage, we are defined from the outside in and are dependent on external validation for our sense of self-worth, esteem, and security (Covey, 1989). Kegan calls it *Socialized Self* (Kegan and Lahey, 2009). Psychologists call this *External Locus of Control*. We call it *Reactive*, because when we

our identity in harmony with these expectations. We internalize them and define our personal worth and security by living up to them.

We are not aware of what is happening, we are simply breathing in the surrounding self-defining messages and constructing ourselves accordingly. We define ourselves, not from the inside out, but from the outside in. Our externally validated sense of self-worth and security are in others' hands; thus, we must live up to their expectations in order to feel successful, safe, and worthwhile. As such, the self is actually located outside the self, fused with its surroundings. We are defined from the outside in. This is why Kegan calls the Reactive Mind the *Socialized Self* (Kegan and Lahey, 2009).

At this level, external expectations make us up. The identity is this: "I am my unique, well-honed role and capability. I do not merely have a capability; I define myself (my worth and security) through that capability. It is not just a strength that I have; it has me. It defines me. It makes me up. I am not aware that I am identified with a way of being. I am subject to it. I am subject to this new identity. I do not see it. I see through it. I understand myself and deploy myself through this new construction of the self. It is the way I am. I would not know who I am if I were not seen by others as being this way."

One of our talented leadership coaches was debriefing a senior manager (let's call him Carl) on his LCP 360® results. Carl had a long track record of turning around steel manufacturing plants. As they talked, the coach asked him about a very low *Work-Life Balance* score. Carl smiled and said, "Yes, I do not have much of a life." Through a series of questions, the coach learned that Carl worked all the time and that Carl was engaged to be married for the third time. Even when Carl was at home with his new fiancée, he was on the computer corresponding with the plant at all hours of the day and night. Carl admitted, "I work all the time. I do not know what I would do with myself if I was not working. I do not know who I would be if I did not have my work."

Carl is a leader who is externally defined by his capability to get results. His construction of identity sounds like, "I am my ability to get results—to get the job done and done right. This makes me who I am. This is how I know myself to be a worthwhile person. My ability to be successful not only defines me, it protects me and provides for my security. If I am not this, who am I?" This identity has significant strengths and liabilities associated with it.

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We all tend to react to situations by deploying the strength with which we are identified. We do this automatically and habitually. Hence, we over-extend our strength, and this becomes a main limitation and liability of the Reactive Mind.

Hershey and Blanchard developed the popular *Situational Leadership* model (Hershey, 1969). This model suggests that leaders are more effective when they can change their leadership style to match the unique needs of the situation: sometimes leaders need to ask, and sometimes they need to tell. While this model is useful, Reactive Mind is incapable of such flexibility. The fact that we are identified with a certain way of being limits our behavioral options. So, we react to a situation with our auto-pilot response. Anything else would seem ineffective and risky.

Cognitive and Rational Emotive psychologists have defined the core assumptions through which we form our externalized identity at the Reactive Stage. These internal assumptions form the core of our IOS. They are *beliefs* we hold about ourselves that equate our self-worth and security with being perceived a certain way. These equations take the following form:

Worth and Security = X (where X is a strength)

When we form our Reactive Mind, we simply form these equations around the strength with which we are identified (relationship, intellect, and/or results). Different people simply substitute different Xs into this equation. The structure of the self is the same in each case; only the self-defining beliefs are different. As we build these equations, we become externally defined. The Reactive Identity can be stated: "I am worthwhile and safe if I am X, and if others see me as X," or, "*To be is to be X.*" If we run this belief backwards, "*Not to be X is not to be,*" we see why these beliefs are so powerful and why they cause us to react to most situations by using X (the strengths with which we are identified) instead of some other strength that might be more effective in a given situation.

Reactively structured beliefs are inherently self-limiting because they restrict our behavioral options in situations. The problem is not the strength, but identifying with the strength. These beliefs cause us to run behaviors that limit our leadership effectiveness. The more we are defined by other people's approval, the more likely we will fear

are subject to an externalized identity, outside influences run our behavior more than we realize. We are constantly reacting to circumstances without realizing it, and thus short-circuit more creative and effective responses.

The over-extension of a strength becomes a weakness, and the Reactive Mind over-extends its strengths. When we are identified with a given strength, we use it a lot. We over-develop it and under-develop other strengths. Consequently, we tend to overuse that strength. Since that strength defines us, it feels natural to use that strength all the time, and it feels awkward, if not risky, to use other less developed strengths.

About a year ago we worked with the General Manager of a manufacturing facility in Canada. He had about 3,000 people working for him and was considered to be one of the best performing plant managers in the industry. We were talking about highly Controlling types, and this leader said, "I get this. My controlling behavior is such a go-to strategy for me that I call it my 'blade down' mode. When faced with problems, I say to myself, 'Blade down.'"

This leader was referring to the blades on a snowplow. On a snowy highway, all the rest of us can line up behind the snowplow with the blade down and have a clear, safe path of travel. We can all relate to the image of a snow plow clearing a path in front of us by going "blade down." He said that with his "blade down," he could move any obstacle. Yes, he would often leave a body count along the way, but "blade down" mode worked for him, and he was rewarded for it. He was afraid of how he would be defined without it, worried he would lose his power.

When he was promoted to GM, he saw that what had worked for him for so many years now worked against him. When he needed people on his side, partners to work with, or others to think things through, his "blade down" strength became a weakness.

"Blade down" had its strengths—he knew how to get things done and create great results. Now when he went "blade down," however, it had unintended consequences. His dictated orders were not followed when he was not there. His span of control and need for additional capacity and capability outmatched his primary mode of operating. "Blade down" only covered a small part of what he needed to do. Now his leadership was being rejected, and he had to make the move from "blade down" to "blade up." He needed to work collaboratively through others, not only rely on his own strength.

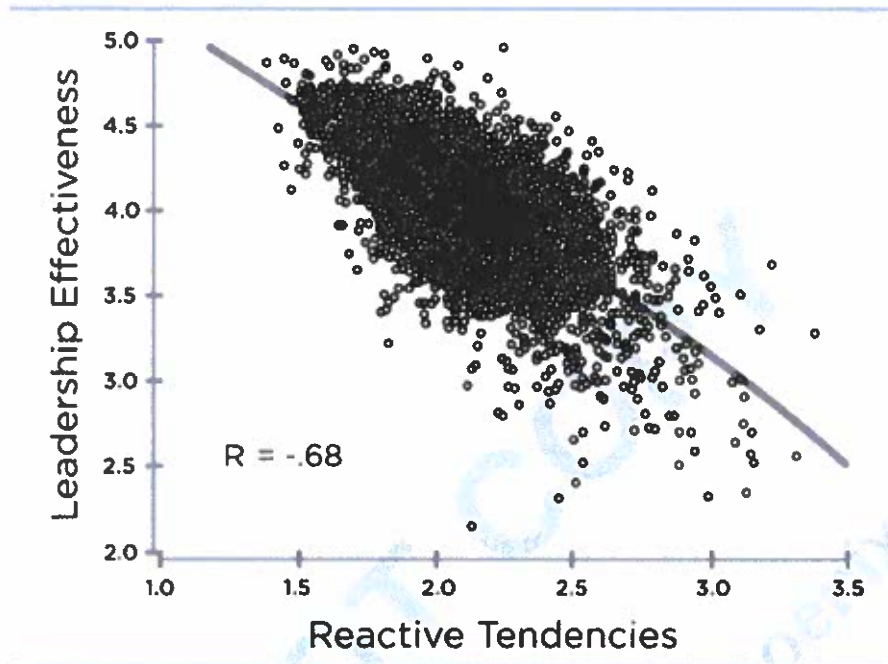


FIGURE 5.2 Correlation between Reactive Leadership and Leadership Effectiveness

Appendix 1 defines each of these dimensions and provides brief descriptions of the associated Reactive leadership styles.

In our research, Reactive leadership is measured by the average score on the Reactive dimensions that make up the bottom half of the circle (provided by a leader's 360° raters). Average Reactive leadership scores are correlated to the measure of Leadership Effectiveness embedded into the LCP. Figure 5.2 summarizes our research results.

Note that as Reactive behavior increases, Leadership Effectiveness goes down. We see a solid (-.68) inverse relationship between Reactive Tendencies and Leadership Effectiveness. This strong correlation is derived from 500,000 rater surveys worldwide. We see some scatter to the correlation because there are strengths at the core of the Reactive Structure. In some situations, these strengths are just what are needed, but if we overuse and misuse a strength, it becomes a liability. The stronger your Reactive tendencies, the less likely you will be experienced as an effective leader.

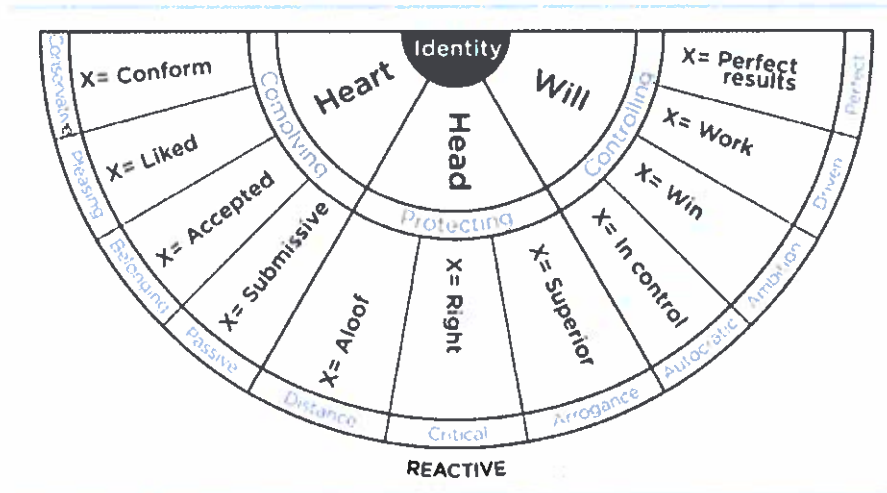


FIGURE 5.1 Reactive half of the circle and associated beliefs

rejection and be risk-averse, indecisive, cowardly, and compliant. The more we define ourselves by our results, the more likely we fear failure and fail to delegate, collaborate, build teamwork, and allow others to engage meaningfully and creatively. We will tend to relate to others in autocratic and controlling ways. If we define ourselves on our intellectual capacity, we will fear vulnerability, fail to connect with others, acknowledge their brilliance, and relate to others in self-protecting, arrogant, analytically critical, and condescending ways. Reactive beliefs are self-limiting and have serious liabilities. The more we are run by them, the less we lead effectively, and since leadership effectiveness drives business performance, Reactive leadership puts us at a competitive disadvantage.

The bottom half of the Universal Model and LCP is labeled *Reactive* and is made up of 11 dimensions that constitute a map of the Reactive Mind. Each dimension measures a set of leadership behaviors that naturally result when we are subject to a given Reactive belief.

Figure 5.1 shows how the Reactive half of the Universal Model and LCP is organized. The diagram shows the dimensional structure of the complete Reactive Model. The outer circle displays the 11 Reactive dimensions and how they fit within each of the three types (displayed in the inner circle). Each Reactive dimension lists the Xs that are plugged into the core identity-forming equations that run Reactive behavior.

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scientific management tools. Employee input is solicited, but decision-making and creative expression is still vested with top leadership. Leadership is often humane, but lacks the capability of broadly sharing power. People are informed, but not significantly involved in decision-making. People feel supported financially and treated fairly, but most are not expected to be involved in important decisions. High levels of engagement are unlikely.

The institutional style that emerges with leadership at this level is a large, efficient hierarchy—an ordered and layered bureaucracy. Its political climate requires loyalty and obedience. While such organizations are still common, most change efforts seek to create structures and cultures that are flatter, leaner, more agile, more engaged, and require more ownership and creative involvement at lower levels than the Reactive Structure of Mind can tolerate.

Nearly 75% of managers operate out of a Reactive Mind, with *Leadership Effectiveness* scores averaging at the 40th percentile and with a LQ of .67 (see the study reported earlier). Reactive Mind is outmatched by the complexities of organizational life today. The level of complexity leaders face daily is more suited to Creative Mind or higher. Most of us are being challenged daily to evolve to a higher order of mind. This developmental shift, from Reactive to Creative, should be seen as a strategic imperative in any organization that wants to thrive long-term.

Most change efforts are attempts to create a Creative level culture. Most of these change efforts fall short because they can only be created and sustained if the leadership is functioning at or beyond the Creative Level of Mind. Since most leadership teams are not, what usually happens is the implementation of a lot of activity that should put a high-performance organization in place but fails to do so. When this happens, Reactive leadership does not see itself as the reason for the failure. Instead leadership moves on to the next and latest fad in the management literature. This “flavor of the month” approach to change continues without leaders noticing that in order for any of these new approaches to work, leadership must evolve. Consciousness is the operating system of performance, and if these change efforts are to succeed, senior leadership must transition from a Reactive to a Creative level consciousness. This is no small undertaking.

In our Business Transformation work, we design and structure every meeting and change event very carefully to engage the entire organization

Leaders today are trying to create high-engagement cultures that are more efficient, innovative, creative, customer-centric, agile, involving, and self-managing. The demands that these change efforts make on leaders are at the Creative Level of Mind and leadership, meaning the ways we are expected to behave in the new, transformed organization are beyond the natural capability of the Reactive Mind. These new, more effective ways of leading become readily available as Creative Mind boots up.

Reactive Mind has too many liabilities associated with it to lead and sustain the transformation that these change efforts represent. For example, consider the prescription to high control managers to “stop reacting defensively” and use “active listening skills.” If we identify with our performance and believe that our aggressive strength protects us, when we are criticized or have our performance questioned, we feel that our very self is being attacked. If my worth is my performance, when my performance is called into question, I am being called into question. I cannot *not* take this personally. This capability to “not be defensive” comes more naturally at the next stage of development.

If I “am my relationships,” I will likely never use assertiveness skills because asserting my opinions may get me disapproval. This feels like death to the person identified with pleasing others. Yet leadership and teamwork require that leaders learn to listen non-defensively and assert their wants. These Creative level behaviors cannot happen consistently until the Reactive Self is shed.

Most adults operate from the Reactive Mind. Since 5% still operate at the Egocentric level and only about 20% are at the Creative level or higher, about 75% of adults are living from a Reactive Mind (or in transition from Reactive to Creative). Since structure determines performance, and consciousness is the operating system of performance, Reactive Mind naturally gravitates toward organizational forms that are consistent with the way Reactive Mind organizes its world.

Leaders at the Reactive Stage typically no longer function as Egocentric, oppressive dictators. Loyalty is not so much to the leader, but to the organization and its objectives. Institutional authority replaces the personal loyalty required by Egocentric leaders. Leaders at the Reactive level often care deeply about their employees and manage and function as benevolent parents or patriarchs/matriarchs. The organization is ordered and efficient. It is competency driven and mechanistic. It uses all of the

in a Creative level structure. We have done this for years without realizing that we were creating a practice field at the Creative Level of Mind. People in those meetings would consistently rise to the occasion and play at a Creative level in that practice field. For years we wondered why the organization could not sustain the Creative way of operating. We have learned that unless leaders are on a Creative development path, they cannot lead in Creative ways when they leave the practice field and return to the current culture. Most transformation and major change initiatives cannot be sustained because leaders, operating from Reactive Mind, cannot replicate Creative practices and structures (like the practice fields we design for them) on their own. They cannot transform their organization from within because their Reactive IOS cannot replicate Creative Structures and operate creatively within them. This is the root cause of why transformative change fails to sustain.

CREATIVE LEADERSHIP

The transition to the Creative Structure of Mind is marked by two changes in the IOS: first, we shed some old assumptions that have been running us all our lives; and second, we initiate a more authentic version of ourselves as we shift from *Reactive* to *Creative*.

By shedding well-patterned assumptions, we start to see the habitual ways of thinking that we adopted while growing up that were socialized into us. These embedded habits of thought form the core of the Reactive IOS. They have served us well and are now reaching operational limits. They are not complex enough for the complexity of life and leadership into which we have grown. These assumptions must be shed and replaced with new assumptions.

As we are liberated from the limitations of the Reactive assumptions, we ask new questions: "If I am no longer defined by the outside expectations that I grew up with, what do I really want?" The central questions of the Independent, Self-Authored, Creative Mind are: "Who am I? What do I care most about? What do I stand for? How can I make my life and my leadership a creative expression of what matters most?" We start to march to the beat of Thoreau's "different drummer." We become visionary leaders.

Years ago, we worked off-site with the senior leadership team of a large hospital. Each team member had completed the LCP, and all had

assumed was expected of us as we grew up and more out of our own deeper sense of personal purpose and vision. *Transitioning to the Creative Self is the major transition in adult life and leadership.* To make this transition, we no longer ignore or distort the unique call of the soul. We face the fact that following our own path often means disappointing others, risking failure, or contradicting the norms that we assume make us (as a Reactive self) worthwhile, successful, and valuable.

This transition is arduous because, to make this journey, we have to let go of how we have come to define ourselves. We let go of the deeply held beliefs that our worth and value are tied up with how we are seen by others, by what we do, how smart we are, or how acceptable we are. We are less defined by cultural expectations. We configure a self from the inside out for the first time. Vision springs from within. Action becomes an authentic expression of an emerging sense of inner purpose. We begin to experience the power, creativity, freedom, and satisfaction of living from our own deep center. We value and encourage the same in others. We begin to treat others as equal participating members whose rights, insights, and purposes need to be engaged and creatively aligned. Self-expression and cooperation become our new principles.

Such self-authoring, visionary, authentic, and courageous leadership only becomes consistently possible when we begin living and leading out of a Creative Mind. The top half of the circular Universal Model of Leadership and the LCP maps out the Creative Mind. This mind is run by the Creative IOS and is formed around the inside-out, Self-Authoring, Creative identity.

In the outer circle of the top half of the LCP (see Figure 5.3) is an array of Leadership Competencies that have been well researched by the field to predict high levels of Leadership Effectiveness. These 18 Creative Competencies are strongly and positively correlated to leadership effectiveness and business performance.

The Leadership Field has been describing the kind of leadership that naturally emerges as Creative Level Mind evolves without realizing the developmental, sequential relationship between Reactive Mind and Creative Mind. In his book, *In Over our Heads*, Bob Kegan says that these behavioral capabilities arise naturally on the Creative, Self-Authoring Mind, but they do not boot up as well on Reactive Mind (Kegan, 1998). Therefore, the key leadership competencies that, through extensive research, have risen to the top of the list are those that describe how

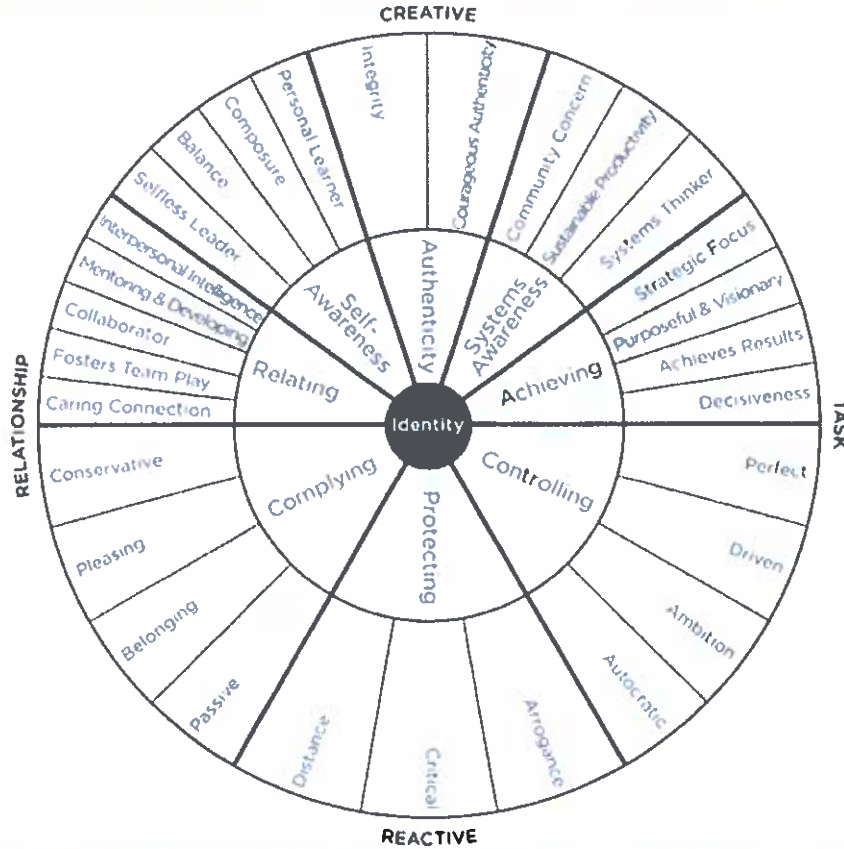


FIGURE 5.3 The Leadership Circle Profile

Creative level leaders lead. In other words, the competency research is highly adequate for filling in the top half of the model.

The Inner Circle (see Figure 5.4) in the top half of the model groups the 18 competencies into *five categories*: 1) *Achieving*, the ability to envision and get results; 2) *Systems Awareness*, the advanced leadership capability to think systemically and design organizational systems for higher performance; 3) *Authenticity*, the willingness to act with integrity to courageously tell the truth even when it is risky; 4) *Self-Awareness*, balance and composure that result from highly developed self-awareness, emotional intelligence, and ongoing learning and development; 5) *Relating*, the critical leadership capability to relate well to others, build teams, collaborate, and develop people. These five categories summarize the entire

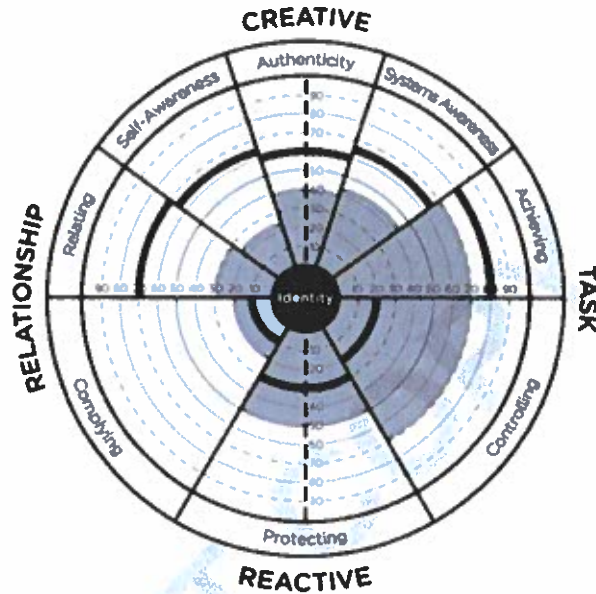


FIGURE 5.4 The Inner Circle

field of Leadership Development and serve as the Summary Dimensions of the Inner Circle of the LCP into which the 18 Creative Level Competencies fit. The top of The Leadership Circle maps out the Creative half of the Universal Model.

In our research we create a metric that averages these 18 Competencies to measure the degree of Creative Leadership—the average score of all 18 Creative Competencies on the LCP (provided by a leader’s 360° raters). Creative Competency is .93 correlated to the measure of Leadership Effectiveness that is embedded into the LCP. The correlation, based on over a half-million surveys worldwide, is displayed in Figure 5.5.

Perfect correlation is 1.0, thus a .93 correlation is extremely strong, suggesting that if you can improve your Creative Leadership Competency, you will improve your Leadership Effectiveness. The relationship is nearly one-to-one: for every improvement in the key Creative Competencies, you get an equal increase in Leadership Effectiveness.

The Correlation between Reactive Leadership and Effectiveness is strongly inverse at -.68. Creative Leadership is just the opposite with a positive correlation to Effectiveness at .93. We conclude that Creative Leadership is much more effective than Reactive Leadership.

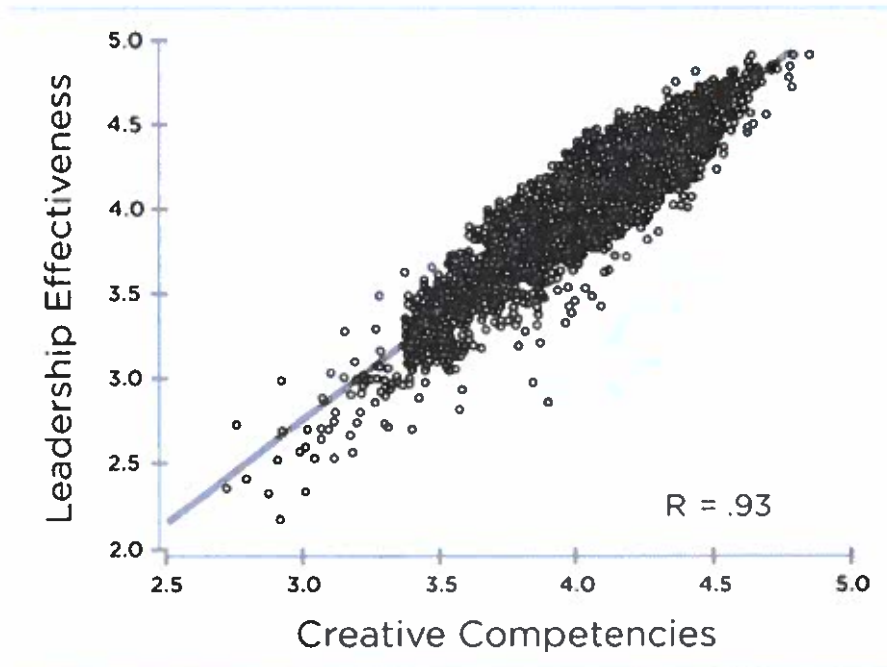


FIGURE 5.5 Correlation between Creative Competencies and Leadership Effectiveness

In the study reported earlier, we find a strong relationship between the leader's measured Stage of Development and their Leadership Effectiveness—a significant positive correlation at .65. This suggests that Leadership Effectiveness improves as consciousness evolves. In this study, leaders who are assessed as operating from Reactive Mind have average Leadership Effectiveness scores at the 40th percentile compared to our norm group. Leadership Effectiveness scores for the leaders who are assessed to be operating from Creative Mind average at the 65th percentile. Their LQ is nearly 2.0, which means their leadership is a big competitive advantage.

Creative Leadership is the minimum level required to create lean, engaged, innovative, visionary, creative, agile, high-involvement, high-fulfillment organizations and to evolve adaptive organizational designs and cultures that can thrive today. However, only 20% of leaders are operating out of the Creative Mind. This is the Leadership Imperative. The collective consciousness of most extended senior leadership teams

is not complex enough to lead the kind of cultural and systemic change needed to remain competitive. Creative or higher is required. Evolving leadership to Creative Mind or higher is the Leadership Agenda that senior teams need to hold and forward for the organization.

As the consciousness of leaders moves to Creative levels, they tend to design and create organizational structures and cultures that facilitate industry-leading business performance. Leaders begin to *share power*. It is no longer perceived as “letting go” of control, but of gaining power by sharing it. The development of self and others is prized. Developing other leaders becomes the main job of leadership. This focus is high leverage as leaders are developing the capacity to scale and getting a multiple on their time invested. Leadership is shared, but not yet a full partnership. Creativity and critical decision-making are developed and expected at all levels. The leadership styles that emerge are empowering, engaging, and collaborative, involving ever larger constituencies. With collaboration, the emphasis is both on individual expression and development as well as group performance. The leader is no longer the sole decision-maker, but facilitates groups in developing, becoming more self-managing, and becoming more creatively involved in the success of the organization. The leader can support, challenge, and confront the group and its members. The focus is on high performance through teamwork and self-development. Leadership is collaborative. The leader now takes responsibility for authoring the vision, enrolling others in the vision, and helping them discover how the vision enables them to fulfill their personal purposes collectively.

The institutional style here is *High Engagement*. People at every level (and there are fewer levels and broader spans of control) are deeply involved in decisions that affect them. There is a successful, quality culture that sometimes evolves into a self-managing organization.

The business environment, and the complex challenges we collectively face on the world stage, are applying enormous adaptive pressure on leaders to evolve into Creative Mind and then beyond that into the Integral Mind. We are convinced that the current level of complexity in the global business environment and on the global economic, environmental, and geopolitical scene requires leadership from the Creative Mind at a minimum. We are more and more convinced that the level of consciousness required of leadership, if we are to successfully usher in a thriving planetary future, is Integral Level Leadership.

INTEGRAL LEADERSHIP

Integral Mind ushers in a level of leadership that is capable of leading amid complexity. At this stage, the vision of the Creative visionary leader expands to include systemic welfare. The visionary-strategic capability that emerges in the Creative leader evolves into Systems Thinking and Design. The Integral leader holds a larger vision of the welfare of the whole system and becomes the architect of its future. Integral leaders focus on a vision not only for their organization, but also for the welfare of the larger system in which their organization is embedded and interdependent. At this stage, Servant Leadership fully emerges. The leader becomes the servant of the whole.

Integral Mind is built for complexity. It is a level of mind and leadership that can lead through the redundant polarities and problems that make up complex challenges. Integral Mind can hold opposites in tension without reacting to resolve them quickly (superficially). It can hold conflicting visions of the future within a diverse set of stakeholders without championing one over the other. It looks for the merits of all perspectives and works toward synergistic synthesis.

This ability to hold opposites, conflict, tension, and polarity, without avoiding them, over-simplifying them or resorting to quick fixes is the hallmark of this leadership. By facilitating constructive dialogue with diverse stakeholders, it creates a platform for synergistic and systemic solutions to emerge. Collective intelligence goes beyond the average intelligence of group members and, thus, high-leverage systemic breakthrough thinking and action emerge.

The ability to see and hold the whole system (its functional aspects, its dysfunctional elements, its integrity and brokenness, its unresolvable tensions seeking resolution, its degree of alignment and conflictedness) with both a fierce commitment to transformation and with compassion for what is, results from yet another metamorphosis that has happened in the structure of the self.

The hard-earned authentic, self-authoring, visionary, creative self, with which we are identified at the Creative Stage, begins to fray. We begin to realize that we are not only this authentic visionary person; we are also its opposite. Here, the inner self-definition shifts from "I am a whole and complete self that coordinates with other whole and complete selves," to an internal realization that, in fact, "I am not whole and complete."

Rather, “I am many selves: I am an ecology of selves that are often in discord.” As Zen teacher, Norman Fisher, states: “We are all many persons. Some of these people we know, and others we don’t—only someone else knows them. Some of them we long for, and others we want to run away from. All this is music; it’s the music of our lives if we could only stop to listen” (Wenger, 2002).

The realization that we are made up of many disparate and conflicting parts is not a kind of schizophrenia, but a deeper engagement of the *shadow side* of the self—the parts of us that we have ignored and not developed. *Shadow* does not mean dark or bad, but *ignored* or *left behind*.

In our discussion of Reactive Mind, we showed how it tends to identify with certain strengths, over-develop them, and under-develop others. These under-developed aspects of ourselves go into shadow. As Carl Jung said, “Most of the shadow is solid gold” (Jung, 1976). In the shadow, there are many undeveloped strengths, which often present as weaknesses and darker elements of the psyche. As we move into this stage we realize, to paraphrase Pogo: “We have met the enemy, and they are us” (Kelly, 1972). The enemy is not *out there* only, it is within us. The conflicted function and dysfunction in the larger system is also in us. We are, individually and collectively, a microcosm of the very system we are trying to lead and change.

As we embrace our partialness, we no longer need to pretend completeness and can move toward the unacknowledged aspects of ourselves with compassion and curiosity. We can now hold the whole complexity of our personality, good and bad, light and dark, hard and soft. We can see this inner complexity without flinching or needing to engage in some strenuous self-improvement regime. We see others this way—as complex multi-dimensional beings. We also see the world this way—as a dynamic interplay of conflicting forces. Seeing the self as a rich ecology of discord and harmony opens us to the richness and complexity of the workplace and world. The self-compassion for our incompleteness allows us to engage others and the larger system with the same acceptance. This interior evolution is what enables Integral Leaders to see the whole system in a way that honors huge diversity, with many opposites in tension, and to engage it in a way that moves toward creative resolution.

Only about 5% of adults develop to the Integral Mind. This low percentage points out the developmental challenge. Integral Mind results

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in highly effective leadership. Again, in our research, leaders who were assessed as functioning from Integral Mind had average *Leadership Effectiveness* scores at the 90th percentile, and their average LQ was 9.0. Their leadership is clearly a competitive advantage. This is truly an extraordinary level of leadership.

Not only is Integral Leadership highly effective, it also is best suited to lead the transformation of complex systems. Bill Torbert, a foremost researcher on Adult Stages of Development, conducted a long-term study on the relationship between the Stage of Development of the CEO and the ability of the organization to transform itself (Rooke & Torbert, 1998). In this study, Bill consulted with 10 organizations over 10 years. He had measures of Stage on each of the 10 CEOs. He collected metrics to assess whether transformations actually happened. He concluded that only the CEOs who lead from Integral Mind are able to create and sustain business transformations. The five CEOs in his study who led from Integral Mind created and sustained 15 measurable organizational transformations. Those functioning from earlier levels of mind achieved no measurable sustained change.

Integral level leaders have harvested all the visionary, strategic, authentic, team, and interpersonal competence as they matured through Creative Mind. They, therefore, build upon the Creative cultures and structures, and take them further. Frederic Laloux, in his book, *Reinventing Organizations* (Laloux, 2014) describes well the kinds of organizational cultures and structures that emerge at this level of leadership. Leaders at this level become systemically and community oriented. The workplace becomes a self-renewing organization where members are true engaged and participating partners. The legacy of the leader is connected to developing the organization into a vehicle for service to a larger constituency and world. The organization is seen as a network of stakeholders nested within a larger system of networks. Vision often becomes global and oriented toward service to human welfare. Sustainability and long-term common good become salient values. This is servant leadership.

All CEOs grapple with escalating complexity. CEOs consistently report feeling in over their heads, wondering if they have what it takes to lead their organizations. Integral level leadership is best suited to lead amid the complexity. Clearly, it is a competitive advantage and we believe the level of leadership capable of resolving the planet's perilous situation.

UNITIVE LEADERSHIP

Any overview of the Stages of Development would not be complete without including the highest stages of awareness. In the spiritual literature, there is a progression of awareness that moves through sequential stages, up to the highest level of sacred union with *All that Is*. We concur that this level of human development is possible. It may, in fact, be the purpose of human existence: to evolve into the highest knowing of who we are.

Research and experience strongly suggest that spiritual practices, such as mindfulness, meditation, and contemplative prayer, accelerate our development through stages. In fact, the Unitive Self seldom, if ever, develops without a long-term spiritual practice.

At the Unitive stage, another major shift takes place. Up to this point, the self has seen itself as a separate self, as located within the body-mind. Now the self realizes that "I am not the body, nor the mind." In the early phases of the Unitive stage we identify with the "soul"—an essential self in communion with the Divine Reality. The Integral self is not discarded. That richly nuanced self is used to act in the world. It is highly functional and effective. It becomes a useful tool of the spirit.

Further into the Unitive Stage, the astonishing oneness underlying and just behind diversity becomes obvious. This is the stage where the person ecstatically experiences the world as one. This oneness is not just an idea, not something gleaned from a book. It is a literal experience of oneness with life itself—the oneness of all things with Itself. This is the birthplace of universal compassion, for one knows "I am my brother, and my sister. We are all each other! The earth and all beings are one life."

This level of leadership is rare, although it becomes more available through long-term spiritual practices. Unitive development does not mean disengagement from the world. On the contrary, leaders at this level function as global visionaries and enact world service for the universal good. From the perspective of Unity, we are all each other. The children dying in wars on distant shores are our children. There is only one family. The Ecosystem is our body.

Mastering leadership is required, and it requires conscious development. We live in a time of great opportunity and great peril. The next 50 years are going to be "interesting" and pivotal. We could well bring into being a new and vital global order of planetary welfare. We could

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destroy ourselves. Certainly business, with its growing global reach, plays a major role in the world's future and has a huge stake in the outcome. It is only from the presumption of our inherent unity and the indivisibility of all things, resting on the enormous Integral Leadership capability, that we will find the solutions, on a planetary scale, to our current predicaments.

TAKING STOCK

- When was that last time you risked it all to become way more than you are now?
- How do you get in your own way?
- Are you waiting for others to give you permission to be great?
- If you were living life more authentically, what would you be doing differently? How would you be different?
- Are you are prepared to live in the world with its harsh need to change you? (Whyte, 1992)