ASSESSING LEADERSHIP CAPACITIES IN SOCIETAL SYSTEMS

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By

Allan Jaenicke

B.Eng. Information Systems Engineering
Imperial College, London, 2000

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Signature of Author: _____

Allan Jaenicke
MIT Sloan School of Management

Certified by: _____

Dr. Otto Scharmer, Thesis Supervisor
Senior Lecturer, Organization Studies
MIT Sloan School of Management

Accepted by: _____

Debbie Berechman
Executive Director, MBA Program
MIT Sloan School of Management

Assessing Leadership Capacities in Societal Systems

By
Allan Jaenicke

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ABSTRACT

As a society we are overwhelmed with metrics that drive a specific type of behavior: Short-term improvements in externally observable phenomena, such as wealth, sales and costs. This applies at all levels of society, from the individual through to the systems that we are governed by. It causes individuals to pursue careers that cause irreparable harm to their personal relationships; corporations to focus on short-term profits instead of building long-term, sustainable businesses that serve society; financial systems to reach the point of collapse rather than evolve gracefully and so on.

To balance our focus on these short-term, often financial, metrics, we present an integrated approach to stimulating development of individuals, groups, institutions, and whole systems. We propose a framework that defines four modes of operating, across each of the four levels of aggregation, individual to system. We also propose a methodology for assessing the leadership capacities, both tangible and intangible, associated with operating in each of the four modes, and a social network approach to creating sustained, long-term engagement in development of these leadership capacities.

Our hypotheses are that adoption of this framework and assessment methodology will stimulate engagement in personal, group, institutional and system development, and that development of the leadership capacities defined will lead to significant and sustainable performance improvements in classical metrics over the medium- to long-term.

Thesis Supervisor: Dr. C. Otto Scharmer
Title: Senior Lecturer

TABLE OF CONTENTS

TABLE OF CONTENTS **3**

LIST OF FIGURES **6**

ACKNOWLEDGMENTS **7**

CHAPTER I: INTRODUCTION **8**

MOTIVATION 8

RESEARCH APPROACH 9

PROPOSITION 9

SHORTCOMINGS OF CURRENT FRAMEWORKS AND ASSESSMENT TOOLS 10

HYPOTHESIS 11

CHAPTER II: CONCEPTUAL FRAMEWORK **13**

MOTIVATION 13

A WORD OF CAUTION 13

FRAMEWORK OVERVIEW 13

The Entity Level *14*

The Operating ModeS *15*

The Leadership Capacities *16*

Summary *16*

THE ENTITY LEVELS 17

Individual *17*

Group *17*

Institutional *18*

System *18*

THE OPERATING MODES 19

Individual *19*

Group *20*

Institutional *21*

System *22*

THE LEADERSHIP CAPACITIES 22
Individual *23*
Group *23*
Institutional *23*
System *24*
SUMMARY 24
CHAPTER III: CAPACITY ASSESSMENT METHODOLOGY 25
OVERVIEW 25
MAPPING TO 360 SURVEY QUESTIONS 25
Overview *25*
Individual *26*
Group *28*
Institutional *29*
System *31*
MEASUREMENT ISSUES 32
VISUALIZATION OF 360 SURVEY RESULTS 33
Overview *33*
Example Individual Assessment *33*
Combined Graphics *34*
CREATING ENGAGEMENT 36
Social Networking and Gamification *36*
Applications To the Development of Leadership Capacities *37*
SUMMARY 38
CHAPTER IV: FINDINGS 39
EXPLORATORY FEEDBACK 39
INITIAL APPLICATION 39
Comparison Between Self-Assessment and Observed Behavior *39*
Comparison Between Students and Experienced Practitioners *40*
Comparison Between Students Based on Number of Leadership Courses Taken *41*

SUMMARY 42

CHAPTER V: CONCLUSIONS AND FURTHER RESEARCH 43

CONCLUSIONS 43

FURTHER RESEARCH 43

BIBLIOGRAPHY 44

LIST OF FIGURES

FIGURE 1 OVERVIEW OF THE FRAMEWORK 10

FIGURE 2 EXAMPLE VISUALIZATION FOR AN INDIVIDUAL 34

FIGURE 3 EXAMPLE VISUALIZATION FOR ALL FOR LEVELS: INDIVIDUAL, GROUP, INSTITUTION AND SYSTEM 35

FIGURE 4 TIME SPENT ON FACEBOOK VS. TOTAL INTERNET (U.S.) 37

FIGURE 5 REFERENCE DATA FOR MIT SLOAN STUDENTS 40

FIGURE 6 COMPARISON OF STUDENT AND PRACTITIONER SELF-ASSESSMENTS 41

FIGURE 7 COMPARISON OF MIT SLOAN STUDENTS BASED ON NUMBER OF LEADERSHIP COURSES TAKEN 42

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CHAPTER I: INTRODUCTION

Motivation

For almost a year I had been considering writing a thesis to gain more knowledge about 'leadership' and hopefully through my work produce some knowledge to contribute it back. "Let the thesis write you" was the single best piece of advice I received on how to approach this work. And so, starting with Dr. Scharmer's "Leading profound innovation for a more sustainable future" course at MIT Sloan, I ended up on a journey of personal development taking me as far afield as the wilderness of Baja California where I joined John P. Milton on a 'sacred passage' and learnt to let go. The advice received came true.

Metrics have captured my attention from an early age. From how tall I was to what grades I received at school. Measurement provided not only a means of comparing, but also an absolute scale based on which you could determine whether more effort was required. That which we measure we attend to. That which we attend to we improve.

As the CEO of a software company, the metrics I presented and discussed at monthly meetings of the Board of Directors had a discernable impact on behavior between meetings, as I knew what the ramifications would be if revenues were too low or outstanding payments too high. We paid attention to the metrics, focused on improving them and claimed success when we met targets.

Today, it is my strong belief that had we been conscious of the need, and had the means, to develop ourselves, our teams and the organization as a whole, we would have provided even better products to our customers and a higher return to shareholders.

It is for this reason I set out on this journey to create a metric that would provide balance to the classical short-term, financially oriented metrics. A universal metric that would capture and redirect, at least an appropriate share of, our attention to develop the capacities that are required for us to be better individuals, teams, organization and societies.

Research Approach

A qualitative approach was taken in this research, as the first step was to develop a framework of, and methodology for assessing, leadership capacities.

Proper quantitative research based on the framework would have required the completion of the framework and assessment methodology, followed by an initial assessment and an intervention to develop the leadership capacities being assessed and a final reassessment. Due to the short time period available, this quantitative research was therefore considered outside the scope of the thesis.

Instead we chose to test the assessment methodology by comparing the assessment results gathered from a group of students with the results gathered from a group of personal development practitioners with several years of professional experience, to confirm that our methodology, when applied to individuals, showed the expected difference in results.

Proposition

We propose an integrated framework for assessing leadership capacities, both tangible and intangible, across four levels of aggregation ranging from the individual to a societal system. Our framework defines

- 4 types of entities levels: Individuals, groups, institutions and systems.
- 4 modes of operating for each entity
- 3 leadership capacities required to operate in all modes

Entity Level

Mode of Operating	Individual	Group	Institutional	System	Capacity
1	Downloading An individual how is unable to recognize disconfirming data and therefore predominantly follows habitual patterns of action and thought	Conforming A polite, conflict avoiding group in which conforming takes precedence over adapting when the group's beliefs are questioned	Repeating A hierarchical, plan driven organization that tends to ignore changes in the environment and instead continues 'business as usual' for as long as possible	Controlling A monopolistic system where centralized power and planning are key coordination mechanisms	
2	Seeing An individual who is able to suspend judgement to attend to and inquire into data and viewpoints that challenge their own point of view	Confronting A tough talking, debating group that enables diverging voices to be hear, and where individuals engage in promoting and defending viewpoints they identify with	Reacting A loose hierarchical, market driven organization that delegates decision making towards the periphery to be responsive to the external environment	Competing A competitive system that relies on market forces to provide coordination within the system	Suspending
3	Sensing An individual moves into the context of the observed to see things from the perspective of others, and is able to see him/herself as part of the whole	Inquiring An empathic, dialoguing group that supports inquiry into viewpoints expressed to allow the group to reflect on a situation holistically	Relating A networked, consensus driven organization that shifts, rather than delegates, key powers towards and beyond the boundary of the organization	Orchestrating A competitive system augmented with mechanisms for multi-stakeholder negotiations to compensate for externalities	Redirecting
4	Presencing An individuals who attends based on a deep understanding of their authentic self, and is able to stay present, undistracted by experiences of the past and expectations of the future.	Presencing A group that forms a holding space in which members recognize their common ground, can let go of the past and connect the future that is wanting to emerge	Cultivating A peer relationship driven organization that creates a holding space for internal and external, self-organizing teams to co-inspire, co-create and co-evolve	Connecting A peer relationship system in which vertical coordination has been replaced by mechanisms for holding the space for collective co-sensing and co-creation of the emerging future	Letting Go

Figure 1 Overview of the framework

We also propose a methodology for assessing these leadership capacities through mapping the framework into a 360 survey for each of the four levels, and a methodology for developing these capacities based on a social network tool.

Shortcomings of Current Frameworks and Assessment Tools

Current frameworks have tended to focus on the tangible aspects of the individual leader, which ignore the collective as well as intangible dimensions. We believe that emphasis needs to be placed on developing the capacity to engage collectively in leadership roles and processes (McCauley et al., 1998.)

and that development of these capacities includes both tangible and intangible aspects, such as deeply held beliefs.

Similarly, current leadership assessment tools are often limited to assessing the individual and neglect the group, institution and system. Because of this, they fail to provide insights about the connection between the leadership capacities at all levels, from individual to the system, and to stimulate development at all levels.

Hypothesis

Much of our attention, whether it be at the individual, group, organizational or system level is drawn to improving aspects that can be observed empirically, the exterior dimensions defined in Wilber's four quadrant model (Wilber, 2007):

Interior Individual "I" Self and Consciousness	**Exterior Individual** "It" Brain and Organism
Interior Collective "We" Culture and Worldview	**Exterior Collective** "Its" Social Systems and Environment

Yet we believe that improvements on the exterior dimensions alone only offer marginal returns. One explanation offered by Keegan is that competing commitments get in the way of real change: Subconscious commitments prevent individuals from actually delivering on commitments made publicly (Kegan et al., 2009.) This is just one example of how neglecting the interior dimension can affect performance at all levels negatively. To enable change and achieve significant increases in performance, we therefore need to work on the internal dimensions of the individuals, groups, institutions and systems also.

Equipping the individuals, groups, institutions and systems with a means of not only engaging at a deeper and more meaningful level, but also to develop capacities that are a prerequisite for profound

change is key: We live in a rapidly changing environment and need to be able to be able to cope with change in some instances and lead change in others. However, engaging and maintaining interest in developing such capacities over a long time period is a key challenge: People tend to revert back to old habits as unlearning these in itself presents a significant obstacle. Without doing so however, profound change cannot be achieved.

Mode of Operating	**Change is**	**Generic Leadership Capacity Required to Operate in this Mode**
1	Impossible	None
2	Incremental	Suspending
3	Significant	Redirecting
4	Profound	Letting go

Our hypotheses are that adoption of the proposed framework and assessment methodology will stimulate engagement in personal, group, institutional and system development, even in scenarios where interventions only have impact over the medium- to long-term, and that development of the leadership capacities defined will lead to significant and sustainable performance improvements based on traditional metrics over the medium- to long-term.

CHAPTER II: CONCEPTUAL FRAMEWORK

Motivation

The framework serves two important functions. Firstly, by defining the modes of operating and the capacities required to operate in each mode, we can enter into a dialogue that stimulates awareness and development of the capacities. Secondly, as a scale of measurement it allows us to measure the current level of competence, monitor progress towards goals, and compare different subjects.

A Word of Caution

We have tried to simplify the framework to the extend possible, which inherently hides a lot of depth and complexity. One particular dimension of complexity is worth mentioning here: Although the framework spells out a set of modes for each entity, it should be noted that each entity might have multiple identities, each operating in different modes in their respective contexts.

For example, an individual may adopt a specific social identity for each group she/he is operating in (Hogg, 2000.) A similar concept appears to hold true for groups, institutions and systems, although no research was found on this topic.

Framework Overview

The framework describes four entity levels, each with four modes of operating and three leadership capacities required to operate at the levels 2-4.

THE ENTITY LEVEL

The framework describes the following four entity levels: The individual, the group, the institution and the system.

Individual	**Group**	**Institutional**	**System**
How the individual attends to the world	How the group converses	How the institution organizes	How the system coordinates activities

At the level of the individual we are concerned with how the individual attends to the world he/she lives in. Development here involves shifting the individual's way of attending from acting and responding based on habitual patterns to attending and staying present with each moment as it unfolds, unencumbered by experiences of the past and expectations of the future.

At the level of the group, the key is how the group converses. Although groups are made up of individuals, who all bring individual capacities to the table, individuals take on different identities in different groups and may therefore converse differently in each of those groups. Hence it is important to separate the development of the individual and the development of the groups. We may in fact find a low correlation between the modes in which individuals and the group as a whole operate. At the group level, development focuses on shifting the mode of conversing from conforming with group norms to conversing based on a collective connection to the emerging future.

At the institutional level, we focus on the way in which the institution organizes itself in relation to internal and external stakeholders. From an organization development perspective, we are interested in evolving organizations to a level in which they can rapidly adapt to changes in their context and from a societal perspective, we have an interest in helping organizations to develop in a direction in which they engage at a deeper level than simple wealth accumulation. Hence the challenge here is to expand the organizations repertoire of organizing from the level of repeating standard operating procedures, through to engaging in collective value creation and value capture in an ecosystem.

At the system level, we focus on how the system coordinates activities between institutions, groups and individuals. Systems come in a variety of guises, including for example systems of government and economic systems. The development required here, is to expand the modes in which a systems can operate from a 'command and control' mode through to a 'connecting' mode where stakeholders engage in collective awareness based collaborative delivery.

THE OPERATING MODES

Our framework describes four modes of operating:

Mode of Operating	**Individual**	**Group**	**Institutional**	**System**
1	Downloading	Conforming	Repeating	Controlling
2	Seeing	Confronting	Reacting	Competing
3	Sensing	Inquiring	Relating	Orchestrating
4	Presencing	Presencing	Cultivating	Connecting

In the first mode, entities lack self-awareness and are therefore unable to change.

By gaining consciousness of their habitual way of operating, entities can operate in mode 2. At this level they have gained the ability to change incrementally by revising their internally held beliefs and standard patterns of response.

At the third level, entities have gained consciousness of the fact that they are part of the larger system, enabling them to adapt the perspective of other stakeholders and engage with these empathically.

The fourth level describes the ultimate inner state where a realization of the interconnectedness of all is achieved. This enables change at a much more profound level. Patterns of engagement change from being based on a perceived need to protect their own identities to being based on a sense of infinite opportunities for growth and change.

THE LEADERSHIP CAPACITIES

The framework describes three generic leadership capacities associated with operating in the higher modes (Scharmer, 2009)

	Individual	**Group**	**Institutional**	**System**
Capacity	Attending	Conversing	Organizing	Coordinating
Suspending				
Redirecting				
Letting Go				

Each of the generic leadership capacities, suspending, redirecting and letting go, are re-interpreted for each of the entity levels to describe their meaning more precisely, see below.

It should be emphasized that these are leadership capacities that apply to every individual, every group, every institution and every system in society. These are leadership capacities required to have positive impact at any level, whether in ones personal life, as a member of a group, as an employee, manager, or leader of a firm or societal system.

SUMMARY

In summary, the complete framework is visualized below.

Mode of Operating	**Individual (Attending)**	**Group (Conversing)**	**Institutional (Organizing)**	**System (Relating)**
1	Downloading	Conforming	Repeating	Controlling
	Suspending			
2	Seeing	Confronting	Reacting	Competing
	Redirecting			
3	Sensing	Inquiring	Relating	Orchestrating
	Letting Go			
4	Presencing	Presencing	Staging	Connecting

The Entity Levels

INDIVIDUAL

Numerous frameworks exist that attempt to capture leadership capacities (Bolden et al., 2003.) One example is the Four Capabilities Leadership Framework developed at MIT Sloan. This framework integrates four components of leadership: Sensemaking, relating, visioning and inventing.

Most of these frameworks however focus on external behaviors of the individual, rather than the interior condition. Our proposed framework differs on that dimension: Although most people have the ability to engage in activities such as sensemaking, relating, visioning and inventing, the quality of the output derived from these activities will be highly dependent on the mode of attending of the individual. We are therefore concerned with measuring and developing the individual's mode of attending as this has a first order impact on the person's contribution to the collective leadership.

GROUP

Similarly to the individual level, multiple frameworks exist that target the group level. Again, these frameworks tend to focus on the externally visible behaviors of the group, rather than their underlying causes. For example, the X-Teams framework developed at the MIT Leadership Center focuses on external activities, relationships with outsiders, a tiered team structure, flexibility of membership and mechanism for execution. Although these clearly are very important, the framework's singular focus on the exterior, in our opinion, neglects a key driver of team performance, namely how the team members engage through conversation.

INSTITUTIONAL

Various approaches to rating and ranking institutions also exist. For example Vault, which provides employee based ranking along various dimensions, targeting job seekers evaluating prospective employers. Development focused tools also exist, such as the Cultural Transformation Tool provided by Barrett Values Centre (Barrett, 2006), which provides a means of assessing the current and desired culture of an organization.

Our focus here is slightly different: We look at the way in which the institution organizes itself and the leadership capacities enabling different modes. From an organization development perspective, we are interested in evolving organizations to a level in which they can rapidly adapt to changes in their context and from a societal perspective, we have a requirement for organizations to develop in a direction in which they engage at a deeper level than simply accumulating wealth. Hence the challenge here is to shift organizations from predominantly operating in the mode of 'repeating' standard operating procedures, to contributing to collective value creation and value capture in an ecosystem.

SYSTEM

At the system level, we have found no comparable framework that deals with systems in all their various guises, including for example systems of government and economic systems.

The framework defines the modes of coordinating the activities of institutions, groups, and individuals, ranging from a 'command and control' approach to a 'connecting' approach where stakeholders engage in collective awareness based collaborative delivery.

INDIVIDUAL

We define the 4 modes in which individuals attend, based on the model proposed in Theory U (Scharmer, 2009):

'Downloading' is a way of attending in which the individual follows habitual patterns of action and thought irrespective of stimuli received. An inability to change her point of view or respond in a non-habitual way when presented with data that contradicts deeply held beliefs is a telltale sign of an individual operating in 'download' mode.

The 'seeing' individual has learnt to suspend judgment, enabling the individual to disable perceptual filtering and see things with fresh eyes. Pausing first to observe, inquire and clarify, and explicitly recognize disconfirming data are typical behavioral patterns that can be observed in individuals operating in this mode.

The 'sensing' individual immerses himself intellectually and emotionally in a context, and is able to redirect attention to observe his own role and actions as a part of the current whole. Literally putting himself in the shoes of others and exhibiting emphatic behaviors are indicators of an individual attending at this level.

The 'presencing' individual is able to remain attentive to the present moment, undistracted by past experiences and expectations of the future, enabling herself to sense the future that wants to emerge and bring it into existence. She has a deep understanding of her authentic self and the interconnectedness of all there is, a concept explored and described in different ways by most of our ancient wisdom traditions. Telltale signs of such an individual include a dedication to practices that help her cultivate this awareness and connection, such as meditation.

GROUP

We define the 4 modes of conversing in a group as follows, based on the model proposed in Theory U (Scharmer, 2009):

The 'conforming' group is a polite, conflict-avoiding group in which individuals engage cautiously out of fear of repercussions resulting from diverting from group norms. Dominance of explicit or implicit protocols and absence of open expression of individual opinions are telltale signs.

The 'confronting' group is a tough talking, debating group in which individuals predominantly engage in promoting and defending their personal viewpoint. Individuals engaging intellectually and strongly identifying with their point of view are trademarks of this type of group. When operating at this level, multiple viewpoints are voiced, typically improving group decision-making compared to the 'conforming' group by offering a choice set of possible solutions.

The 'inquiring' group is an empathic, dialoguing group that engages in inquiry into the individual viewpoints being expressed to allow the group to reflect on them from the perspective of the whole. A focus on engaging both intellectually and emotionally, and asking questions to clarify statements made by others is typical in this type of group. When operating at this level, a deeper, more objective examination of viewpoints divorced from the identity of individuals typically allows the group to jointly develop a better solution.

The 'presencing' group is a holding space in which members can let go of past identities and barriers in order to connect with a deep sense of shared purpose and understanding of the future that wants to emerge. The ability to engage in stillness, reveal deep personal experiences and engage collectively with the emerging future is typical in this type of group. When operating at this level, the group enables its members to overcome their attachment to their individual identities by creating a shared field, free of individual blockages, in which to engage in discovering and manifesting truly profound solutions.

INSTITUTIONAL

We define the four modes of organizing the institution below. These are inspired by Theory U as well as Malone, who proposes that the spectrum for decision-making systems ranges from centralized hierarchies, to loose hierarchies, democracies and finally (internal) markets (Malone, 2004.)

The 'repeating' organization is a hierarchical, plan driven organization that predominantly focuses on achieving operational efficiency and/or conformity through central control. The centrally defined plan and operating procedures are typical symbols of this type of organization, enabling high levels of efficiency and consistency but presenting real challenges when the institutions is faced with changes in the environment and needs to adapt.

The 'reacting' organization is a loose hierarchical, market driven organization that predominantly focuses on being responsive to the external environment through delegation of decision making towards the boundary of the organization. Sensemaking and decision making at the boundary of the organization that enable it to respond to the requirements and incentives of the external environment are telltale signs of this type of organization.

The 'relating' organization is a networked, consensus driven organization that predominantly focuses on shifting, rather than delegating, key powers towards and beyond the boundary of the organization. Mechanisms for voting on key strategic decisions and the election of senior executives are typical indicators of how the institution shifts power internally. Outsourcing of key business activities is an example of how the institutions shifts power beyond the boundary.

The 'cultivating' organization is a peer relationship driven organization that predominantly focuses on creating a holding space for internal and external stakeholders to co-inspire, co-create and co-evolve. Absence of hierarchy combined with presence of shared processes for collective sensemaking, visioning, innovating and producing throughout and beyond the organization are trademarks of this type of organization.

SYSTEM

We define the four modes of coordinating in a system as follows, based on Theory U (Scharmer, 2009):

The 'controlling' system is a monopolistic system where centralized power and planning is used to coordinate activities within the system. Lack of competition and market mechanisms are telltale signs of this type of system.

The 'competing' system is a system that relies on competitive markets to provide coordination between entities. The presence of multiple entities competing for dominance and the belief that markets can address negative externalities are trademarks of this system.

The 'orchestrating' system is a system that complements competitive markets with mechanisms for linking, aligning and orchestrating multiple stakeholder rationalities, to compensate for externalities. The presence of forums that facilitate cross-sector coordination and non-governmental organizations representing specific stakeholder groups are common symbols of such a system.

The 'connecting' system is a system where vertical coordination has been replaced by mechanisms for holding the space for coordinating based on peer relationships and collective awareness. Engaged stakeholders that co-sense and co-create the emerging future of the larger whole is an indicator of such a system.

The Leadership Capacities

Having defined the modes of operating, we now go on to define more precisely the leadership capacities associated with operating in modes 2, 3 and 4, for each of the entity levels.

INDIVIDUAL

For the individual, the following three leadership capacities are associated with attending in mode 2,3 and 4 respectively:

1. The capacity to suspend judgment to attend to disconfirming data
2. The capacity to listen empathetically to redirect attention to see the situation from the perspective of others
3. The capacity to let go of the past to stay present with the future that is emerging in the now

GROUP

For the group, the following three leadership capacities are associated with conversing in mode 2, 3 and 4 respectively:

1. The capacity to suspend conforming to enter into debate
2. The capacity to shift debate into dialogue to redirect attention to see the situation from the whole
3. The capacity to provide a holding space for the group to let go of past identities and barriers to connect to the future that is emerging in the now

INSTITUTIONAL

For the organization, the following three leadership capacities are associated with organizing in mode 2,3 and 4 respectively:

1. The capacity to suspend central control and delegate decision making towards the periphery

2. The capacity to shift key powers towards and beyond the periphery and to redirect attention to see the work of the institution from the whole
3. The capacity to let go of vertical control and instead provide a holding space for self-organized stakeholders that reflect the eco-system as a whole

SYSTEM

For the system, the following three leadership capacities are associated with coordinating in mode 2, 3 and 4 respectively:

1. The capacity to suspend hierarchical authority to enable market based coordination
2. The capacity to redirect attention to see the impact of the system from the whole to allow externalities to be addressed
3. The capacity to let go of vertical coordination and instead provide a holding space that connects peers that co-sense and co-create the emerging future of the larger whole

Summary

We have described in detail the four modes of operating that apply to each entity level and the three leadership capacities associated with operating in mode 2, 3 and 4. This set of modes of operating and leadership capacities form our framework.

CHAPTER III: CAPACITY ASSESSMENT METHODOLOGY

Overview

With the framework defined, giving us a scale to measure on, we now turn to the question of how to assess. As a starting point we defined the following design challenges:

- Key challenge 1: Translating the framework into practical, accessible and indicative questions for use in assessing all 4 types of entities
- Key challenge 2: Designing an approach for collecting the data and visualizing the results
- Key challenge 3: Designing an approach that combines both measurements over long time horizons with measurements that are closer to real-time to encourage engagement

In the following sections we outline how the framework is mapped to a set of questions that can be delivered in the form of a 360 assessment. However, to create the sense of engagement we are looking for, we need to go beyond the traditional 360 assessment, as such assessments cannot be carried out frequently enough and are generally not considered engaging. We therefore outline how, in addition to the 360 surveys, a social network tool can be constructed that stimulates such engagement.

Mapping to 360 Survey Questions

OVERVIEW

To carry out a leadership capacities assessment, we map the framework onto two sets of questions for each entity level. The first set is worded as a self-assessment, the second set is written for observers.

For the self-assessment, the entity being assessed is asked to rate their level of competence, based on the "Four Stages of Learning" posited by Maslow:

(Un)aware: (Un)conscious of the concept, unable to apply it.

Learning: Conscious of the concept, can apply it with sufficient effort.

Refining: Conscious of the concept, can apply it with little effort, even under pressure.

Mastering: Can apply the concept unconsciously

For the assessment by stakeholders, behaviors associated with each of the four modes of operating will be assessed. Stakeholders are asked to rank the frequency at which the entity operates in a certain way:

Never operates this way

Sometimes operates this way

Often operates this way

Always operates this way

By combining the results from these two types of assessments we can identify discrepancies between the espoused capacities and observed behavior, which amongst other things would indicate lack of self-awareness.

INDIVIDUAL

Self-Assessment

Questions relating to the self-assessment of individuals:

Capacity	**Question**
Capacity to suspend judgment to attend to disconfirming data	When confronted with information that contradicts your own beliefs, how competent are you in suspending your habitual reaction in order to inquire into the viewpoint or data that challenges your own view?
Capacity to redirect attention to	When under pressure and faced with a complex situation, how

listen empathically	competent are you in listening empathically to others in order to see the situation through their eyes?
Capacity to let go of the past and connect to the source of your emerging future and self	When under pressure and affected by change, how competent are you at letting go of the past and staying present with what wants to emerge in the now?

External Assessment

Questions relating to the observer assessment of individuals:

Mode of Attending	**Question**
Downloading	When confronted with information that contradicts his/her own beliefs, does he/she ignore the contradicting information and draw conclusions based on habitual patterns of thought?
Seeing	When confronted with information that contradicts his/her own beliefs, does he/she display an ability to accept the disconfirming information and to suspend habitual reactions in order to inquire into the viewpoint or data that challenges the dominant view?
Sensing	When faced with a complex situation, is he/she able to continue to listen empathically to others in order to see things through their eyes?
Presencing	When affected by change, is he/she able to let go of the past and stay present with what wants to emerge in the now?

GROUP

Self-Assessment

Questions relating to the self-assessment of groups:

Capacity	**Question**
Capacity to suspend conforming in order to articulate different views	When confronted with information that calls into question the group's beliefs, how competent is the group at suspending the norm of conforming and to shift into a discussion that enables members to voice their viewpoints openly?
Capacity to redirect attention to shift a debate into dialogue	When faced with a complex situation, how competent is the group at engaging in a dialogue that allows the members to inquire into differences and to see their situation from the whole?
Capacity to let go of the past to connect to the source of the emerging future	When affected by change, how competent is the group at providing a holding space for members to let go of past identities and barriers in order to connect to the future that wants to emerge?

External Assessment

Questions relating to the observer assessment of groups:

Mode of Conversing	**Question**
Conforming	When confronted with information that calls into question the group's beliefs, is the group paralyzed by the need to conform

	and unable to take in new views and adapt?
Confronting	When confronted with information that calls into question the group's beliefs, does this group succeed in enabling diverging voices to be heard?
Inquiring	When faced with a complex situation, does this group engage in a dialogue that allows different views to be articulated, heard and inquired, and to reflect on the situation holistically?
Presencing	When affected by change, is this group able to provide a holding space for its members to let go of past identities and barriers, in order to connect to the future that is wanting to emerge?

INSTITUTIONAL

Self-Assessment

Questions relating to the self-assessment of institutions:

Capacity	**Question**
Capacity to suspend 'business as usual' and decentralize	When affected by a change in its environment, how competent is the institution at delegating decision making to periphery of the organization, where the changes are most fully experienced?
Capacity to redirect power towards and beyond the periphery	When core business decisions are at stake, how competent is the institution at relinquishing and shifting power towards and beyond the periphery?

Capacity let go of hierarchical control to empower self-organizing teams	When faced with engaged stakeholders, how competent is the institution at letting go of hierarchical control and instead provide a holding space for self-organizing teams that reflect the eco-system as a whole?

External Assessment

Questions relating to the observer assessment of institutions:

Mode of Organizing	**Question**
Repeating	When affected by a change in its environment, does the institution ignore the changes and continue 'business as usual'?
Reacting	When affected by a change in its environment, does the institution delegate decision making to periphery of the organization, where the changes are most fully experienced?
Relating	When core business decisions are to be made, does the institution relinquish and shift power towards and beyond the periphery for those decisions to be made there?
Cultivating	When faced with engaged stakeholders, does the institution let go of hierarchical control and instead provide a holding space for self-organizing teams that reflect the eco-system as a whole?

SYSTEM

Self-Assessment

Questions relating to the self-assessment of systems:

Capacity	**Question**
Capacity to suspend authoritarian control and implement regulation, markets and competition	When stakeholders demand change, how good is the system at adopting regulation, markets, and competition in order to coordinate the system as a whole?
Capacity to redirect power to networks of stakeholders	When confronted with the impact of externalities, how competent is the system at inviting, linking, aligning and orchestrating multiple stakeholders' interests to address the issue?
Capacity to let go of vertical coordination and hold the space for peer relationships	When faced with engaged stakeholders, how competent is the system at letting go of vertical coordination and instead provide a holding space for peer relationships among stakeholders in order to co-sense and co-create the emerging future of that larger whole?

External Assessment

The set of questions relating to the observer assessment of systems:

Mode of Coordinating	**Question**
Controlling	When challenged by stakeholder demands for change, does that system revert back to old, centralized and vertical ways of

	coordinating?
Competing	When challenged by stakeholder demands for change, does the system make use of markets and competition in order to develop the most effective response?
Orchestrating	When confronted with the impact of externalities, does the system engage in linking, aligning and orchestrating multiple stakeholders' interests to address the issue?
Connecting	When faced with engaged stakeholders, does the system let go of vertical coordination and instead provide a holding space for peer relationships among stakeholders in order to co-sense and co-create the emerging future of that larger whole?

Measurement Issues

Although the survey questions listed above to the extent possible have been worded using very generic language, our assessment methodology is not immune to individuals providing inaccurate assessments. Unaware and unskilled individuals for example have a tendency to overestimate their own competence, whereas skilled individuals have a tendency to underestimate their competence (Kruger, 1999.)

In addition, we need to be aware of three types of change in measurements when assessing leadership capacities over time (Hartley 2003):

- Alpha changes are changes in the measured domain, which stays constant in its scale, as a result of concrete improvements.

- Beta changes are changes in the domain, based on the scale being recalibrated by the respondent as a result of feedback about their performance in the domain.

- Gama changes are changes in the way the respondent views the construct underlying the measure as a result of increased awareness of the depth of the domain.

Positive alpha changes indicate that the intervention is having the desired effect. Positive beta changes indicate that self-awareness has increased. Positive gamma changes indicate that awareness of the domain has increased. All of these are positive changes. Follow-on assessments should therefore explicitly qualify the cause of the change, or lack thereof, in competency rating and adjust earlier results to arrive at the true delta between two assessments.

Visualization of 360 Survey Results

OVERVIEW

To visualize the results from the 360 surveys we designed a set of graphics that enable a comparison between the self-assessment and the external observer assessment, as well as a comparison with a reference on both those dimensions.

EXAMPLE INDIVIDUAL ASSESSMENT

The graphic below depicts the results of an assessment of an individual. The individual reported that he/she was at the 'learning' competency level in the 'suspending' and 'redirecting' capacity, but unaware or unskilled in the 'letting go' capacity.

The reference, which could for example be all colleagues of the individual, on average report that they are at the 'refining' level for 'suspending', and at the 'learning' level for both 'redirecting' and 'letting

go'. This indicates that the individual is behind in terms of developing the 'suspending' and 'letting go' capacities, relative to the reference.

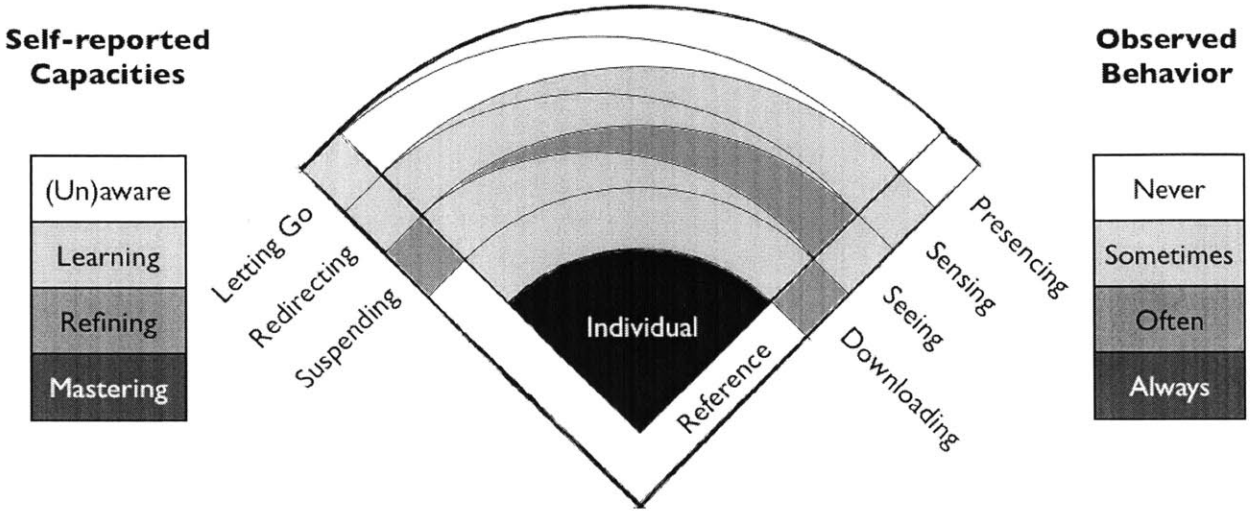

Figure 2 Example visualization for an individual

External observers reported that this individual often is attending in the 'seeing mode and only sometimes in 'downloading' and 'sensing', but never in 'presencing' mode. This indicates that the individual is underestimating their capacity to 'suspend'.

The individual is also comparing favorably to the reference in terms of observed behavior. Whereas the reference often is observed to be 'downloading', the individual is less often attending in this mode. Instead the individual often attends in 'seeing' mode, which is only observed sometimes in the reference.

COMBINED GRAPHICS

For displaying a combination of individual and group assessment results, or institution and system results, the graphics can be combined as shown below.

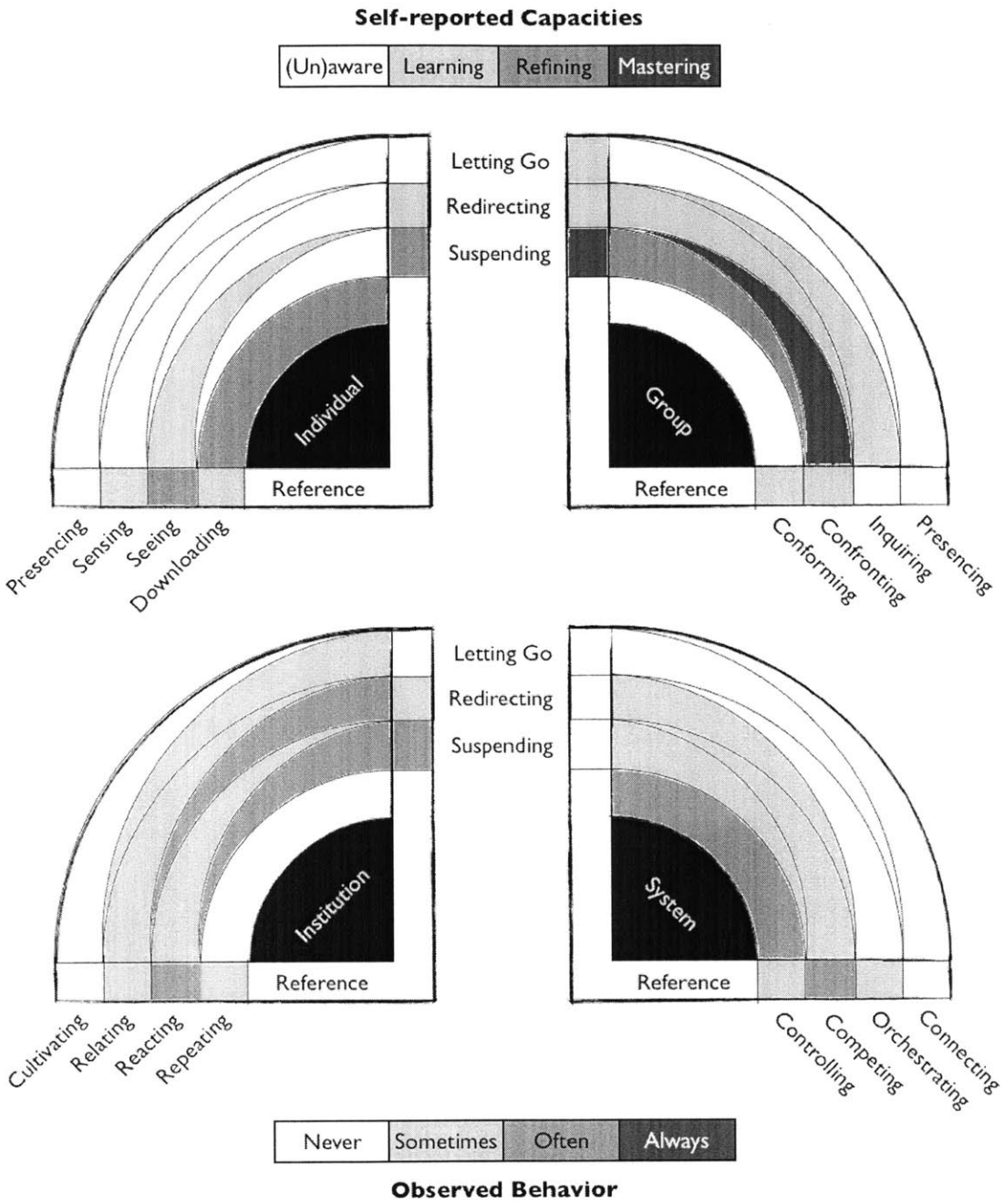

Figure 3 Example visualization for all for levels: Individual, group, institution and system

Let us emphasize that to fully develop the leadership capacities described requires long-term engagement, even though results may start to show in the short-term. This makes the 360 surveys useful, as although they require a fair amount of effort to complete, they do not have to be used very frequently.

This however leads to the question of how to create and sustain engagement over a long time period. Our proposition is to adopt social networking and gamification technology to achieve this. We will briefly outline the concept below.

SOCIAL NETWORKING AND GAMIFICATION

Most of us are intimately familiar with social networking technology. Websites such as Facebook, LinkedIn and Twitter have become part of most people's lives over the last few years.

Social networking is a technology that enables us to connect with our peers in a way that has proven to be very engaging. In 2010 comScore MediaMetrix released data showing that Facebook rapidly has taken the first place amongst websites with respect to time spent.

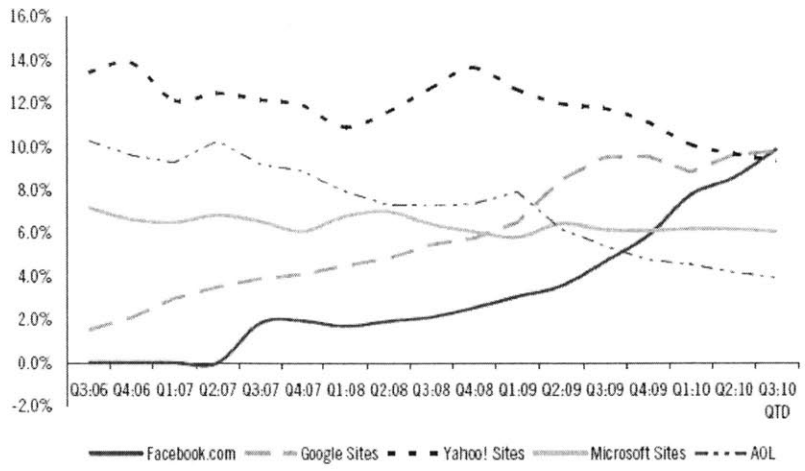

Figure 4 Time spent on Facebook vs. Total Internet (U.S.)

Similarly, by incorporating game mechanics, such as rewards, status and levels into websites, gamification has the potential of delivering sticky, viral and satisfying end-user experiences (Zicherman et al., 2011.)

Recent combinations of social networking and games have illustrated the potential: Rovio, developers of the Facebook game 'Angry Birds' reported that gamers spend 200 million minutes each day playing the game (Bloomberg, 2011.)

APPLICATIONS TO THE DEVELOPMENT OF LEADERSHIP CAPACITIES

We believe that the one approach to creating and sustaining long-term engagement in developing the leadership capacities outlined, especially at the individual and group level, would be to utilize social networking tools that incorporate game mechanics.

This approach would be complementary to the infrequent 360 surveys. The 360 surveys provide a snapshot of the current state, which can be used for comparison and high-level decision-making. The social network game approach on the other hand provides a tool that can be used daily to track progress against a much more fine grained and personalized set of targets.

Summary

We have described in detail how the framework maps to a set of 360 survey questions that enable us to assess the individual, group, institution and system. We have also discussed key measurement issues relating to lack of self-awareness and awareness of the depth of each of the leadership capacities being assessed. In addition an approach to visualizing the results from the 360 surveys was presented.

Finally, an approach to stimulate and sustain long-term engagement in developing the leadership capacities, by means of social networking technology combined with gaming technology was outlined.

CHAPTER IV: FINDINGS

Exploratory Feedback

To evaluate the framework and 360 surveys, we exposed our work to academics, practitioners and executives linked to the Presencing Institute and Integral Coaching Canada. The feedback was overwhelmingly positive, with suggestions for minor modifications and changes.

One concern raised is that 360 evaluations sometimes do not create the change that was hoped for. We believe that this issue is best addressed by integrating the assessment into existing processes and development programs, as they will have little impact on their own. Furthermore, the 360 assessments are too infrequent and should be complemented with ongoing approaches to giving both qualitative and quantitative feedback, such as the social network approach outlined above.

Another topic raised was that of assessing untapped potential that may exist in identities other than the one adopted in the context being assessed. For example, how do we evoke the full potential of an individual who adopts a certain identity at work that does not enable him/her to apply all his/her capacities in the work context? Again, such questions have to be addressed in the larger context of engaging individuals in developing themselves.

Initial application

To validate the assessment methodology we surveyed and compared the results obtained from a group of MIT Sloan students and a small group of Canadian integral coaching practitioners.

COMPARISON BETWEEN SELF-ASSESSMENT AND OBSERVED BEHAVIOR

The result of the MIT Sloan individual self-assessments and observed behaviors is shown in the reference fields below.

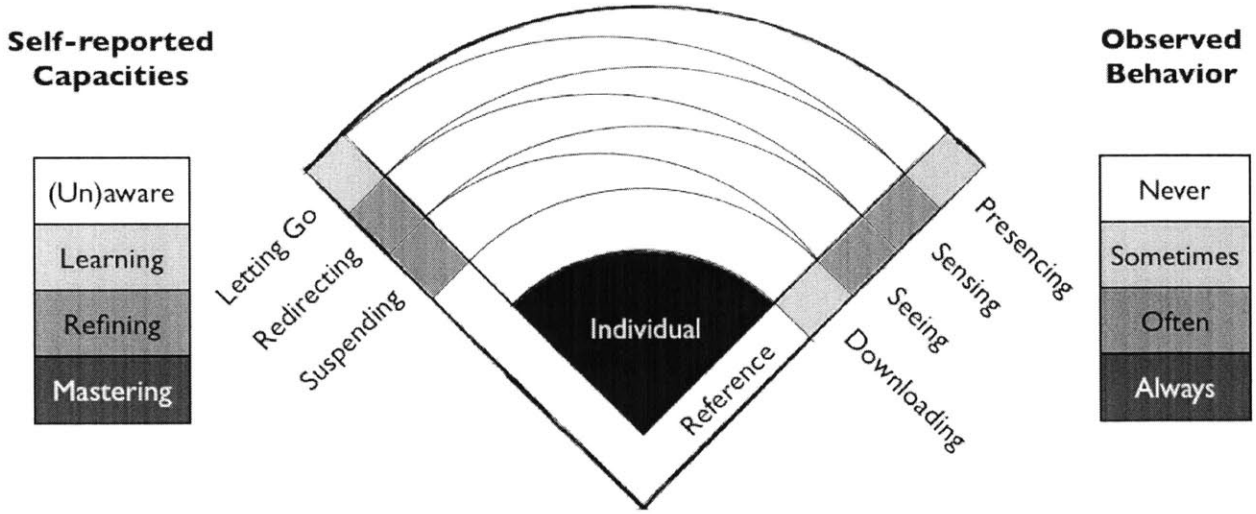

Figure 5 Reference data for MIT Sloan students

This result indicates that on average, individual's self-assessment corresponds to observed behavior, confirming that the self- and observer assessments are calibrated correctly.

COMPARISON BETWEEN STUDENTS AND EXPERIENCED PRACTITIONERS

We then compared the student self-assessment scores to the scores of practitioners with several years of experience in personal and organizational development.

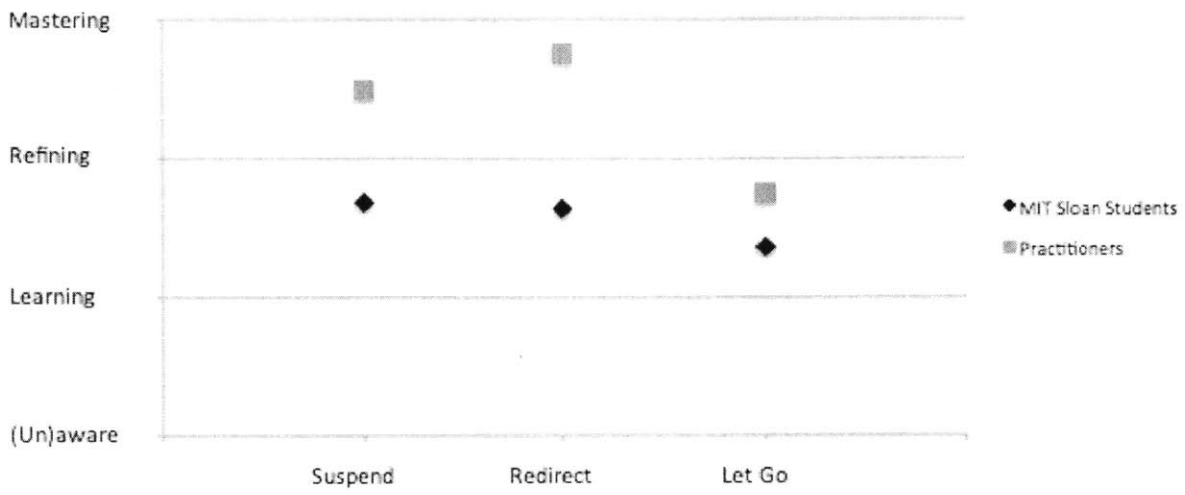

Figure 6 Comparison of student and practitioner self-assessments

The assessment results indicate, as expected, that the seasoned practitioners score higher on their self-assessments. This gives us some confidence that the assessment has been worded in such a way that even people unfamiliar with the topic assess themselves lower than expert practitioners in the field.

COMPARISON BETWEEN STUDENTS BASED ON NUMBER OF LEADERSHIP COURSES TAKEN

Lastly, we split the data set into two groups based on the number of leadership courses the student had taken at MIT Sloan: Those who had taken 0 or 1 leadership development courses and those who had taken 2+ courses. The difference between the two groups was small. On average, students in the first group rated themselves slightly higher in 'suspending' but slightly lower in 'redirecting' and 'letting go' capacities. As the differences are small, we conclude that these leadership capacities currently are not being developed.

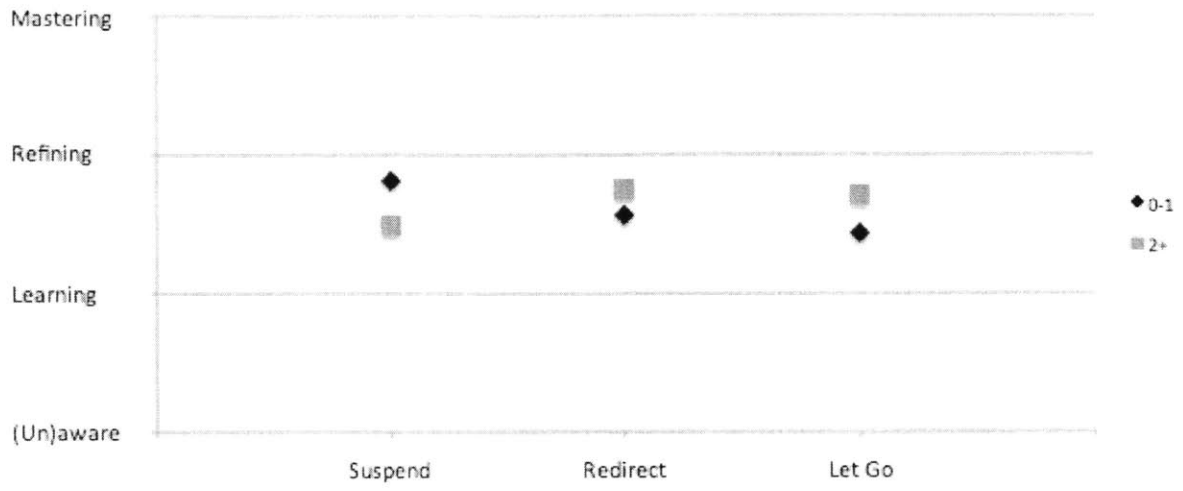

Figure 7 Comparison of MIT Sloan students based on number of leadership courses taken

Summary

Based on the framework, we have defined two sets of questions, one worded as a self-assessment, the other for use by external observers, that can be used in a 360 assessment of either an individual, group, institution or system. We have also designed graphics for use in visualizing and communicating the results of these assessments.

The assessment methodology has been validated by means of qualitative feedback from practitioners as well as quantitatively through carrying out a small-scale assessment on students and a set of personal and organizational development practitioners. Both approaches have validated the assessment methodology.

CHAPTER V: CONCLUSIONS AND FURTHER RESEARCH

Conclusions

We have presented a framework that defines four modes of operating across four levels of aggregation ranging from the individual to a societal system, as well as three leadership capacities associated with three of the four modes of operating. The qualitative feedback on the framework from practitioners has been overwhelmingly positive.

In addition, we have presented an assessment methodology building on the framework that allows us to assess an entity's level of competency in each leadership capacity. Based on initial applications of the assessment, we conclude that the assessment performs as expected when applied to individuals.

Further Research

To further validate the framework, the assessment should be carried out on a larger set of individuals, as well as tested on groups, institutions and systems.

In addition, research that establishes the impact of measuring and providing feedback on competence in the three leadership capacities should be carried out.

Longitudinal research to establish the magnitude of change in self-assessment scores as a result of feedback on performance in the domain and increased awareness of the depth of the domain should also be carried out.

Lastly, we outlined an approach to sustaining long-term engagement in development of the leadership capacities by utilizing social networking technology combined with gaming technology and call for more experimentation with this approach to establish whether there is any validity to our claims.

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