VOLUME 8, NUMBER 2

Reflections

The SoL Journal
on Knowledge, Learning, and Change

Published by The Society for Organizational Learning
reflections.solonline.org

ISSN 1524-1734

society for organizational learning

C. Sherry Immediato

ONE OF SOL'S PRINCIPLES IS THAT THE PROCESS OF LEARNING IS only complete with action. In this issue of *Reflections*, we share a number of reports from "the field" from those who are up to their elbows in work all over the world. And since reflection is also an important part of the learning cycle, we hope that their work stimulates you to make connections about how their concepts, methods and findings have relevance to your own projects in process. Feel free to write directly to the authors with questions, insights, suggestions, and reports on your own efforts – and do copy us! SoL's field of action is now so extensive that we need your help in identifying other work in progress.

We begin our research updates with a report from the Generative Change Community (GCC), a global community of practice that nurtures and promotes generative dialogue for an equitable and sustainable world. This report, provided by project co-director Bettye Pruitt, describes the process of defining generative dialogue by looking at cases and asking "what was generative in this process?" Current cases include "shuttle dialogue" in Northern Ireland, bridging Sulu divides, and a Nepal irrigation project. The report notes the impact on the projects of their participation in the GCC community of practice case, and working definitions of generative dialogue. The case method used by GCC, as well as their substantive findings, is likely to be of value across SoL.

In 2006, SoL published *Profit for Life: How Capitalism Excels*, by Joseph H. (Jay) Bragdon. Jay's work hypothesizes a causal relationship between a living asset stewardship management philosophy and exceptional financial returns. In "Companies that Mimic Life: The New Profit Leaders," Jay and Jeanne Bragdon restate *Profit for Life*'s key premises, and present the results of recent independent research that updates and reaffirms the strong investment returns of the 60-company learning lab on which this research is based.

"Cross-Sectoral Leadership for Collective Action on HIV and AIDS in Zambia: Applying the U-Process to Complex Social Challenges" is based on a pressing need. One in every six adults in Zambia lives with HIV; life expectancy has fallen below forty years; more than 700,000 children are AIDS orphans. This initiative began in 2006 to tackle this problem which persists in part due to local culture and policy. SoL researcher C. Otto Scharmer, author of *Theory U* (see the excerpt in this issue) was tapped to help, using the U-process methodology. Researcher Katrin Kaeufer and Oxfam's Judith Flick report on the action research plan, and the progress to date as the team completes the step of sensing the forces for change.

In "Just Business: Partnering for Sustainable Justice," researcher and project director Alan Mobley reports on the start-up of this venture in Detroit. The purpose of Just Business is to apply systems thinking, dialogue processes, and business expertise to issues of sustainable economic development in distressed neighborhoods. These areas have high crime rates and, concomitantly, large numbers of ex-prisoners returning home upon release from prison. By involving a range of stakeholders, including regional businesses, the project aspires to break this vicious cycle.

Our final research update holds the promise of a more substantive report in the future. Anne Murray Allen, Greg Merten, and Bob Johnson were all part of HP's Inkjet Division during a period of remarkable growth that spanned most of the 1980s and '90s. "Discovering the Source of Phenomenal Results: The Magic of Legitimacy and Love" is an update on their insights about the conditions that made such positive business results possible. Using a process of reflection and dialogue that was characteristic of their time at HP, they are involving former colleagues in their retrospective research in the hopes that more organizations will rethink their assumptions in favor of the deeply respectful working arrangements which are key to the innovation most firms need.

In looking at reports from the field beyond the SoL community, research member Barry Sugarman offers a review and summary of Steve Kelman's book: *Unleashing Change: A Study of Organizational Renewal in Government*. This study focuses on successful systemic changes in the U.S. government that were supported in part by approaches that assumed support for change rather than resistance to it. Barry highlights some case specifics and points to the contributions of this research that may be of interest to both practitioners and researchers.

In "Holistic Training: Putting Trainees Back into Context," Jon Kohl makes his second contribution to the Emerging Knowledge Forum. Using his experience in creating development opportunities in the work of park management, he challenges us to consider what we can learn from nature's apprenticing systems. Just as a young beaver deprived of contact with a dam building community is likely to be an ineffective engineer, we need direct contact with the system of work in which we are embedded to be systemically effective. He offers specific illustrations of the value of eco-tourism guides interacting with those involved in fire management to create better outcomes.

Finally, this issue's book excerpt features a chapter on individual learning from *Theory U: Leading from the Future as it Emerges* by C. Otto Scharmer. An in-depth explanation of the U theory introduced in *Presence* (SoL, 2004), the book is an invaluable resource for anyone involved in profound collective change projects. Other excerpts, comments, and a summary of *Theory U* can be found at *www.solonline.org/theoryu*.

As we celebrate SoL's 10th anniversary, it is especially rewarding to see the diversity of the SoL community increase as we take on thornier problems and greater opportunities. This would have been unlikely if not impossible without all the early work by SoL's organizational members. We hope to report in future issues on how corporate participation in projects that span boundaries provides practical value in conducting day-to-day business. Until then, please visit the SoL website for opportunities to hear these stories and interact with *Reflections* authors at upcoming SoL gatherings.

With best wishes for reflection that stimulates action,

C. Sherry Immediato
Managing Director, SoL

USING WORLD CAFÉ PRINCIPLES FOR DISCIPLINED STRATEGIC THINKING

JIM MYRACLE AND DIANE OETTINGER HAVE ILLUMINATED AN INNOVATIVE AND HIGH leverage approach to using World Café design principles and practice as part of an in depth learning and development program for high potential leaders ("Developing High Potential Leaders with Strategy Cafés," *Reflections,* Volume 8, Number 1). By integrating the use of a modified World Café approach (called Strategy Cafes) with a disciplined inquiry-based process focused on strategic thinking, it seems that Jim and Diane are able to achieve a range of outcomes that might not be easily accomplished by either approach used in isolation. This is a great example of a "mix and match" approach to the use of complimentary processes in the service of business and social value.

I was impressed by the way Jim and Diane used the World Café's seven design principles – setting clear context; creating hospitable space; focusing on questions that matter; encouraging everyone's contribution; cross-pollinating ideas and diverse perspectives; listening for key insights; and harvesting collective discoveries over the full week long program – whether they were using the "usual" World Café format or not. It seems that by using the World Café design principles creatively throughout the program, there was an opportunity for these high potential leaders to:

- Create an ongoing learning and professional community across traditional functional boundaries
- Learn a new approach to participating in "conversations that matter" and perhaps to hosting these types of strategic dialogues in their own back home settings.
- Discover and practice a disciplined inquiry based approach to strategy development and
- Access and demonstrate their own collective intelligence on behalf of the organization's future, both with each other and with senior leadership

I really enjoyed reading about the way in which Jim and Diane created the life-like Strategy Café space in the tradition of the artists square at Montmartre, and can imagine the participants' pleasant surprise at being invited to use the Montmartre metaphor to stimulate their own creative thinking in "collectively painting a holistic and realistic picture of the current business situation that their company is experiencing on the canvas or the flip charts."

I found the overall architecture of engagement, with its pre-set rotations and groupings interesting and useful. At the same time, I wondered if there might be other more self-organizing ways to invite participants to create the appropriate "mixings" – perhaps by giving the group the same criteria that Jim and Diane used so that they could discover, themselves, how to construct teams that offered diverse perspectives into key strategic areas of inquiry. That might be something to experiment with in future programs.

In that spirit, I might also offer the possibility of creating "learning/listening visits" between the teams, once they are formed and working on their evening assignments. This would encourage not only diverse perspectives *within* teams, which were encouraged by the pre-assigning of groups – but also to reach for the original spirit of the word "competition" which means, "to strive together." There might be a time each evening when teams send roving ambassadors for a short period to other teams to listen to key insights, learnings, and discoveries from other teams unique areas of strategic inquiry that might be supportive to their own teams' efforts. This might help to keep the spirit and insights of the whole more visible to all participants throughout the week.

Jim and Diane's choice of which strategy methodology to combine with the World Café was fortuitous, as we all participated in the evolution of this inquiry based approach to strategy when we collaborated together on a major large system change project at a Fortune 10 consumer products company. We discovered that the re-shaping of issues, opportunities and challenges into core strategic questions (How will we….) has an unexpected and profound impact on the capacity of a group to both assess the strategic landscape and to simultaneously create a collective mindset of curiosity and discovery (versus assertion and advocacy), leading to deeper individual and collective strategic insight.

This simple shift of mind and practice toward a question-based approach to strategy, when combined with the World Café dialogue process, seems to liberate people to form a true "community of inquiry" even when they have not had formal training in either dialogue protocols or strategy development.

I share Jim and Diane's perspective about the importance of engaging senior leaders in advance of their participation in programs of this nature (or any other type of World Café dialogue). Helping senior executives enhance their own skills in and approach to "conversational leadership" is an increasingly important capacity in today's organizations where evoking knowledge sharing and the organization's collective intelligence are keys to long term success. Modeling appropriate and appreciative "hosting" is especially important when senior leaders want to be role models for high potential leaders.

Lastly, what I think Diane and Jim are exploring in their work – beyond the focus on strategy development or other aspects of the "content" of the program – are innovative ways to bring the future alive in people's own lived experience. Once people have a real life experience of being and talking together in new ways about critical strategic questions at the heart of their organization's future, they find that organizational change is not scary or overwhelming, but instead can be creative, exhilarating, and productive. It's the *collective embodied experience* of new ways of working and thinking together around real life challenges (in contrast to traditional *training programs about* change and organizational culture) that can set the platform for innovative paths forward. That's the true promise of this approach to learning and development for high potential leaders.

Juanita Brown
Co-originator
The World Cafe
juanita@theworldcafe.com

The Generative Change Community: Cases About the Meaning of "Generative Dialogic Change Processes"

RESEARCH UPDATE

Bettye Pruitt

Bettye Pruitt

The Generative Change Community (GCC) is a global community of practice that nurtures and promotes generative dialogic change processes for an equitable and sustainable world. The community seeks to integrate individual, organizational, and societal transformation through dialogic processes and initiatives.

The community is comprised of advanced practitioners of peace building, negotiation, mediation, participatory action research, and multi-stakeholder dialogue in various fields of endeavor, such as global network building, inter-sectoral collaboration, conflict prevention, and democracy building. The Generative Change Community originated in October 2003 as the Generative Dialogue Project. In May 2007 it took its present name to better reflect the diversity of the work of its member practitioners.

Besides SoL, its organizational sponsors include: the Asian Institute of Management-Mirant Center for Bridging Societal Divides, the Fetzer Institute, GAN-Net, Generon Consulting, the Metanoia Fund, the Norwegian Agency for Development Cooperation (NORAD, REDEH, the Network for Human Development in Brazil, the Swedish Foreign Ministry, Synergos Institute, the Third Millennium Foundation, the UNDP, and Wageningen International – Programme for Capacity Development and Institutional Change.

The GC Community is moving from its formative stage into a stage of pursuing activities together, including core research, action research, generative change agent development, and continued community building. Becoming aligned about the meaning of "generative dialogic change processes" has been crucial to forming a foundation for collective action.

How do we define generative dialogic change processes?

In order to move forward together, the GC Community Core Group recognized, it was necessary to develop a common understanding of what we mean by "generative dialogic change processes." We launched a series of teleconferences to pursue that question by looking at specific cases. In the first half of 2006, we had four conversations on three cases:

- A multi-stakeholder dialogue to develop an irrigation project in Nepal, shared by Jim Woodhill of Wageningen International
- A "shuttle dialogue" in Northern Ireland shared by Sue Williams, a veteran of peace work there and elsewhere in the world and a colleague of GC Community member Mari Fitzduff
- An ongoing dialogue initiative in Sulu, Philippines, "Bridging Sulu Divides," shared by Ernie Garilao of the Mirant Center for Bridging Societal Divides at the Asian Institute of Management

In each of the conversations, we focused our attention primarily on the question, "what was generative in this process?" With remarkable consistency, our observations pointed toward a fairly simple definition:

> Dialogic change processes are generative when participants experience a shift in awareness regarding their relationship to others and to the issues at hand, and this change enables them to co-create positive outcomes for themselves and the people they represent.

This definition aligns with the well-known observation of Einstein that problems cannot be solved at the same level of consciousness that created them. Each of the three quite different cases offered insights on what this means in concrete terms. Write-ups of the cases and the four teleconferences held so far are available at *www.generativedialogue.org*.

Shifts in awareness regarding relationship to others. Change in the way participants related to others in the process was an important feature of each case. In the Nepal irrigation project dialogue, for example, the shift manifested as an emergence of trust in a group representing great disparities in socio-economic status and positional power, such that "everyone felt what they had to say was legitimate." Jim Woodhill noted that he gauged the extent to which this shift occurred by observing a high level of engagement by everyone in the group, with irrigation experts teaming up with illiterate farmers and translating for them between Nepali and English, so that everyone could understand and participate fully.

In the case of "shuttle dialogue" in Northern Ireland, Sue Williams emphasized that the changes that occurred were small shifts, not "breakthrough transformations." Indeed, this was an instance in which the participants never got to the point of talking directly to each other but communicated exclusively with and through the arbitrators, who shuttled back and forth among them. Nevertheless, people who had never experienced communicating with those who don't agree with them became more aware of how their strongly worded messages might be perceived by others. "You try to help them avoid offending the other side without intending to," said Sue. Sue and Mari Fitzduff noted that this basic recognition of "the other side" as fellow human beings who might legitimately take offense at harsh language is the kind of change that must occur before people in situations of violent conflict can begin to participate in "real dialogues."

Finally, Ernie Garilao provided a powerful example from the Bridging Sulu Divides workshop he led earlier this year of the kind of change we are talking about. The workshop started with an exercise of personal reflection and sharing in mixed groups of people representing different sides in the Sulu conflict:

> "We were prepared for animosities [and] 'venting.' Mari advised to get that out right away. But, when they were doing their leadership stories – creating a personal leadership life story line (what did I learn from it, who influenced me, etc.) then sharing that in small groups – they were really listening to each other. Then when they were asked to see what came out of the groups, they recognized how similar they were in their hopes and dreams. They recognized their common humanity. That broke down the barriers. [In the dialogue that followed,] I was surprised that the civil society leaders didn't come forward with their view of the military as occupiers . . . it came up in the dialogue but in ways that people could hear and discuss."

Shifts in awareness regarding relationship to the issues. At the heart of this change is recognition of the nature of one's personal connection to the issue and, in the best case, acceptance of one's responsibility for helping to achieve a positive outcome. The Bridging Leadership framework for the dialogue process in Sulu is explicit about the need to bring about this change. Getting people to take ownership of their role in both the problems and their resolution is central to the Bridging Leadership training that a number of key military participants had completed a couple of years prior to the Sulu dialogue workshop. In addition, Ernie indicated that differentiating between individual and shared response to the issue was a key part of the design of the dialogue itself:

"In the plenary you can see the whole, so people can see their individual responses in that larger perspective, see their responsibility; envision new realities. This sets up the dialogue in a positive way: what can I contribute to success? What issues with other sectors do I need to work on to achieve the shared vision?"

The remarkable outcomes of the Sulu dialogue depended on both these developments: the creation of a shared vision by the group; and the acceptance of personal responsibility for change by key members. The shifts and the outcomes in the shuttle dialogue case were less dramatic, yet still significant. In particular, Sue emphasized the importance of people getting in touch with their own needs and beginning to frame the conflict in their community more in terms of those needs, rather than simply in terms of their opposition to the other side. The process was transformative for them, whereas there was no change among the political and paramilitary leaders who continued to relate to the conflict strictly as a political issue. This was especially true of the parents on both sides, whose recognition of their need to protect their children emboldened them to challenge the leadership and insist on a resolution. "I was really struck by the willingness of the parents to assert themselves and take control," said Sue.

The example of this kind of shift in relationship to the problem in the Nepal irrigation project dialogue focuses on the irrigation experts in the dialogue group. As in the Sulu case, these key actors came into the group with some openness to change, because they had already had to confront the shortcomings of previous irrigation project designs. Nevertheless, they were initially uncomfortable and skeptical of the more participatory approach to design the workshop represented. "Experts are used to standing up and telling people how it is," Jim noted. Yet they were able to set that expert role aside, embrace the process, and contribute to a "fundamentally different" irrigation project design based on a more systemic understanding of the context and challenges.

Co-creation of positive outcomes. All of these dialogue initiatives produced outcomes that their organizers and participants considered significant. The Asian Development Bank, which sponsored the Nepal irrigation project workshop, was pleased enough with the outcome to take the position that all project design processes should be more participatory and interactive in future. In the shuttle dialogue case, community members created a positive outcome by accepting the reality that people on both sides of the dispute had legitimate needs, especially for security. The precipitating dispute faded away, and people have co-existed with fewer disturbances than before. The Bridging Sulu Divides workshop produced a widely accepted Sulu Roadmap for Peace and some surprising and significant partnerships joining the army, police, rebel groups, and civil society organizations in efforts to reduce violent crime in the area, monitor police action against rebel groups, and ensure transparent and equitable distribution of resources for human development efforts.

In the Sulu case, Ernie described the most powerful episodes of co-creation in vivid terms: the group was in a "flow" state, with such mutual acceptance and understanding that they could complete each other's sentences; and they had tapped into "the field" – the collective consciousness that everyone in the group could sense intuitively. Jim observed moments of this kind of energetic co-creativity in the Nepal irrigation project workshop as well. These states of collective flow, or connecting to the field, seem to define most concretely what generative dialogue is, and what it looks like.

To summarize, generative shifts move people . . .

From	To
Seeing others as separate and different, defined by their roles, their positions on the issues, or their place in a hierarchy	Seeing others as fellow human beings; "we're in this together;" and all have something important to contribute
Seeing oneself as separate from the problem situation, looking for others to change in order to resolve it	Seeing oneself as part of the system that sustains the situation, accepting responsibility for changing oneself
Disconnected relationships within stuck problem systems	Creative relationships energized by mutually owned ideas for addressing problems
Acceptance of dysfunctional societal structures and systems	Commitment to promoting change toward healthy societal structures and systems

What are our guiding questions?

Of course, these cases and others to be shared within the GC Community raise many more questions than the one addressed here. For the community, answering the key definitional question is just the first step toward building a deep and robust understanding of how generative dialogic change processes can contribute to societal change on a global scale – "for an equitable and sustainable world," as our mission statement says.

Cutting across all of the community's activities and providing a framework for the rigorous action learning and peer-to-peer sharing and support that are central to our strategy are our core learning agenda and our commitment to rigorous inquiry through the use of the *GCC Process Inquiry Protocol*.

The GC Community Core learning agenda has a dual focus on:

- The connections among individual-, group-, and societal-level change
- The potential for generative dialogic change processes to produce deep change globally

The GCC Process Inquiry Protocol is a framework for collective inquiry adapted from a process tool developed by others for uncovering and articulating theories of change.[1] "Theory of change" is a conceptual tool used in various fields to support a rigorous approach to planning, executing, evaluating, and learning from experience in change initiatives. The overarching goal of the GC Community in using this framework is to create a solid platform for collective learning that is sufficiently broad (crossing the boundaries of specific approaches, disciplines, and fields), sufficiently deep (at a level of detail that enables meaningful analysis), and sufficiently rigorous to make a significant advance in our understanding of generative dialogic change processes and how they can contribute to change at a global level.

ABOUT THE AUTHOR

Bettye Pruitt is a social historian dedicated to developing practices and tools for collective learning. In addition to her work as community coordinator for the Generative Change Community, she has been part of the UNDP Democratic Dialogue Project, and is a co-author of *Democratic Dialogue—A Handbook for Practitioners* (2007) published jointly by International IDEA, UNDP, OAS, and CIDA and available for free download at *http://www.democraticdialoguenetwork.org/index.pl.* Bettye has a Ph.D. in history from Boston University and is a research member of SoL. She recently stepped down as co-chair of the SoL Council.
bhpruitt.rcn.com

Endnote

1 International Network on Strategic Philanthropy, "Theory of Change Tool Manual" (May, 2005), p. 10, available at *www.insp.efc.be*.

Companies that Mimic Life:
The New Profit Leaders

RESEARCH UPDATE

Joseph H. (Jay) Bragdon and Jeanne V. Bragdon


Jay Bragdon

In 2006, SoL published *Profit for Life: How Capitalism Excels*, by Joseph H. (Jay) Bragdon. The culmination of dozens of years of research, the book made a powerful argument for the connection between organizational learning precepts and business success. *Reflections* published an early exploration of this connection with "Living Asset Stewardship: How Organizational Learning Leads to Exceptional Market Returns" (Jay Bragdon and Richard Karash, Vol. 4, No. 1) The following article, coauthored with Jeanne Bragdon, summarizes *Profit for Life*'s key premises, and updates and reaffirms the strong investment returns of the 60-company learning lab it featured, the Global LAMP Index® .


Jeanne Bragdon

In the past few decades, the business world has been quietly undergoing a radical change. Companies that mimic living systems have been gaining market share over more traditionally managed firms, which generally model themselves on mechanical systems. These two management styles affect people and Nature in very different ways. And this largely explains the differences in their market performance.

Firms that mimic living systems have an existential awareness that they are living communities of people, committed to serving other people, and that they all depend on Nature for their sustenance. These companies instinctively put a higher value on living assets (people and Nature) than they do on non-living (capital) assets because they recognize living assets are the source of capital assets, and the reason for their existence as firms.

This fundamental recognition creates spontaneous demands within the firm to live harmoniously and respectfully with the larger living systems on which we all depend (biosphere, society, markets). This desire to affiliate with life is enormously appealing to people. It explains why these companies tend to attract the most committed employees and strategic partners, the most loyal customers and the most patient investors.

Firms that think of themselves as profit-making machines, by contrast, place a higher value on non-living capital assets than they do on living ones. This predisposes them to trivialize life: to treat people and Nature as tradable commodities, replaceable machine parts or moveable factors of production. When companies act on such tendencies, people feel threatened and withdraw. Employee morale suffers. Customer service declines. Just as the living systems approach becomes a reinforcing cycle of positive consequences, the mechanistic approach yields a cycle of negative consequences.

The contrasts between these two mental models of business have become increasingly evident over the past few decades. The ill effects of corporate carelessness, many of which weren't apparent until tipping points had been reached, are now startlingly obvious. Global climate change, toxic waste accumulations, ecosystem destruction, and related public health issues have altered the ways we live, and we don't like it. When given a choice of where to work or shop, most of us would rather support firms that respect life than those that trivialize it. It's that simple.

To paraphrase Abraham Lincoln, people who trivialize life, like those who once condoned slavery, "blow out the moral lights around us."[1] They create a "house divided against itself,"[2] which cannot stand because disrespect for life ultimately ends in ruin. It is self-destructive. And we know it.

The eminent biologist, Edward O. Wilson says humanity longs for a vision of a "continuous and unending future."[3] This is what attracts us to life affirming companies. Beyond that, we are drawn to activities that allow us to move beyond our self-centered focus, to embrace and enhance the living communities of which we are a part. Involvement in such enterprise, and the lure of meaningful learning, excites our higher (quantum) thinking capacities. The synergies are magnified when we work and learn with others inspired by the same goals.

In researching *Profit for Life*, Jay constructed a learning lab of sixty companies, collectively called the Global Living Asset Management Performance (LAMP) Index®. Each firm in the index is a pioneer in its industry of "living asset stewardship" (LAS). This term, used throughout the book, states the obvious that firms must nurture and steward people and Nature – the source of all their other assets – if they want to have a future.

LAMP's Exceptional Market Returns

Since publication of *Profit for Life*, we retained an independent consulting firm to analyze the Global LAMP Index® in-depth as a prospective investment fund. In doing so, we went beyond the tracking method used in the book, which was a simple average of index price changes with dividends added in. This time through, we wanted to pick up the value of spinoffs – for example, the extra return Hewlett Packard stockholders received when HP spun off Agilent – as well as the compounding effects of reinvesting dividends.

Northfield Information Services, the firm that performed the in-depth analysis, is a global consultancy that advises many of the world's largest banks and institutional money managers on measuring and controlling portfolio risk. The following table is taken from their study of the LAMP 60, in which they reported investment performance on both a market capitalization-weighted basis (column 2) and on an equal-weighted basis (column 3) compared to four large capitalization stock indices (columns 4–7).

Firms that mimic living systems have an existential awareness that they are living communities of people, committed to serving other people, and that they all depend on Nature for their sustenance.

This table covers the 10-year period illustrated in *Profit for Life* (1996 – 2005) as well as the most recent calendar year result (2006). It affirms the superior performance of the LAMP 60 by both standards of measurement in relation to the four major benchmarks. Taking a closer look at the data, we see the equal-weighted LAMP Index delivered top results in both rising and falling markets. The LAMP 60, when market cap-weighted, performed at the high end of benchmark results in all but one year.

Northfield's detailed analysis also revealed that, between 1996 and 2005, the average annual return for the equal-weighted LAMP 60 was more than one percentage point higher than results presented in *Profit for Life*. While we expected returns cited in the book were mildly understated, we had no idea the disparity would be this large.

Year-by-Year Comparison of LAMP60 vs. Four Large Cap Equity Indices, 1996-2006						
Year	**LAMP60 Market-Weight**	**LAMP60 Equal-Weight**	**S&P Global 100**	**FTSE World Index**	**S&P 500**	**S&P 100**
1996	27.24	28.20	23.54	12.79	18.84	23.54
1997	26.55	33.84	31.49	15.52	30.15	26.27
1998	33.07	33.73	34.68	23.02	28.58	33.21
1999	40.08	46.25	25.82	25.99	21.04	32.79
2000	-8.86	3.73	-14.33	-11.07	-9.09	-12.56
2001	-7.10	-2.10	-14.03	-16.14	-11.88	-13.80
2002	-19.38	-13.33	-23.57	-19.06	-22.10	-22.59
2003	34.88	42.55	30.92	33.88	28.69	26.24
2004	10.65	18.07	10.14	16.08	10.87	6.44
2005	7.48	12.28	5.46	11.32	4.89	1.16
2006	17.09	21.07	20.4	21.46	15.79	18.46
Average	14.70	20.39	11.87	10.34	10.53	10.83
Volatility	19.88	18.90	20.81	17.82	17.98	20.15

We were also pleased to learn that the market cap-weighted LAMP 60 had positive alphas – risk-adjusted measures of "excess return" in relation to benchmark indices – ranging from 3.02 to 4.02. To put these results in perspective, most institutional investors are delighted to have a portfolio alpha of 1.00 because few managers consistently beat an index after subtracting out their fees and trading costs. In calculating the alphas on the LAMP 60, Northfield imputed management fees and trading costs to the index in order to make a level comparison. The alphas they attribute to the LAMP 60 are therefore very compelling.

Northfield ran additional tests to determine whether the alphas of the market cap-weighted LAMP 60 were random or statistically meaningful. Included in this analysis were additional tests for "survivorship bias" – the tendency for failed companies to be excluded from performance studies due to the fact that they no longer exist. Here too results were affirming. The probability that the LAMP 60's stock selection process had randomly produced such positive alphas was far less than one in a hundred.

In concluding its study, Northfield applied a "style analysis" based on a "combination of indices that best match the return of the LAMP 60."[4] This approach yielded an alpha of 3.13 and indicated that our "selection technique was able to add value at the 95% confidence level."[5]

In sum, Northfield's analysis of the LAMP 60 affirms our hypothesis that companies modeled on living systems are gaining market share from those that model mechanical systems. This, we believe, is an adaptive response by a group of leadership companies to the growing social and environmental damage resulting from traditional business practices. It is an expression of life's relentless urge to survive.

Why Don't All Companies Adopt the Living Systems Model?

If companies that model themselves on living systems are so much more successful than their peers, it is reasonable to ask: Why aren't the means of their success better known in the marketplace?

The simple answer is: inertia. The mechanistic model is deeply embedded in traditional business practices because it has produced so many successes. It is rooted in over five centuries of empirical thought, which lifted the modern world out of a dreary feudal agrarian past and into the prosperity of the scientific/industrial age. The flowering of empiricism during the Renaissance and Enlightenment also supported a newfound faith in human observation, which later became associated with the ideals of individual liberty and the American Declaration of Independence. In these and so many related ways, empiricism is associated with progress and growth. Its belief in clear, rational scientific methods is so ubiquitous it underpins not only our capitalist orthodoxy, but the dialectical materialism of orthodox Marxism.

Today, most leaders in business and finance – indeed most business schools – are so captivated by empiricism and its material successes that few dare to question its linear thinking assumptions. The most egregious failures of their habitual mode of thinking have become evident only with long time lags. Global climate change, for example, has been decades in the making. Nevertheless, most business/finance leaders believe rational, scientific thinking is the very key to solving the environmental and social problems they have created.

We believe such blind faith in linear cause-and-effect thinking is misguided and dangerous because the living world in which business operates, including the firm itself, often behaves in irrational, chaotic non-linear ways. People don't like to be treated like commodities or disposable machine parts, and either resist, quit or become depressed when managed that way. Living systems that economists regard as "externalities," such as the earth's atmosphere, forests, soils, and waters are not as robust as they once assumed. There is a limit to Nature's regenerative capacity. When overstressed these ecosystems go into decline or push back – as in the form of severe weather events and public health hazards – with dangerous consequences for all who depend on them.[6]

Just as the worst effects of the mechanistic business model have been decades in the making, so too has been the development of the living systems model. Initially, it was hard to distinguish between the two because they were both corporate, premised on capitalism and used similar vocabulary. But, as the living systems model matured and learned through the decision-making of its leading advocates, its core operating assumptions, cultural norms, practices and metrics became more distinctly different.

The operating leverage in companies that mimic life is hard for conventional business leaders and analysts to recognize because they don't have the intellectual tools. To understand this leverage, we have to think in holistic terms because the essential properties of living systems are properties of the whole. They are found in synergies – mutually beneficial exchanges of information and services within the organization – that make the whole more than the sum of its parts. This is how living systems operate. It is circular, with multiple feedback effects. And linear thinkers have a hard time seeing it.

Attributes of Companies that Mimic Life

In general, we see five distinct attributes of firms that mimic living systems. Not every company in the Global LAMP Index® is a perfect exemplar of these, but each fits the model in important ways and displays best living asset stewardship (LAS) practices in their respective industry/sectors.

- They are highly networked to facilitate feedback and information exchanges within the firm and without. Many of these networks are informal, self-organizing consortia of employees, suppliers, and customers. When you layer these networks over one another and the firm's chain of command, you get a structure that looks much like a double helix.[7]
- They manage by means (MBM), understanding that people and relationships are the primary means by which they build network capacity and create value.[8] They strengthen and empower employees by practicing servant leadership.[9] They also give employees decision-making authority in their areas of competence and hold them accountable for results.
- They optimize their use of physical resources by "closing the loop" so the waste of one process becomes food for another.[10] In doing so, they aim for factor efficiencies by producing more value for customers with less input of energy and materials.
- They are exceptionally open in the ways they share information with employees and in their desire for stakeholder feedback. They know such openness builds trust, learning capacity and adaptability.
- They nurture the larger living systems of which they are a part (Nature, society, markets) because they understand the inherent connection of all life.

These five attributes generally describe the make-up of LAMP companies, and the things we look for in our analytic work. For readers who wish to gain a deeper knowledge of LAS, illuminated by in-depth case studies, *Profit for Life* is a valuable resource.

ABOUT THE AUTHORS

Jay Bragdon is a money manager for high-net-worth families, and a pioneer in the field of corporate stewardship. His book, *Profit for Life,* condenses nearly forty years of research on the empirical connections between stewardship and profitability. As a result of his early work in the field, Jay cochaired the first national Conference on Corporate Responsibility in Investments at the Harvard Business School. A member of SoL, he is currently a director of the Sustainability Institute in Hartland, Vermont.
jhbragdon@aol.com

Jeanne Veatch-Bragdon, a land use and environmental law attorney in Woodstock, Vermont, supported much of the research conducted for *Profit for Life*. Jeanne is also actively engaged on local planning and conservation commissions and serves as Secretary to the Board of Directors of the Sustainability Institute in Hartland, Vermont.
veatchj@aol.com

Endnotes

1 Lincoln-Douglas debate of August 21, 1858 in Ottawa, IL.

2 Lincoln-Douglas debate of June 17, 1858 in Springfield, IL.

3 Edward O. Wilson, “Biophilia and the Conservation Ethic,” in *The Biophilia Hypothesis*, Stephen R. Kellert and Edward O. Wilson, eds. (Washington, D.C.: Island Press. 1993). Page 35

4 The T-statistic for results of the LAMP 60’s stock selection process ranged from 3.21 (market cap-weighted results) to 4.32 (equal-weighted results). These statistics indicate standard deviations from the mean, which tells us the likelihood that the LAMP 60’s alphas would occur at random. A T-stat of 3.21 is 3.2 standard deviations from the mean, which occurs only rarely.

5 Sandy Warrick, “Evaluating the LAMP 60”. (Northfield Information Services. April 26, 2007). Page 15.

6 For additional background, see: *Ecosystem Change and Public Health – A Global Perspective*. Joan L. Aaron and Jonathan A. Patz, eds. (Baltimore, MD.: Johns Hopkins University Press. 2001).

7 The term “double helix management” was coined by Professor Karen Stephenson. See:. Art Kleiner, “Karen Stephenson’s Quantum Theory of Trust,” *Strategy & Business*, Issue 39. Fourth quarter 2002. Kleiner says: “She sees organizations as a sort of double-helix system, with hierarchy and networks perpetually influencing each other, ideally co-evolving over time to become more effective.”

8 The term “management by means” was coined by H. Thomas Johnson and Anders Broms in their book Profit Beyond Measure (New York: The Free Press. 2000).

9 The term “servant leadership” was coined by Robert Greenleaf, and was defined in his essay, “The Servant as Leader” first published in 1970 by the Paulist Press. (repr., Indianapolis, IN: The Robert Greenleaf Center. 1991)

10 The best current source on “closing the loop” processes is the *Journal of Industrial Ecology* published by MIT Press. See: http://www.yale.edu/jie/

FEATURE 8.2

Cross-sectoral Leadership for Collective Action on HIV and AIDS in Zambia:
Applying the U-Process to Complex Societal Challenges

RESEARCH UPDATE

Katrin Kaeufer and Judith Flick


Katrin Kaeufer

Zambia is located in the middle of sub-equatorial Africa. Independent for more than forty years, the country has a population of about 12 million people. It is one of the poorest and least developed nations: about two-thirds of the population lives on less than a dollar a day. Zambia also has one of the worst HIV and AIDS epidemics. One in every six adults lives with HIV; life expectancy has fallen below forty years; more than 700,000 children are AIDS orphans. The Zambia Cross-sector Initiative for Collective Action on HIV and AIDS was formed in 2006 to tackle this problem. SoL researcher C. Otto Scharmer, author of *Theory U* (see the excerpt in this issue) was tapped to help the Initiative, using the U-process methodology.

The Zambia Cross-sector Initiative for Collective Action on HIV and AIDS was formed by leaders from business, education, non-governmental organizations (NGOs), government, and faith-based organizations. Their goal was to make a profound and lasting impact on the problem of HIV and AIDS in Zambia. To achieve the project's goal and create a breakthrough in thinking and action, participants applied the "social technology" of the U-process, and explored whether the methodology was scalable and could be applied to other areas and regions. This implied:

- Applying innovative cross-institutional, cross-sectoral forms of collaboration in dealing with HIV
- Applying deep listening and sensing, dialogue between all stakeholders, experiences of connecting to one's self, one another, and to a higher sense of purpose; and other techniques to understand the blockages in finding a real break-through
- Prototyping innovative ways to address key blockages at individual, community, national, and possibly global levels

Convening a Group for Transformative Change

Early in 2005, Judith Flick was reflecting on her leadership task as the newly appointed Global Lead on HIV and AIDS for Oxfam Great Britain (OGB). In her role of Regional

Director for Southern Africa for (OGB), she needed to drastically scale up OGB's response to the pandemic. She was struck by the incongruence between the huge amount of activity in the AIDS sector and its impact on the spiralling pandemic. What could OGB add to this? Was there any point in doing more of the same?

Meanwhile, Susie Smith, the Deputy Director for International Division of OGB who had devoted years to the battle against HIV, and Martin Kalungu-Banda, then senior policy advisor and head of the private sector team for OGB, met with OGB staff to discuss why the battle against HIV was not being won in Zambia. They decided to engage the Zambia Oxfam staff in a four-day process of reflection and listening to the community. As a result, the staff confronted their own denial of the pandemic, and began to discuss the need for their personal leadership in meeting the challenges it presented.

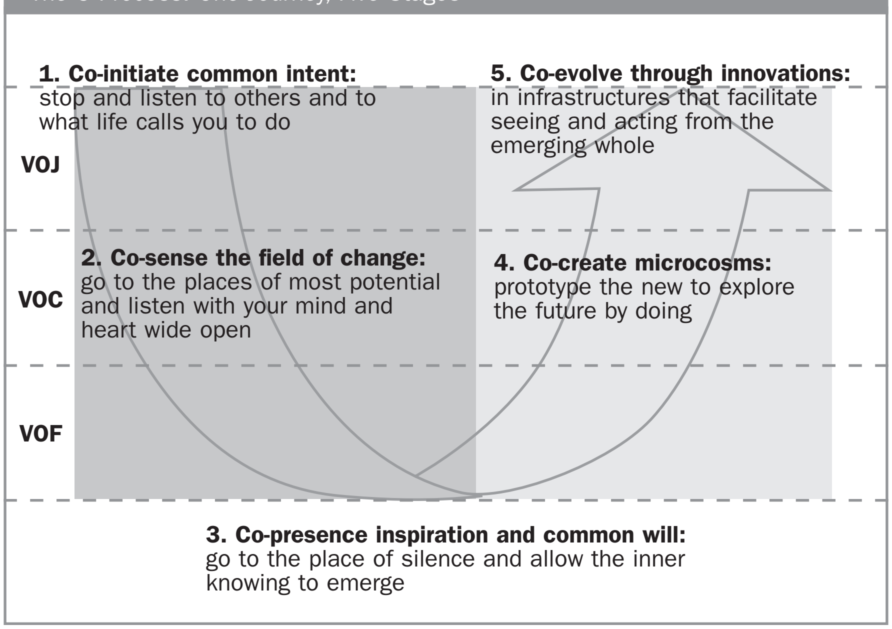
When Judith met Otto Scharmer, senior lecturer at MIT, she realized that the U-process might help her find the connecting point between people's personal experiences and their professional task, while offering a perspective of new (possibly more effective) approaches to the multidimensional challenge that the HIV pandemic poses. Together, they embarked on a "learning journey" to answer what they considered the key question: why is Zambia's battle against HIV not being won?

Five Stages of the Zambia U Learning Journey

Stage 1: Co-initiate Common Intention

The **first stage** (April–July 2006) was to identify the geographical unit, initial intent, and a high level group of about twenty leaders from all sectors. As a Zambian, and through his extensive professional work in business, government, and NGOs, Martin Kalungu-Banda knew Zambian society very well. In early 2006 he began to talk to individuals whom he perceived to be influential and passionate about social change in Zambia. Based on these conversations, Martin identified nineteen individuals who were invited to a first workshop.

The U Process: One Journey, Five Stages



The Zambian Vision

- Happy children attend school. When they return home, parents and guardians greet and care for them. They have food and shelter. They are allowed to enjoy their childhood.
- Demystification of HIV/AIDS has been achieved: Zambia is an "open society" where HIV/AIDS is seen as similar to other diseases, and can therefore be talked about openly; it is a country where people infected with HIV do not have to face stigma and discrimination.
- Inspirational and servant leadership functions at all levels, not only at the top but in all sectors and among all types of people.
- Everyone has a means of livelihood, and there is a better distribution of livelihood opportunities within Zambia.

These included individuals from the business arena (e.g. micro-enterprise, mining), the arts (e.g. fine artist, football star), non-governmental organizations (NGOs) such as the Organization of People Living with HIV and AIDS, Women's Association, Trade Union, faith-based organizations, the government sector (Local Chief, National AIDS Coordination) and the medical/education sector (a medical practitioner and a professor).

This cross-sectoral leadership group was first brought together in July, 2006. During that workshop, the participants co-created the *intention* of the initiative and crystallized their *vision*. Participants agreed that it was in all of their best interests to work towards beating HIV/AIDS.

After developing their vision and intention, workshop participants were asked if they would like to take leadership of their own process. This question was followed by a discussion about their prospective roles and responsibilities, and resulted in an expression of their commitment to taking more ownership for the group's development.

Through a subsequent workshop in November 2006, and several self-facilitated meetings in between, the group identified systemic issues underlying the HIV pandemic.

Based on this analysis, the participants formulated initial ideas for prototypes, or areas in which they wanted to take action. In the course of this process, many of the group decided to form a new group called the Trust for Collective Action against HIV in Zambia. The Trust identified four areas related to these underlying systemic forces in which they wanted to experiment:

1. Leadership: the need for enlightened leadership at every level
2. Care for children, including education: the need for alternative forms of care, and education for vulnerable children;
3. De-mystification of the disease: the need to address the stigma, denial and discrimination which prevent people from getting tested;
4. Livelihoods: examine the interrelationship between countries and continents, as well as the vulnerability of people living in poverty.

Six Systemic Forces

Systemic forces that oppose progress:

- Lack of political will (vis-à-vis prioritization and distribution of resources)
- No real ownership of HIV/AIDS issues (i.e. denial, lack of conviction)
- Poverty/economy (i.e. increasing vulnerability, “negative” employment such as prostitution, etc.)
- Role of culture and religion (unequal power in relationships between men and women lead to risky sexual behavior, etc.)
- Stigma about HIV

Stage 2: Co-sense the Forces of Change

The **second stage** is one being taken at the present time (March 2007–June/July 2007). It is a focused inquiry into those four areas in order to prepare the ground for creating “life examples,” or prototypes for action. The leadership group identified five possible prototype areas:

1. Changing the mind and heart of the president of Zambia on the subject matter, possibly by offering him an HIV/Aids advisor.
2. Finding a way to “wake up” other leaders.
3. Changing the role of the media in Zambia.
4. Inquiring into the reasons people do not go for voluntary counselling and testing by listening to what happens in family contexts and understanding the dynamics between livelihoods, gender relations, and sexuality. This includes looking into ways to motivate people to go for testing, including the possibility of making counselling mandatory.
5. Finding ways of caring for and educating youth who grow up without their parents.

To carry out this process, the leadership group identified people who could dedicate more time to inquiring into these areas through research, networking, and conversation. These “inquirers” were trained at a workshop in March 2007 and conducted their work from April to August 2007. Each inquirer works closely with his or her point person from the Trust (the leadership group). Every other week the whole group of inquirers and point persons from the Trust meets in order to share what they have learned, and what themes and questions are emerging from the ongoing inquiry process.

Stage 3: Co-presence Inspiration and Common Will

The **third stage** will be to share, reflect on, and crystallize the key findings from a deeper understanding of what our purpose is and how we can bring this into being.

The inquirers will present:

- a refined description of the prototype idea
- the network of people who will be involved and the organization or setting where this should take place
- the core people who can drive and implement the prototypes
- and its funding options

During the same workshop the whole group will also reflect on the deeper themes and leverage points so that by August of 2007, the inquiry process will have brought all the critical information to the surface. Based on this reflection and dialogue, the group will decide which of the prototype ideas they would like to blend, modify, refocus and act on over the following four to six months.

Stage 4 and Stage 5: Co-create and Prototype the New

Stage 4 of the process will focus on implementing and refining the prototype ideas. This is expected to take place between July/August and November/December 2007. At that time, the results of these prototypes will be presented to the leadership group in a joint workshop.

The concluding stage, **Stage 5**, is a decision-making process about taking some of these prototypes forward in the form of pilot projects. This means identifying institutions interested in further developing and scaling the approaches and solution strategies that have emerged from the various lines of prototyping work.

Applying the U-Process to Societal Challenges

The work in Zambia exemplifies that the U-process offers both a methodology to address challenges, as well as a way to learn how to make a shift in how we pay attention. The Zambia team used the U-process to design the workshops, as well as to effect the overall process. Each workshop began with an opening phase aimed at stopping the process of "downloading" old assumptions and ways of seeing, and beginning to see reality with fresh eyes. The core of the workshops offered participants a place to connect or re-connect to their highest future aspiration, and all workshops ended with a concrete prototype for moving forward.

The U-process informs not only the overall architecture of the work on HIV AIDS in Zambia, but also facilitates, on a more personal level, deeper connections. These connections take place between people and the fate of their community and nation, as well as within individuals, between one's current and one's emerging essential Self. That inner transformation may be the most subtle as well as the most difficult dimension of change to track. However, it may also be the only hope we have to address the pressing challenge of our time: how to use the real power to deal with these challenges, which comes from within, from a different way of looking at, connecting with, and responding to the everyday situations and challenges in our lives.

ABOUT THE AUTHOR

Katrin Kaeufer leads the research effort at the Presencing Institute in Cambridge, MA. Her current work includes research on social transformation, distributed leadership, and social technologies. A SoL research member, Kaeufer earned her MBA and Ph.D. from Witten/Herdecke University in Germany. Her dissertation on Socially Responsible Banking was published as a book in 1996. An experienced consultant, she is also a founding member of the Presencing Institute.
kaeufer@mit.edu

Judith Flick has more than fifteen years experience in social development, mainly in Latin America and southern Africa. Over the past six years, she has worked as a Regional Director for the Oxfam Great Britain (OGB) and currently manages the Global Centre of Learning on HIV/AIDS in Pretoria. A participant in the SoL/MIT ELIAS (Emerging Leaders for Innovation Across Systems) initiative, she holds an MA in Social Anthropology from the Leiden University in The Netherlands, and a post-masters degree in Management for Business Administration.

Just Business:
Partnering for Sustainable Justice

RESEARCH UPDATE

Alan Mobley


Alan Mobley

"Just Business" is a project of the Sustainability Consortium of the Society for Organizational Learning (SoL). The purpose of Just Business is to apply the core competencies of SoL and its members – systems thinking, dialogue processes, and business expertise – to issues of sustainable economic development in distressed neighborhoods. These areas have high crime rates and, concomittantly, large numbers of ex-prisoners returning home upon release from prison. Spearheaded by SoL member Alan Mobley, the project, still in it early stages, is funded by the Open Society Institute and the Soros Foundation networks.

Sustainable Justice

Sustainable justice is about building a resiliant justice ecology by introducing sustainable enterprise into communities with high rates of prisoner return.

America's addiction to prisons has been as hard to digest as its cost to taxpayers: $60 billion a year and growing. Although the financial burden is spread throughout society, demographic analyses show that most of the effects of incarceration are concentrated in a relatively few distressed urban communities of color. Penal migration – the cycle of removing and returning people to and from a place – has been shown to harm communities to a point – a "tipping point" – where further removals and returns actually destabilize communities, producing more crime, not less, depressed neighborhoods, sexually-transmitted and other communicable diseases, unemployment, and family breakups. These "tipping point communities" have become places of multigenerational cycles of crime, despair, and economic ruin – and in the process have become places where most businesses fear to tread.

We didn't get to this place overnight and there is no single, simple explanation, cause, or resolution to crime, social disorganization, or disinvestment. Rather than despair over current justice realities, however, the present initiative sees the prisoner reentry crisis in tipping point communities as an opportune leverage point to facilitate change. Through the practice of building sustainable enterprises that stretch from prison yards to home communities, the Just Business project is a strategy to fundamentally alter the social, justice, and economic landscapes in target communities.

Project Goals

Just Business works with SoL companies to build sustainable enterprise in the American neighborhoods that need it the most. Targeted communities are disadvantaged, mostly minority areas characterized by high crime rates, large numbers of people going to and returning home from prison, and few viable, sustainable life opportunities.

Just Business aims to be an intervention in the lives of these neighborhoods. The project takes the phenomenon of prisoner reentry and uses it as a leverage point for positive social change. Rather than focusing only on the risks and needs of incarcerated community members and tailoring a program to their individual profiles, the JB plan is to focus attention on their neighborhoods as well. Just Business aims to reduce the crime producing qualities of high-risk neighborhoods by supporting legitimate entrepreneurship, employment, and business ownership. Ultimately, locally-owned and operated enterprises, supported by Just Business project partners, are to anchor and fuel sustainable, positive change.

All interested and affected stakeholders bring assets to this shared project. However, people from such widely divergent life-worlds seldom succeed in communicating with one another. For sustainable enterprise to succeed in disadvantaged areas, relationships need to be cultivated, nurtured, supported, affirmed, and reaffirmed until a shared history, a foundational legacy of trust and achievement emerges to perpetuate, and regenerate itself.

The Just Business model promises to produce significant "wins" for participating companies, the public sector, residents of selected neighborhoods, and the tax paying public that pays for systems in failure, every step of the way.

Detroit Project

In Detroit, the immediate opportunity is to provide a link in the labor source supply chain for DTE Energy. The company is looking to employ about 50 trained people per year to work as tree trimmers and linemen. The jobs will provide a living wage and benefits, and require one year of training for tree trimmers and two years for linemen.

The JB proposal is to create an enterprise to train selected participants for jobs with DTE. The training can occur in two stages: while participants are prisoners residing within the Michigan Department of Corrections, and post-release, when participants return to their communities. Dividing the training between in- and out-custody should serve to make productive use of prison time and corrections resources, provide continuity, stability, and support for participants during the difficult first months of reentry, and heighten community involvement and investment in the transition process. Program graduates will receive professional certification and an offer of employment from a DTE designated contractor. When a "critical mass" of program graduates forms, then will begin the process of creating an employee-owned Just Business.

The Partners and Their Roles

Current project partners are SoL/Just Business, DTE Energy, the Michigan Department of Corrections, and local and national philanthropy. Yet to be identified partners include one or more local community-based nonprofit organizations to serve as project incubators and service providers. Primary roles are envisioned as follows:

- DTE will provide the training curriculum and support for the program, employment to program graduates, and will convene a business community of concern to support education and training around the initiative.

  DOC will provide program facilities, participants, and multifaceted support for participants during their training and reentry.
- Local philanthropy will provide funding and contacts for a multi-stakeholder community organizing initiative (described below) to establish ties to the local non-profit service-provider community, local community-development resources, and to experts in relevant content area.
- National philanthropy will provide funding for strategic planning, partner relations, and project management via JB.
- One or more community-based nonprofit organizations will provide portals for broad-based community participation in project processes and serve as initial incubator for the enterprise.

The resulting program, a locally owned and operated enterprise that would provide career training and career paths for those involved in its operation, will serve as an anchor for community change and as a model locally and nationally.

ABOUT THE AUTHOR

Alan Mobley is assistant professor of Public Affairs at San Diego State University. He first became interested in criminal justice issues in 1984, when he was arrested for managing a major narcotics distribution network. While in federal prison, Alan Mobley earned bachelor's and master's degrees in economics and sociology, respectively, and studied eastern philosophy and yoga. Upon release from prison in 1994, he entered the doctoral program in criminology, law and society at the University of California, Irvine. Since his graduation in 2001, Dr. Mobley has taught at the university level, consulted for state and federal criminal justice agencies, philanthropic foundations, and community groups, and conducted research on entrepreneurship, faith-based corrections, prison privatization, and substance abuse treatment. An award-winning teacher, author and SoL member, his work has been published in books and professional journals, and he speaks widely on criminal justice reform and community revitalization.

alan.mobley@sdsu.edu

Recommended Reading

Alan Mobley

UBUNTU: The Spirit of African Transformation Management
Lovermore Mbigi, with Jenny Maree
(Knowledge Resources. Ltd., 1995)

Prisoners Once Removed: The Impact of Incarceration and Reentry on Children, Families, and Communities
Edited by Jeremy Travis and Michelle Waul.
(Urban Institute Press, 2003)

Peacemaking Circles: From Crime to Community
Kay Pranis, Barry Stuart, and Mark Wedge
(Living Justice Press, 2003)

RESEARCH UPDATE

Discovering the Source of Phenomenal Results:
The Magic of Legitimacy and Love

Anne Murray Allen, Bob Johnson, and Greg Merten


Anne Murray Allen


Bob Johnson

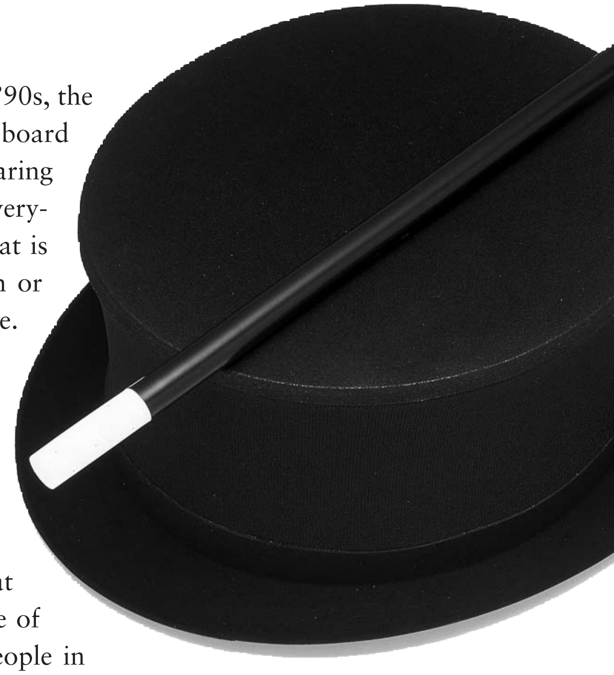

Greg Merten

Anne Murray Allen, Bob Johnson, and Greg Merten and were all part of HP's Inkjet Division during a period of remarkable growth that spanned most of the 1980s and 90s. The story of what enabled that growth – the kind of learning environment managers created in the division – has been told in part in an earlier issue of *Reflections* (see "The Nature of Social Collaboration: How Work Really Gets Done," Dennis Sandow and Anne Murray Allen, Vol. 6., No. 2) and in SoL Research Greenhouse and Annual meetings. [Greg Merten, former SVP for Inkjet Cartridge Manufacturing, spoke at several SoL events about his personal journey of development and how it related to business success.] Now the three former co-workers are teaming up – and tapping former colleagues – to examine, reflect on, and share the "magic" of the organization's success. The following article is adapted from the introduction of a manuscript they have just begun, and hope to publish as a book early next year.

We had the privilege and fortune to have worked in a business that transformed our lives. We worked for HP's Inkjet business, specifically its global cartridge manufacturing operation. While we joined this business at different times and played different roles throughout the years employed there, we have a remarkably similar appreciation for what we learned and gained from this opportunity. Each of us left HP and moved out of the Inkjet business at different times, and into consulting or other business ventures under different circumstances. But during our time in this remarkable business, we all experienced the same phenomenal business results, and concluded those were inextricably intertwined with our commitment to personal growth as human beings.

Today, as professionals working inside organizations of different sizes, regions, and industries, we too often see an operating model that creates the antithesis of what we experienced at HP during the early '80s through 2000. As we travel and work with others, we consistently see a disconnect between what employees say they want and need and what working environment is actually being created. Increasingly we see that the norm is becoming one of hierarchy directing action that cascades through a formal structure. Less and less attention seems to be given to the informal structure and understanding how work really gets done. Even if companies had a practice of investing in organizational learning and development years ago, many are curtailing this now, citing hyper-competitiveness as requiring them to eliminate all "unnecessary" expense. In addition there is the perception and belief that speed is of the essence and there is "no time" to talk about values, alignment or learning across the organization. Fewer and fewer leaders really make it a top priority to think about the health of the social system inside the enterprise They then act surprised and frustrated by high turnover, low morale, and disappointing results as if there was no connection.

The Need for Healthy Work Environments



After experimenting with self-managed teams in the late ’80s and early ’90s, the pendulum has swung in a very different direction. Employees across the board report less job autonomy, less creative challenge, more stress, lack of caring in the workplace, less loyalty to their employers and a sense that it is “everyone for themselves” in terms of getting their needs and goals met. What is so tragic about this organizational pattern is that there is no research or evidence to support this approach as being successful or sustainable. Indeed, there is quite a bit of evidence to the contrary.

We believe there is a strong connection between work structure and our health and well-being. For example, in the 2004 Whitehall II study from the International Centre for Health and Society at the University College of London, researchers found a profound and direct connection between workers’ mental and physical health and the degree to which they experience low control over their jobs. The two elements that define “control” are the degree of authority over decisions and the use of skills, including the opportunity to develop new skills. Specifically, people in jobs characterized by low control had higher rates of sickness absence, mental illness, heart disease, and pain in the lower back. Having high demands placed on those studied did not in and of itself create high stress; it was the combination of high demands with low control over how the work got done. Furthermore, their study found that the degree of control over work decreases with lower positions in the organization.

The Whitehall II study is of particular interest because it seems to coincide with an observation of our own. We have seen organizations across multiple industries respond to hypercomplexity and change by becoming more authoritarian and providing fewer opportunities for employee control, growth and development, often erroneously seen as a luxury in today’s business environment. In fact, with today’s dynamic, global environment, authoritarian structures are not effective in fostering the rate of learning so critical to staying abreast of the emerging changes. We believe an unintended consequence of this response is the shaping of a workforce and a society with diminishing levels of capability and social well-being. This in turn creates physical and emotional health issues which work against effective human and organizational performance. We believe that today’s predominant operating model will not scale nor sustain creative human endeavor.

To some extent, we also see these patterns of operation as mirroring society as a whole. Never before has the disparity between compensation for top executives and those at the lowest paid levels been so great. According to the SEC, the pay ratio between CEOs and the average employee has grown by a magnitude of ten over the last 20 years. Most would agree that the performance of top executives hasn’t improved by the same factor over that same period. The tendency to higher and higher executive salary with no real downside risk to compensation is not due, as some would say, to what is required to get the best people. As a matter of fact, we believe that many who get these jobs are no more effective as leaders. They simply know how to work inside the top-down model more effectively, and usually are good at dismantling and downsizing organizations. They don’t necessarily have a distinguished track record in real innovation and sustainable growth.

As contracts for vice presidents and other senior executives guarantee salary or high buyouts whether results are delivered or not, individual workers find it more difficult to make ends meet. Lay-offs are common place and the gulf between the haves and have-nots grows each year. One author, Marjorie Kelly, author of *Divine Right of Capital*, actually refers to today's corporate economic system as "feudal." This dynamic contributes to a low-trust environment where most employees see themselves as much more at risk than their designated leadership team. In addition, rising stress-related health concerns, affect overall health care costs and further increase financial pressure on the human resource system. These are reinforcing loops cannot continue without dire consequences to competitiveness and societal health.

Our Goal

We want to participate in creating a different cycle than what we observe today. We do not want to see organizations and the people they employ and serve collapse, whether it is a slow painful process or swift demise. We believe that cycles of stress, and cycles of decreasing social and economic well-being can be interrupted. We care that organizations and institutions are able to transform themselves into healthier, more vibrant and creative workplaces that translate that energy into new value for customers and communities. We also believe that this is possible and for those who are listening we say: This is for free. It does not require big bucks but it does require commitment and an open heart, with a willingness to really find what you as a participant and leader can personally provide. It requires a letting go of the illusion of ordered control of performance for the possibility and likelihood of performance far greater than what can be imagined in an incremental plan. As Martin Luther King, Jr. so eloquently stated, it requires an integration of power *with* love. For healthy human organizations to thrive, this can no longer be an either/or decision.

Our Method

The three of us have spent innumerable hours over the last year in an ongoing conversation to distill and converge on what we believe was the essence of our journey of extraordinary business opportunity and personal development. We have found that while we can identify what we call "key ingredients" for high potential organizations, we have struggled when we have tried to break it down into a simple model or building block approach. For that reason we enlisted a larger dialogue group which included colleagues who were also part of the Inkjet business for the period we describe. Enlarging the conversation has increased our overall understanding and helped us to invite even more powerful insights into what it took to repeatedly create phenomenal results and sustain high levels of engagement across the business.

This approach has confirmed our experience that inviting group reflection and dialogue gives way to the greater intelligence of the group especially if we are listening and paying attention. In a sense, this dialogue group was a microcosm of what we experienced working in the business. In the beginning, we did not realize what creating the Inkjet cartridge business would take personally, organizationally, technically, or financially. We discovered the journey as we made it. While that may seem obvious, it is critical to our story to understand that through specific practices of reflection and dialogue, our awareness grew. We developed a shared view of what was important and that in turn coordinated our action in ways otherwise not possible. Many individuals and organizations experience life "blindly," on automatic pilot. They are unwilling to become aware of their experience, and, therefore, find themselves caught in a cycle of unwanted or mediocre results. We believe we avoided that cycle.

Our Outline

We know that readers will want to know what business results we are specifically referring to and why we label them as "phenomenal." **Chapter One** will ground the reader in some facts and the context for those facts. This introduces a core tenet of the book that everything begins with a focus on the success of the business and value created for customers. We'll get into the "how" later.

Like so many journeys in life, one assumes there is a plan. Yet, probably no surprise to some, *we had no plan*. As the **second chapter** clearly states, the story we are sharing is a story of shared discovery and we were learning as we went along. It was messy and contentious at times. However, there were some important principles and practices that were the underpinnings of the journey and these helped us see, frame, and move through choice points that determined who we became as individuals and as a business. It is here that we introduce what we mean by "legitimacy and love," basing our definition on the established research and work of Humberto Maturana, biological scientist and world renowned expert on living systems. This concept will weave through subsequent chapters. Then **Chapter Three** goes into more depth on some of the key choice points and how they served as opportunities to open up, align and co-create the future.

Our perplexing conversations with each other and our dialogue partners in writing this book caused us to see that regardless of the challenges we faced, the quality of results occurred in ways that were often unexpected and sometimes just seemed magical. **Chapter Four** will talk about how we define "magic" and why we find a reductionist explanation for what happened as totally insufficient. What we do know is when our operational patterns and practices are right, legitimacy and love are present, the magic occurs over and over. It was a recursive phenomenon.

Although we had no plan for this journey, we did take time along the way to reflect on what had happened, what we were learning, and how we would conserve what we felt was critical to our success. **Chapter Five** describes the patterns we recognized as most critical to on-going success. These are patterns we believe still apply to anyone committed to building healthy performance capability in any organization.

Most books talking about performance will offer a model which takes the reader step-by-step to similar results. In **Chapter Six**, we have explicitly decided not to reduce our message to a simplified model. Our journey cannot be your journey. The merit comes from each person and organization discovering, through reflective practices, how to take your journey much more effectively. We offer stories and reflections which come from a place of deep practice, not theory, and our hope is the reader can recognize these practices and be inspired to experiment, integrate and apply them with their own.

Finally, our intent with **Chapter Seven** is to challenge all of us in one of three ways. If you are someone who recognizes this journey as one you currently are on inside your organization today, that you gain a greater appreciation for it and protect it as a bedrock of great performance. If you are someone who has ever even tasted a similar work environment with similar results, we hope you will want it again – to create a healthier pattern and cycle that assures the best in human endeavor, regardless of the cycles a business may face. For those who may not have associated your previous experience with our journey, we hope we succeed in creating a curiosity, longing and restlessness to seek it for yourselves. For we believe this is exactly what our human nature calls us to: to make the contribution we know we are capable of making alongside great people we care for and are inspired by.

ABOUT THE AUTHOR

Anne Murray Allen is founder and principal in her own consulting firm, AMA Associates, a practice dedicated to working with clients in building healthy performance-based organizations. Prior to launching this practice, Anne retired from Hewlett-Packard Company where she held various management and executive positions over a 16 year period. She has co-authored an article on "The Nature of Social Collaboration" and is currently engaged with her co-presenters in writing a book with the same title as their presentation. She holds an MBA from the University of Denver.
amallen@peak.org

Bob Johnson is the President of Conversant/Storytellers, U.S.A. Prior to joining the firm in 2006, Bob had 25 years of experience as an HR executive at Hewlett-Packard. Bob has worked with numerous executive and business teams to accelerate breakthrough business transformation, catalyze employee engagement, and implement large-scale change. Bob has an M.B.A. and M.A. in higher education administration from Michigan State University.

Greg Merten is a retired SVP from Hewlett-Packard Company, where he led the Inkjet Manufacturing organization from various positions over a 20 year period. Leading this organization through phenomenal growth challenged Greg and his organization in about every conceivable way. Greg used this opportunity to become a student of leadership and organizational effectiveness. Today, he shares his experience with others that want to learn how to build extraordinarily capable organizations. Greg is a graduate of Oregon State University with a BS degree in Electrical Engineering with a solid-state physics focus.

Recommended Reading

Anne Murray Allen, Bob Johnson, Greg Merten

From Being to Doing
Humberto Maturana
(Zeig, Tucker & Theisen, Inc., 2004) Good interview format on Maturana's life work. This includes his research and work on living systems, biology of cognition, biology of love, cultural insights, with biographical highlights. While this book is only about 200 pages, it is not a quick read but one to be savored and studied for its richness of thought and concept.

Leadership and Self Deception
The Arbinger Institute
(Berrett-Koehler, 2002) This book challenges the assumed behavior, impact, and control of any organizational leader/manager. Through following the fictional story of one specific manager through personal development and coaching, the reader is challenged to think about his/her own motive and skill set in becoming an effective leader.

Artful Work: Awakening Joy, Meaning, and Commitment in the Workplace
Dick Richards
(Berkley Trade, 1997) This book challenges the reader and gives hope that everyone can and should find meaning in their daily work. Suggesting new ways of thinking and creating artful work as opposed to mundane and empty tasks and activities is the key. This book is helpful to all that care about improving today's work environment and challenging the status quo.

Holistic Training:
Putting Trainees Back into Context

Jon Kohl


Jon Kohl

Taking a lesson from his work with ecological systems, SoL member Jon Kohl makes a case for training that honors both human nature and the tenets of the natural world. Learning works best when it takes place within the context in which it will be put to use. And training programs that recognize and build on the "holism" – as opposed to reductionism – of people's natural ability to learn are more successful in the long run. Holistic training, designed with the system or context in mind, greatly alters results, including individuals' capacity to change and redesign their own environment in more.

Beavers master engineer dams, lodges, and canals that alter landscapes and communities of organisms. The structures they build vary greatly depending on the local environment. To acquire this capacity a beaver kit apprentices itself for two years not only to his parents but to an entire family of beavers.

Imagine now extracting a beaver kit, the embodiment of so much building potential, and sending him to a zoo for those first two years, then placing him in a classroom with a simulated stream (if there are sufficient funds to provide it) under the tutelage of one other beaver for a one-week training course. What hope would the beaver have of performing the skills that have made his kind famous in the engineering world?

Even though it should be obvious that a beaver deprived of apprenticeship in his natural context would not make a readily employable engineer, we force this training approach on fellow humans across a wide range of professions. We attempt to train each other chopped out of context and using techniques laced with reductionist thinking.

That training suffers from reductionist thinking should not really surprise a systems thinker, when all of modern civilization suffers this ailment. Rene Descartes, of course, deserves a healthy portion of credit for this predicament. He developed the idea of reductionism, that the world is nothing more than the sum of its physical parts. To understand the world, then, a scientist needs only break it into parts, analyze those parts separately, and re-assemble them.

After Descartes, modern society proceeded to break down its reality into hair-thin fields of expertise, university departments, and special interest lobbies. Training as well reflected fragmentary and linear thinking, where context dissolved out from under trainees. Training institutions asserted that they knew what was best for all students even if needs and contexts varied. Information flowed one way from expert to novice. Curricula and teaching fragmented into modules, classes, lessons, and units. Over time standardized testing only tested for the pieces, rather than the wholes which – a long time ago – those pieces composed. Context, complex wholes, relationships, and feedbacks between parts disappeared from consideration. Many training programs measured success simply by the graduation rate rather than graduate capacity.

As went society and the education system, so went vocational training. Because of a linear, reductionist perspective, policy resistance (sometimes referred to as "triggering the organization's immune system"), the dreaded monkey wrench of systems thinkers, increased its power to meddle with programs. Policy resistance usually occurs when other actors with their own goals respond to an intervention and neutralize or worsen the effects sought by the program. When one studies the system, the whole context, one can identify and integrate these "external" goals into program design. I worked for many years in ecotourism capacity building. Some examples of policy resistance that I commonly encountered follow; readers from any domain or industry will see recognize similar conundrums from their own experience.

- Building wider nature trails in order to ease visitor congestion attracts more visitors due to greater accessibility, increasing congestion again.
- Conservationists train nature guides to substitute local wildlife poachers. The reduction in poachers, and competition among them, attracts only more poachers because the demand for bush meat remains high.
- A lovely coastal village promotes ecotourism to improve community welfare. Tourism booms. Outsiders build hotels, restaurants, shops, night clubs, roads, and street lights. The town grows, becomes crowded. Garbage piles up. The water isn't safe for swimming. And eventually tourism dries up. Now, the community has many expensive problems and little income.
- Ecotourism raises the income level of poor natural resource exploiters who, now with more money, can afford to redouble their exploitation of natural resources.
- Interpretive guides are trained and hired to bring more money into a park. Their training raises park managers' expectations, who then neglect proper business planning and the guides end up costing more money than they can raise. Later managers lay off guides due to lack of funds.
- Managers send on-staff guides to a guide training course to improve the quality of their performance. When they return, managers expect to see an immediate jump in customer satisfaction. When they do not see the jump, they decide that further investment in the guides is a waste of money. Considered ineffectual, the guides are fired.

Systems Thinking Responds to a Broken World

Reductionism boomed for hard sciences, engineering, and other closed systems wherein most variables can be identified, broken apart, and studied. But reductionism has not done well in complex social situations where people interact with resources in multitudinous and ever-changing ways. In response to the separation that reductionism has injected into every day life, social movements have arisen advocating integration and holism, such as environmentalism, human rights, gender equity, green politics, steady-state economics, holistic medicine, green architecture, organic diets and vegetarianism, sustainable development, holistic education, total quality management, adaptive management, ecosystem management, and systems thinking.

Systems thinking, in particular, improves not just society but training as well. This article draws on Peter Senge's book, *The Fifth Discipline: The Art and Practice of the Learning Organization* (Currency, 2006) which unites systems thinking and organizational learning.

Systems thinkers perceive a world of wholes rather than of parts. We emphasize interrelationships and processes rather than linear cause-and-effect and snapshots in time. We aim to find high leverage points in a system where the greatest and most enduring change can come with the least effort. In short, holistic training – training with the system or context in mind – requires that to produce the best engineer, we must leave the beaver in the forest. In the following sections, we examine a variety of strategies to build the most effective, possible training.

Trainers Dedicate Themselves to Outcomes, Not Outputs

Trainers define outcomes before a program begins

When a training institution focuses only on its immediate job rather than the whole context and how the system works, it often aims simply to generate outputs, rather than outcomes.

Outcomes are those program results that actually change the world in the ways we truly desire. Outcomes include increasing workforce productivity, diffusing a new technology throughout a company, conserving forests, and apprehending more criminals.[1] Outputs, on the other hand, are only intermediary products along the way to outcomes. Thus, winning grants for training, graduating students, building prestige, developing materials, and creating a graduate network are outputs.

While every program has important output milestones, with a context-based perspective, programs can remain focused on the underlying goal of solving a real life problem. A training institution, then, must create incentives and rewards for achieving outcomes rather than simply profit and prestige (which often result when maximizing student flow through a training program). For example, trainers should award certificates of graduation to trainees not upon completion of the training program, but when the trainee actually builds the product necessary to fulfill his or her job responsibility. Another important strategy is to design programs from a systems perspective; the example of Tikal National Park follows later.

Trainers use adaptive management to learn on the fly

Policy resistance lurks around every corner. To combat it, a program must continually learn. Contexts continually change and, as the program advances, trainers receive a steady stream of feedback. In order that a program take advantage of this feedback rather than chain itself to immutable lesson plans and methods, its trainers must adapt on the fly. The training institution must empower its staff to integrate feedback from their personal experience and from trainees' reactions during the training, not wait until the training's end. Trainers should have the mentality that every program is a pilot program. They should understand that program delivery and improvement is a never-ending process to get it right and then get it right again when the context and their experience changes.

Trainers Interact with Trainees' Context

Once trainers have their own shop in order, focused on outcomes and oriented toward adaptive management, they need to design a training program that integrates the many aspects of the trainees' context.

Curriculum integrates elements of trainees' context

One training curriculum cannot fit all sizes. Each training context differs. At the very least the curriculum can integrate examples and terminology from that context. Even more, the curriculum should be adaptable enough to emphasize the needs of any particular context. Trainers often achieve this flexibility with modules they can take off the shelf when needed.

Curriculum teaches an understanding of complex context

Aside from defining knowledge and skills a trainee should have about the generic craft and vision of the skill set, the curriculum should also include material to help trainees understand issues, context, and how they will relate to it. Generic curricula do not illustrate to the trainee how the trainee fits into a context, does not help the trainee fully understand his or her role in the context. The curriculum does not systems thinking, but should use it in presenting the system in which the trainee labors on a daily basis.

Program is located as close geographically to context as possible

Training programs often sweep students out of site and out of sight of their context. Programs teleport trainees to a remote training location; and when the program ends, they teleport them back. Trainers assume that graduates can apply newly exposed skills to the graduates' home situation. This approach rarely works as expected. Simulations, role plays, and thought experiments only work so far. True learning, as Senge says, occurs when the person does something, receives feedback, and modifies their way of acting. The most authentic and richest feedback comes from doing the activity *in situ,* live, and for real. That is, the beaver learns best how to make dams by making them in a real stream with other real beavers – not in an artificial temperature-controlled stream at a beaver training center, 500 miles away.

Training structure permits interaction with context

When a program cannot take place directly in the context, a multi-segmented structure provides a time-away-time-back approach that allows trainees to apply some of the introduced skills, and then return to the formal coursework to discuss experiences with other trainees and instructors. When the course presents new skills, the guide has a more developed experience base to which she can apply the next set of instructions. Also, in this format, groups of trainees can work together to problem solve real issues encountered by the trainee on site. Being left alone to solve problems fresh out of training commonly precipitates trainee failure.

Authentic skills building in actual context generates the richest feedback for learning

Though practice and simulations can introduce a trainee to some aspects of the skill set, only the full context can offer integrated feedback on all elements the trainee must manage. For example, a military flight simulator can help a pilot trainee learn to manage an aircraft, but cannot simulate well the stress of being shot at, mechanical failure, unclear orders from superiors… and death tapping on the cockpit window.

A trainee learns best when given the chance to make consequential mistakes. This affords the fullest and richest feedback possible (with all the risks that implies). The more a training program shelters the trainee, the less feedback with which he has to learn.

Programs that take place away from context often stuff too much theory into the training in lieu of authentic opportunities to develop skills. Daniel Quinn, author of the *Ishmael* series of books, argues that schools in particular teach a grand range of knowledge that students have no use for and thus forget shortly after taking a test and leaving school. Theory is effective when it answers a direct perceived need by students, otherwise they are not able to apply it, receive feedback on performance, and improve skills. And theory is lost.

Trainers Prepare the Trainee's Work Environment

Once the training institution, the program, and staff are ready to train in context, they must focus on the trainee's work environment and colleagues. Those who did not participate in the training inhabit this place. The training does not change this place. When the work environment is exactly the same both before and after the training, the trainee often encounters an unpleasant surprise upon return. The trainee may find his environment does not accept the changes and new ideas that his has brought home. Consider these examples related to interpretive park guides:

- Supervisors do not help guides create and then approve interpretive themes because they do not understand the purpose of themes.
- Senior management allocates money for follow-up training but only for information intensive courses that do not reinforce fresh new guiding skills.
- The guide sees the connection between ecotourism and conservation but is not responsible for setting up the infrastructure to make that connection achievable.
- Guides want to solicit donations, but no financial mechanism exists to account for donations or the park may not even be able to accept donations, thereby neutralizing the benefit of the guide's skill in encouraging donations.
- Staff does not have any concept of guide quality so the guide has no support to develop nascent lessons. There may be institutional incentives (such as saving money or maximizing visitor throughput) that actively promote *poor* quality.

In a sense the training program has to coordinate with the unit, department, or organization where the trainee will work to avoid counter-culture shock. U.S. Peace Corps volunteers often complain that after their two years away in a foreign country they change remarkably in maturity and outlook. When they return, they find their home just the same. No one understands their new perspective. No one empathizes with their experience. Stress and a feeling of isolation overcome the volunteer. When this happens at home or in the workplace the danger of the reductionist assumption glows red like a stop sign: that simply training the guide and releasing him back into his small pond will be sufficient for continued growth. It often won't.

To avoid this effect, the program should enable the trainee's environment (also called "context") to best take advantage of new skills and ideas. Here are some techniques to achieve this:

Systems thinkers perceive a world of wholes rather than of parts. We emphasize interrelationships and processes rather than linear cause-and-effect and snapshots in time.

1. Facilitate a visioning process so the supervisor has a clear vision of how the trainee's skills and ideas improve workplace performance.
2. Train the supervisor in how to use the trainee in new ways. The supervisor does not necessarily need to perform the skill, but must know

what the skill is and how it can be used. For example a community development project manager needs to understand the participatory methodologies of newly trained extensionist (but not how to run the workshops himself) in order to make the program more participatory and less top-down.

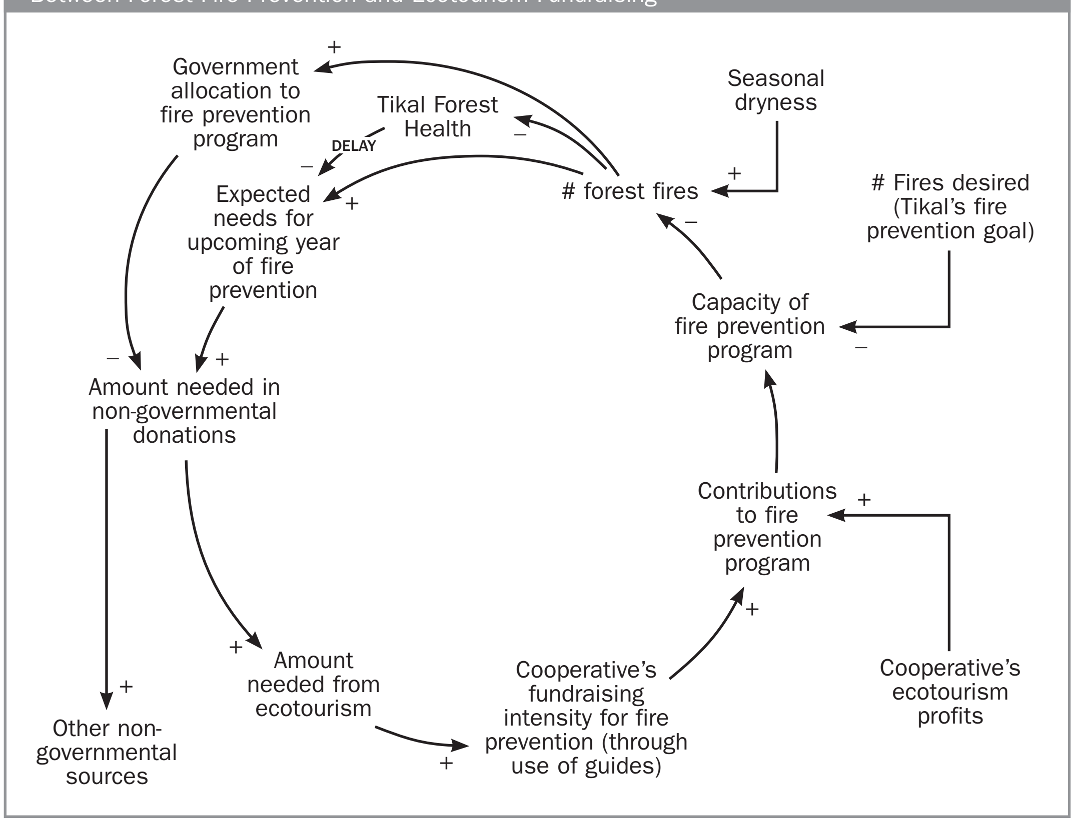
3. Negotiate with program management new job descriptions for trainees that give opportunity for the trainee to use new skills.
4. Work with the trainee's organization to support a network amongst trainees in order to reinforce mutual learning and problem solving of issues that arise around the new skills.

In addition to enabling the environment, trainers need to be concerned that the trainee's workplace program is structured such that the trainee can effect change. If a program in which a trainee works back at home is poorly designed – no vision, poorly articulated objectives, no monitoring – then it doesn't matter how good the trainee's new skills are in a program designed to fail. Trainers then must work with trainees' organizations to reduce output-thinking. If trainees are trained in quality control, for instance, the supervisor cannot simply see that person as the person who will solve all quality problems. The system has to have mechanisms to allow the trainee to feedback into it and improve it. Consider the following example, partially altered for purposes of this article, from Guatemala's Tikal National Park.

Guides contribute to forest fire prevention in Tikal

Tikal National Park deploys fire brigades to fight

Negative Feedback Model Describing Relationship Between Forest Fire Prevention and Ecotourism Fundraising



seasonal conflagrations, yet resources needed to wage the battle often fall short, especially in years of above average dryness. An international conservation organization that trains guides suggested to Tikal that ecotourism can generate resources to support forest fire prevention. While the project needed money most of all, it could have also benefited from donated tools and expert advising.

With the conservation organization's help, the park set objectives of how much it wanted to raise through ecotourism. It decided that with $10,000 in donations that year, 50 shovels, and off-season advising from a fire ecologist, it could meet its expected needs.

The organization trained guides some of whom formed an ecotourism cooperative that sold interpretive products as well as supplied additional locally provided services such as transportation, food, and lodging. The cooperative designated 5% of net annual profits to park conservation which if projects proved successful would yield about $5,000 to the fire prevention program. The guides themselves committed to raise an additional $5,000 through solicited visitor donations. Thus, the guides integrated the theme of fire into their interpretive tours and after each program the guides tactfully solicited from visitors monetary and in-kind donations; they also asked, when appropriate, for a contact to a fire ecologist.

Consider the causal loop diagram (page 30) of the abovementioned system, answering the question, "How does ecotourism contribute to the reduction of forest fires in Tikal National Park?"

The number of forest fires immediately affects the government's willingness to combat forest fires, affects overall forest health, and is feedback to managers on how much they need to adjust their fire fighting effort for the following year. When they compare their needs to budget allocations, they know how much money they need from other sources. They direct their own ecotourism or that of the cooperative to increase contributions which increases the capacity (and hopefully effectiveness) of the program which then reduces the number of forest fires.

The conservation organization, then, worked with the client's context and trained guides to solicit donations through interpretive tours. It trained the park how to set up a program where these donations can be channeled to fire prevention. Hopefully the program is ready to generate real system outcomes (number of forest fires, defined by Tikal's fire prevention goal in the diagram).

Trainers Forge a Shared Vision Binding Trainee to Context and Purpose

The first rule of learning is that people learn best when they feel what they are learning meets their needs. Thus a clear fit between their personal vision and the vision of their organization and their training program motivates learning. Senge explains that a shared vision brings people together, but cannot be created with just one session. People and organizations accommodate each other's vision in an ongoing and evolving dance. Every potential trainee has a vision of benefits that the training will bring. The closer his vision fits the vision of the training program and the context in which he will work, the more relevant he sees the training and the faster he will learn.

But resources are limiting and trainers will not always be around to help graduates. For learning to continue after the main training component finishes, a graduate needs to learn to learn. In order to pursue the necessary inputs to a trainee's learning, he must have a vision of what he is trying to build. Without a blueprint (vision), the trainee cannot easily know which materials to acquire to build his house (i.e., fire prevention program in Tikal's case).

Training staff also should have a vision of the trainee's context in order to customize the program to best fit the trainees' needs. The staff should visit trainees' sites, meet their supervisors, and understand the goals and limitations in the context. In order that this knowledge becomes useful, training staff also have to be able to rapidly feedback and improve the program as discussed above.

Mastery of Discipline Requires a Long-Term Perspective

Senge points out that mastery of a discipline occurs as the novice learns the rules of action, experiments with them, and then after a while is able to implement those rules from the subconscious under stress and ambiguity – "people will have adapted the rules into their own particular model, speaking in their own voice."[2] One-time short courses usually cannot achieve long-term capacity building. Program trainers can build long-term assistance infrastructure in a number of different ways, each corresponding to different expense levels.

1. Least expensive is automated assistance designed for many graduates. This could take the form of newsletters and web sites with generalized information.
2. Better still is remote but personalized assistance such as chat rooms, email, and phone support.
3. Trainers could also set up with client organizations associations and networks of trainees who can learn from each other. The cost eventually is borne by the association members.
4. Most expensive, trainers can offer one-on-one customized support, reviewing products, visiting sites, evaluating performance, and offering additional lessons.

Reductionism often separates mind, spirit, and body. But effective technical assistance reintegrates these aspects of the person. Trainees often develop a close relationship to trainers who understand very closely what trainees experience and the challenges they face. Effective long-term assistance, then, also attends to the emotions, vision, and even spirituality of trainees.

The best training for the beaver of course is to stay home and build dams. But if he must be lifted from his forest, then the trainers have a wide variety of tools to try to make up for his separation. It is an upstream challenge to train holistically in a reductionist society that wants quick results at low cost. But in an increasingly competitive, knowledge-based, and protean global economy, holistic training represents a comparative advantage for both humans and beavers.

ABOUT THE AUTHOR

Jon Kohl worked for many years developing park manager and interpretive guide capacity-building programs. He is now an independent consultant and freelance writer, spending time with Fermata, Inc., a sustainable tourism planning company in the U.S., and collaborating with Unesco's World Heritage Center to develop the systems thinking approach described in this article. More information on his work and writings can be found at ***www.jonkohl.com***.

Endnotes

1 Exactly what one considers an outcome depends on how one envisions the system. Apprehending criminals may be the result of newly trained officers, but it may do nothing to reduce crime rates, which could be the true outcome.

2 *The Fifth Discipline*, Peter Senge (New York: Currency/Doubleday), 2006, p. 377.

Review and Reflections

By Barry Sugarman

Unleashing Change: A Study of Organizational Renewal in Government

Steven Kelman
Brookings Institute, 2006

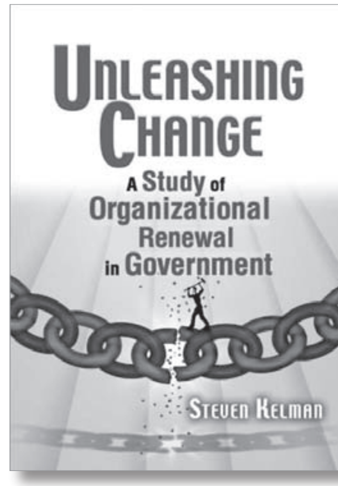
Barry Sugarman

If you like cases of successful large scale reform with concrete results, this is a good one. It's about the reform of U.S. government procurement practice, a long-standing systemic issue (some would say "scandal") involving everything the federal government purchases (over $300 billion p.a.) – including battleships, IT, K-rations, contractors, and office supplies. The story is about changing a system so heavily oriented to preventing fraud that it resulted in systematically supplying low quality goods and services for public use – and always after long delay. It's a story about successful changes that matter.

And if you like cases that have interesting implications for change theory, Kelman gives us that too. Change usually has natural allies, he argues, it does not always face resistance across the board, as the dominant change theories assume. And once it gets started, it generates a self-reinforcing process, which he documents – but not the one familiar to *The Dance of Change* (Senge, et al, 1999) readers. These keen insights on the change process are supported by careful research, but all that careful analysis of survey data does not make for easy reading. Academic researchers won't mind. Other readers will enjoy the first few and final chapters which describe the setting, explain the culture of public management, and outline the implications of these findings.

Let's situate the story with an example. This change initiative abolished the once all-powerful "milspecs" (military specifications) that employed an army of bureaucrats to write detailed specifications for every single item the government might purchase. These specs took a long time to write and get approved, so they could never be up to date. Even if up to date, specs defined by remote procurement specialists, neither true experts, nor actual users, could hope to get it right consistently – and all errors were effectively set in concrete. Milspecs covered everything, down to the cookies served to soldiers in mess hall – cookies despised by the soldiers by comparison with the commercial products – and more expensive! This petty example was typical of all milspecs.

Both suppliers and government managers were locked into these specs and the suppliers who qualified to meet them. Because government specs (not just the military ones) were different from normal industry standards major



suppliers often did not bid, leaving the field to fewer, often second-rate suppliers. Then there was the whole arcane bidding process.... The old federal purchasing system produced enormous waste and frustration. While it prevented some outright fraud, it created great temptation for dedicated public officials to break the rules to save the mission. Military cookies and meals illustrate the problem at a simple, homey level. The old system based on "milspecs" produced meals that soldiers considered barely edible. The reformed system changed the criteria to include acceptability to the intended users, a huge change in mindset.

All purchasing for the Department of Defense (DoD) was based on milspecs before this reform. After the reform, purchasing regulations for the federal government (not just DoD) were based much more on the needs of the user (program managers in a government agency serving the public) and less on specs written years before by a well-intentioned office worker. The new regulations also allowed government contractors to consider the past history of bidder firms (previously forbidden) so that better qualified contractors could be chosen. Every year the feds spend over $300 billion on goods and contract services, so every 1% gained through less waste or by getting better value amounts to $3 billion. That's just the money savings, not counting the gain in improved employee morale and better focus on mission rather than navigating an unwinnable bureaucratic obstacle course.

Author Steven Kelman is professor of public management at Harvard University's Kennedy School of Government. During the Clinton administration he served in a senior post at the powerful Office of Management and Budget as head of the Office of Federal Procurement Policy, so he was a high-level participant-observer and an important leader in this very large-scale change. Prior to that he had been known for his research on federal procurement and as an advocate for putting a higher priority on getting good value for the taxpayer and government. From time to time media reporters find a "golden hammer" scandal to enrage taxpayers; but the bigger problem Kelman had identified is that managers of government programs face constant frustration with the "red tape" of government purchasing regulations which make it impossible for them to spend their allotted funds to get good value in the equipment or contract services they need, when they need it. Government procurement has long been notorious for getting second- and third-rate goods and service, for taking far too long to agree on contracts and far too long to get delivery and, after long delay, often getting government contractors who poorly matched their actual needs. Contractors alone were not to blame; the old federal procurement system made these results inevitable.

Kelman's term in Washington coincided both with the broad Clinton-Gore campaign on Reinventing Government and with a specific initiative to reform defense procurement in the gigantic DoD. This is a good case for exploring (and teaching) the nature of large scale change, lasting change – one whose effects are still in evidence over ten years later. Early on the case for change was made well – Congress was initially skeptical; it was based on value-based procurement thinking and the broader reinventing government ideology. Kelman was part of a powerful coalition of high-ranking change leaders and senior sponsors, including the Deputy Secretary of Defense and the White House, so the necessary legislative changes were made. (This aspect of the story is well-told in another case study.[1]) Important as they were, those changes in formal regulation were not sufficient: the behavior and practices of thousands of procurement officials had to be changed too.

Kelman, as change leader, knew that many practitioner-professionals must be enrolled in this initiative – not just to sell it to their colleagues but to redesign many key procurement practices according to the new principles and priorities. So he traveled extensively, meeting with local groups of grassroots managers and listened carefully; he presented the new vision, encouraging them to help in making it work, by leading improvement teams in their own departments; he invited their reactions and listened to them. In effect he played the role of change leader advocated in *The Dance of Change*. He was a good listener to procurement professionals and program managers (their clients). Many of them became contributors to the process of adapting procurement practices to the new principles and regulations. Using a Silicon Valley metaphor, he acted as an evangelist for the new operating system, enrolling early adopters among application designers – not only practitioners but also training providers. He helped to enhance people's existing motivation to pioneer the new opportunities, and also helped promote the diffusion and sharing of the new practices and solutions they developed. Process or OD consultants as such had no part in this story.

Readers of *Reflections* will appreciate the fact that this welldocumented case from the public sector illustrates the principles of large-scale change that many of us believe in. Personally, I enjoy the way it illustrates the hybrid (two-sided) nature of the change leadership process, combining (1) top-down change in formal structure and official policy/regulations with (2) grassroots leadership that translates that strategic intention into new practice patterns and working relationships. My synthesis of a hybrid theory of organizational transformation is published elsewhere.[2]

Kelman's theory of large-scale change challenges the common view that change always meets with broad-based resistance. With this case he shows that there was a natural (potential) constituency for change, both among program managers and procurement specialists. When top executives (political appointees) favoring this change came into office (one major change factor) their first task was to remove key structural barriers – by changing federal legislation – and then to encourage ("unleash") these potential allies. Kelman also claims that, once initiated, momentum for further diffusion develops in a reinforcing cycle. He builds on the research of Everett Rogers on early adopters and social networks in the diffusion of innovations and he makes interesting comparisons between the motivations and mental models of *early adopters* (often "true believers" in the new principle of better value for government purchasers) and the *later adopters* (who tend to be pragmatists, seeking the practical and personal benefits to going along with the new direction – it's less work). These two types see the change differently. How do they influence each other?

Kelman believes that both kinds of change agents were necessary to the success of this impressive change in the US federal government: without the late adopters it would have been far less extensive; without the early adopters it would have had trouble in implementation which would have been much more superficial. How do these two types interact in the context of resolving a specific problem? Those tensions and how they are resolved or held and carried forward may be crucial for the continued strength of the transformation process. Having unleashed those change agents, we now need to unleash more researchers.

ABOUT THE AUTHOR

Barry Sugarman, Ph.D. conducts research on system transformation in business and public domains, recently focusing on school reform. He was formerly Professor of Management at Lesley University (1979–2000), also a former Research Coordinator at the Society for Organizational Learning and Research Associate at the MIT Sloan School of Management.

bsugarman@rcn.com

http://web.mac.com/barrysugarman/

Endnotes

1 Another version of this story makes for an interesting comparison – and for a briefer reading. Kimberly Harokopus wrote an earlier account of this case, more focused on the coalition of senior government executives and the politics of making the legislative and regulatory changes. She also highlights some "lessons learned" for public managers. Harokopus, K. A. 2000. *Transforming Government: Creating the New Defense Procurement System*. Washington, DC: IBM Center for the Business of Government. This is a free download at *http://www.businessofgovernment.org/main/publications/grant_reports/details/index.asp?GID=34*

2 Barry Sugarman, "A Hybrid Theory of Organizational Transformation," published in *Research in Organizational Change and Development, vol. 16*. Edited by W. A. Pasmore and R. W. Woodman. New York, Elsevier. 2007. This can be downloaded from the solonline.org library or *http://web.mac.com/barrysugarman/iWeb/site/PAPERS.html*

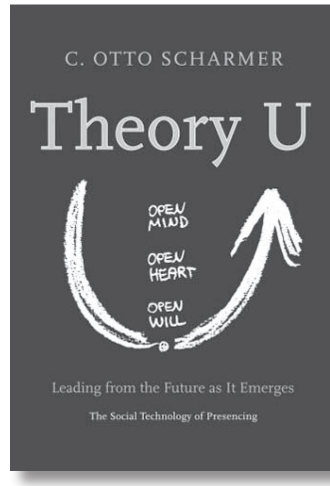
Theory U: Leading from the Future as it Emerges

C. Otto Scharmer
SoL, 2007

Individual Actions: Learning from a Three-Year-Old

C. Otto Scharmer

Fundamental problems, as Einstein once noted, cannot be solved at the same level of thought that created them. In this ground-breaking book, Otto Scharmer gives us a new way to perceive, think about, and act on our extremely complex world. First introduced in *Presence* (SoL, 2004), the "U" methodology of leading profound change is expanded and deepened in *Theory U*. Using a wide range of stories and examples from his own experience, Scharmer shows us how we can open our mind, emotions, and will to moments of discovery and mutual understanding. In this excerpt, the innocence and openness of a three-year-old strike a sharp contrast to the experience of Traudl Junge, Adolf Hitler's secretary during World War II.



Learning from a Three-Year-Old

One day, as I was filling the dishwasher, I ran out of detergent. I wasn't sure the box next to it was the right kind of soap, but I thought, what the heck, and used it anyway. A few minutes later, foam began streaming from the machine. Damn! I stopped the machine. Wiped up the foam. Inspected the mess: the machine was filled with water, dishes, and vast amounts of soapy foam. Since it seemed impossible to empty the machine of its water, I decided to forge ahead: to let it run and to simply mop up the foam for as long as it continued to pour out. While preoccupied with my mess, I was joined by our three-year-old, Johan-Caspar, who was fascinated by the show. He began helping me wipe away the endless white stream. As the rate of the streaming foam began to slow just a little, Johan-Caspar took some short breaks. During these breaks he started talking to the machine in a low, intense voice. "What are you saying?" I asked him. "I am talking to the foam," he replied. "The foam?" I was surprised. "Because the poor foam hasn't got eyes to see. That's why he can't find the right way. That's why he keeps coming out the wrong way."

My three-year-old looked at the same frustrating situation as I did, but instead of wanting to kick the machine, he empathized with the streaming foam, communicating with the foam as if it were a sentient being. He noticed that this being had no eyes and believed that was why it had lost its way. It needed our help. One situation, one set of data, two ways of making sense.

From then on we communicated in silence with the streaming white being. Johan Caspar and I didn't exchange any more words. We just got into the rhythm and flow of the work, paying attention to what that "white being" needed us to do to help it find its way.

Now let me deconstruct this story using the field model introduced in Chapter 15.

Filling the dishwasher and mindlessly adding the wrong detergent is a perfect example of downloading. Then, once the foaming started, I jumped from Level 1 (downloading) to Level 2: "Damn!" (seeing the mess). Then I tried to fix the problem. The challenge was to get beyond the Voice of Judgment ("Why can't they build dishwashers that have a simple 'empty the water' function?") and to stay cool and analyze the available options. If I had continued on the path suggested by my Voice of Judgment, I would have found many more things to be irritated about and probably would have kicked the machine. That course of action would have taken me straight into the space of anti-emergence: the cycle of denial and destruction. First you kick the machine, and then . . . well, we all know the story: the cycle of denial and destruction is filled with feedback loops that reinforce the destructive behavior.

That didn't happen because Johan Caspar entered the plane at a different level, Field 3 (he tuned in to what he saw as an evolving being, and then he started interacting with it). So he taught me to stop kicking and start diving in and feeling from inside. And finally, when we found a rhythm and flow of working together, no more words were needed. We knew what needed to be done and carried it out easily (illustrating, in a nutshell, Level 4).

There are three points about this story that I would like to highlight. One, mindfulness and presence can happen anytime, anywhere, in the midst of our everyday life. It doesn't require us to travel to the moon and back (although for some that has actually been the way into this experience). What it requires is an inward shift of attention.

Two, the greater the pressure of the external challenge (the bigger the mess in front of me), the more natural it feels to enter the dark space of absencing (kicking the machine), which I will explain in more detail below.

Three, the point of moving into Fields 3 and 4 is to stop interacting with objects and start dealing with everything we work and interact with as if it were a sentient being that we can directly connect to from within (the foam without eyes).

The Theater Stage and the Collective Field

I still remember the amazing feeling of performing my first major role in a stage play at the age of about fourteen. You do everything you can to prepare, and you've memorized all your lines and stage cues. Then it's time for the opening scene. The curtain is about to rise. The voices of the audience grow softer. Suddenly you feel as if the earth stops turning. Everything, all the months of preparation, shrinks into a little heap of desperation and nothingness. It all vanishes. You forget everything you ever learned. You are frightened. You are alone. Driven more by desperation than aspiration, you hang in there. Not because you are courageous, more because it's now too late to run away (a thought that briefly crosses your mind). Then, before you fully realize it, you see the curtain rising. Too late. No more escape. Time stops.

The colored theater lights blind you and wrap you in an unfamiliar sphere of hot attention and energy. As if in slow motion, you stumble into the first movements, words, sentences, and gestures. You are just getting into it when you suddenly notice that you are not alone. Another "being" seems to be communicating intimately with you. It is the audience. Their attention creates a holding space for you – a place that guides you. You feel it with every fiber of your body. You're now in a place that is watching and communicating with you. And it nourishes you with an energy you have never tasted before. A place that connects your source and being. Your place.

In this example, I, as the actor, approach the stage in the mode of downloading, having memorized all 820 of the lines that Shakespeare's Prospero had to speak. Then on stage, as the curtain rises, the resistance shows up as fear: fear of failure, fear of getting stuck, fear of not being able to remember a single line in front of three hundred people. In a mixture of desperation and courage, I stumble across a threshold and simply start moving. After the first few habitual moves my carefully prepared actions move from Fields 1 and 2 to Fields 3 and 4 – that is, I enter a flow of deepening/deepened presence and emergence.

What makes that possible? A collective holding space: an audience of three hundred loving parents and friends, sitting there with their minds and hearts wide open, fully present to and in awe of their children's performance.

In this example, the resistance (fear) appears right at the beginning. It is followed by dropping into a deeper flow through the collective holding space provided by the loving audience. The collective holding space makes the shadow space of antiemergence disappear. Collective forces can free us or, as in the following story, keep us locked into the social space of antiemergence.

Hitler's Secretary

Traudl Junge was a simple, humble woman from rural Germany who lost her father early and whose difficult financial situation prevented her from pursuing the artistic career she longed for. More by accident than not, she went to Berlin, got a job through an uncle, and soon stumbled into a typing contest, which she won. Before long she was interviewing with a soft-spoken, friendly uncle type who was looking for a new private secretary. His name was Adolf Hitler, and he hired her to take occasional dictation.

At the end of the war, when Hitler committed suicide in his Führerbunker, she returned to the outside, to the real world – a world that lay in ashes and ruins.

She tried to flee to southern Germany but was captured by the Russians in Berlin. Because she had never been a member of the German Nazi Party, she was released and settled in Munich. Soon thereafter she came across the gravestone of Die Weisse Rose (The White Rose), a small Munich-based group of German resisters who had all been killed by the Nazis. She looked at the inscription and was shocked to see that all the main figures of Die Weisse Rose had been born in the same year she was: 1920. At that moment of seeing she realized that for her and for her generation there was no hiding behind excuses. The Weisse Rose figures were the same age she was, and the difference between them was that each of them had made a conscious choice in their lives, a choice that she had never made. She realized that whatever she had done and participated in was ultimately her full personal responsibility – there was no hiding behind the collective fate of her generation. She gave no interviews until shortly before her death, when she spoke to André Heller, a well-known Austrian artist. A few days before the interview was aired, she told him that only now, fifty years later, could she finally begin to forgive herself. On the day after the interview aired, she passed away.[1] What makes her account of the final weeks in Hitler's bunker so intriguing is the preciseness and clarity of her descriptions. Her mind and memory seemed to work like a supersharp camera. She remembered countless events in great detail. At the same time she was also a gifted second-order observer: she was cognizant of gaps in her memory when she couldn't retrieve exact images or experiences.

Here is how Traudl Junge describes the bizarre company inside Hitler's bunker. They were deep down inside the eleven-meter-thick walls of the bunker, with bombs dropping to the left and right and on top of them. The Red Army was only a few road-blocks away. Hitler's army had collapsed, gone from occupying nearly all of Europe to total defeat. Yet, despite all the "disconfirming data" around them, all the bombs that were being dropped right on top of them, some people inside the bunker were holding on to their hopes and fantasies. They were clinging to their old mental models, unable to let reality sink in. The bombs being dropped onto them were not powerful enough to get the message to penetrate through the thick walls of their minds. Pondering why she didn't simply leave after even Hitler had suggested that she do so, she said, "I was afraid to leave the security of the bunker."

That's what the power of blinding (not seeing) and entrenching (desensing) is about: it keeps us inside the thick walls of our own bunkers so that we are unable to connect with what's really going on outside. Still, her staying is somewhat incomprehensible. What was the real mechanism that kept her locked inside the bunker?

One way to make sense of this puzzle is to imagine that she got stuck in the shadowspace of antiemergence, which froze her deeper resources of intelligence (open mind, heart, will). She lost the connection to her authentic self and ended up participating in the practices of antiemergence (see figure).

Downloading: Traudl Junge described in great detail how life inside the bunker continued, as if the people were automatons. As daily and even special rituals such as the tea ceremony or the wedding between Hitler and Eva Braun (two days before his suicide) continued, they grew into hollow procedures of an absurd disconnect.

Blinding, or not seeing: "I was walled in and separated from the information that I needed to understand what was going on," said Traudl Junge. "First when I got there, I thought that I had arrived at the source of information. But later I realized that I had been in the [system's] blind spot."

Entrenching and desensing: During the final years of the war, Hitler always traveled on a special train with curtains closed so he wouldn't see the war's destruction. When he arrived back at the main train station in Berlin, his driver was instructed to take a route that would expose Hitler to the least destruction. He didn't want any flowers in the bunker because he "didn't want to be around corpses." How ironic. The man whose acts caused the deaths of 55 million people didn't want to be near flowers that were dying.

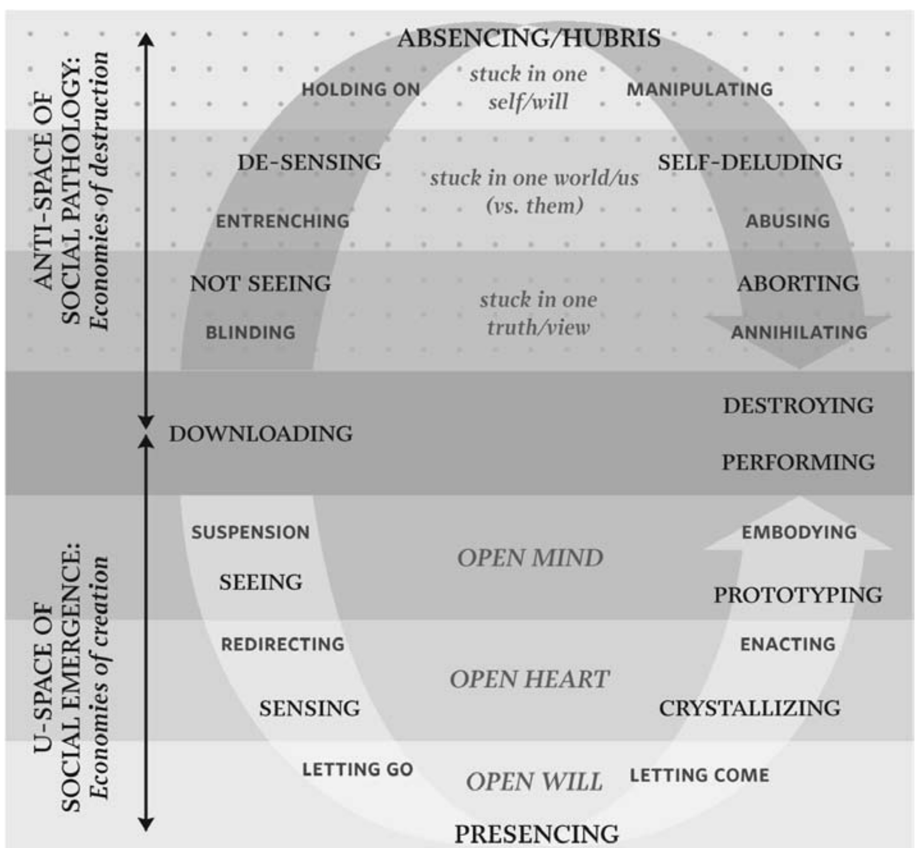
Absencing: Traudl Junge had the most trouble recalling those final days in the bunker. Her otherwise supersharp camera memory appeared to have black holes when it came to remembering her feelings and emotions during those last days. It is as if these emotions were erased – or deeply frozen inside her experiential body. She described acting like a mindless automaton in her day-to-day routine – disconnected not only from the catastrophic events unfolding outside but also from her real self: "We functioned like automatons, I cannot remember any feelings, it was like an in-between state where I was no longer myself."

Self-deluding: This is a total disconnect between one's images of the unfolding future and reality. Traudl Junge described many meetings and turnaround strategies that all went nowhere because they were grounded in such illusory assumptions. They only deepened the abyss between the world inside the bunker and the course of events outside. "We were so separated from what was really going on outside," reflected Junge, "that we had no idea how the world would continue to unfold."

Aborting: Just as prototyping is about creating microcosms of a future life, aborting is about terminating and killing future life. In the bunker this involved killing first the dog, on whom the cyanide was tested, then all the children, as well as many others, who committed suicide prior to the final victory of the Red Army.

Annihilating: After Hitler killed himself, Traudl Junge said that the remaining characters sat together like a group of lifeless puppets that had just lost their puppeteer.

The group around Hitler was trapped in a space of social anti-emergence that revolves around



downloading, blinding, desensing, absencing, self-deluding, aborting, and destruction. The figure depicts how this shadow space represents the antithesis of the U space of presencing.

Just as the U space of presencing spells out the economics of creation, the shadow space of absencing features the economics of destruction. Each cycle is based on self-reinforcing dynamics. The U space of social emergence is based on the power of activating the instruments of the open mind, open heart, and open will. By contrast, the shadow space of social pathology is based on the dynamics of being stuck in one Truth (rigid ideology), one center or collective (arrogance, hate), and one will (fanaticism and violence) – in short, the space of absencing exhibits all the key features of fundamentalism.

For Traudl Junge, one puzzling question remained: Why didn't I leave?

She didn't leave the bunker because she was caught in a deadly pattern of absencing. The dynamics she was wrestling with are now back in business. Because these destructive dynamics are alive and well, we need a clearer understanding of the process and practices through which the pathological space of social destruction comes into being. That space appears to manifest when human systems face high-stakes situations in which the relationship to their open mind, heart, and will is cut off and frozen out.

The figure sums up the individual dimensions of the U:

- Most people on Earth have plenty of experiences across all four levels. When first confronted with the U, many people say: Yes, I do know Level 1 and 2, I do know downloading and seeing, but I am not sure that I know Level 3 and 4, sensing and presencing. But then, on consideration and after going deeper into their life's and work's journey, most people find the hidden gold of their various threshold experiences relatively quickly.
- The movement from Level 1, downloading to the bottom or the deeper levels of the U, can happen in any situation: when doing a four-week meditation retreat or when messing up the dishwasher in your home kitchen.
- Being in the presence of people who operate from the deeper levels can help a lot. In some cases, that can be a three-year-old. In other cases, this wisdom awareness happens some other way, through someone else. Sometimes we call that leadership.
- If you happen to connect to a source once, it isn't good enough. Most people did that already (often without fully noticing). The issue is how to stay connected, how to sustain that connection. Because if you do not, you may be in danger of freezing that single experience into something rigid that catapults you into the anti-space of social pathology (one Truth, one Us, one Will). Which brings us to our next point.
- We can flip or revert from the social space of deep emergence into the dark space of anti-emergence anytime, anywhere. It can happen whenever we lose our full attention and wakefulness and our firm grounding in a self-less or serving intent. It's easy to see how Hitler's secretary got sucked into a system that finally had her holding on to the informational blind spot behind eleven-meter-thick walls. That's easy to recognize. But isn't that same thing happening to each of us day to day, moment to moment? Aren't we also seduced by situations and systems that take advantage of our not being fully awake, not being fully intentional? As with Traudl Junge, the system hits us right in our blind spot.

So how can we sustain the connection to source? By being and staying awake.

Thinking is an enormously powerful process – one that usually remains untapped, unused and unrecognized. Our thinking creates the world! But instead of discovering the creative power of real thinking, we are socialized into patterns of downloading that relate to real thinking like the shadows inside Plato's cave relate to the actual reality and the sun outside.

The power of this metaprocess of thinking is frozen into fixed forms and shadows in Field 1 (downloading); begins to wake up when we begin to connect with what is really going on outside (Field 2: seeing); begins to get wings that take us out of the prisons of our own mental models when we begin to connect with the others around us and with what the situation looks and feels like to them (Field 3: sensing); and finally turns into the source of fire. In its essence, real thinking is pure fire. The fire of creation. The fire we can tap into when we begin to connect with the fourth field.

ABOUT THE AUTHOR

Dr. C. Otto Scharmer is a Senior Lecturer at MIT and the founding chair of ELIAS (Emerging Leaders for Innovation Across Sectors), a program linking twenty leading global institutions from business, government, and civil society in order to prototype profound system innovations for a more sustainable world. He is also a visiting professor at the Center for Innovation and Knowledge Research, Helsinki School of Economics, and the founding chair of the Presencing Institute. Scharmer has consulted with global companies, international institutions, and cross-sector change initiatives in North America, Europe, Asia, and Africa. He has co-designed and delivered award-winning leadership programs for client organizations including DaimlerChrysler, PricewaterhouseCoopers, and Fujitsu. He is the author of numerous articles and books, including *Presence: An Exploration of Profound Change in People, Organizations and Society,* co-authored with Peter Senge, Joseph Jaworski, and Betty Sue Flowers. More information about Scharmer and his work can be found at *www.solonline.org/theoryu* or *www.ottoscharmer.com*.

scharmer@mit.edu

Reflections

The SoL Journal
on Knowledge, Learning, and Change

Volume 8, Number 2

Subscription Options

To order online and for a full description of subscription options, visit our website: reflections.solonline.org.

Receive *Reflections* as a SoL Connections member:
- USD$125 U.S.
- USD$135 International

One year individual subscription:
- USD$75 U.S.
- USD$85 International

University/Non-profit Institution
- USD$175 United States
- USD$195 Canada (includes 7% GST)
- USD$195 International

For-profit Institution
- USD$275 United States
- USD$295 Canada (includes 7% GST)
- USD$295 International

Reflections: The SoL Journal is published quarterly in electronic format and once per year as a hard copy compilation by the Society for Organizational Learning. Inquiries regarding subscriptions, address changes, back issues, reprints, and permission requests should be directed to:

reflections@solonline.org
Reflections: The SoL Journal
25 First Street, Suite 414
Cambridge, MA 02141 USA

+1.617.300.9515 (phone)
+1.617.354.2093 (fax)
E-mail: reflections@solonline.org

ISSN 1524-1734
EISSN 1536-0148

Design & Production: DG Communications (NonprofitDesign.com)

society for SoL organizational learning