Dear Friends:

It is wonderful to share with you the latest issue of the Mobius Strip, our newsletter for organizational development professionals interested in the intersection of inner life and leadership work. This emerging field of transformational leadership draws on content from the domains of psychology, somatics, ontology, philosophy, cultural anthropology, mythology and includes practices related to the cultivation of mindfulness, accountability, emotional intelligence and optimism, innovation, inclusion and dialogue, interpersonal skills, organizational learning, systems thinking and adaptive leadership. All of this in the service of helping our clients create high performance and unleash organizational potential and renewal.

We’ve just completed a five day train the trainer in these domains attended by our global cadre of practitioners. It was remarkable to see how wide reaching the network has become and to have a reason to further consolidate the vast array of client curriculum we have developed over the five years of the Mobius enterprise.

The week was a rich and inspiring time together with nuanced conversations about the leadership domains in which we are all working: enhancing self-authorship and personal mastery; interpersonal skills such as negotiation, influence skills, decision making and handling difficult conversations; fostering organizational learning and helping senior executives increasingly called to manage fast paced change and lead in ambiguity. As we often do in our client facing leadership programs we integrated expressive arts and mindfulness practices including meditation, yoga, movement, vocal coaching, storytelling, leadership presence work and ritual. In client programs we integrate these elements, and other types of “new practices” to help develop embodied leadership, executive presence and enhance mindfulness.

There is a photo of the gathering towards the end of this issue. Let me pause to thank the core faculty who offered their expertise to help with this community event: Erica Ariel Fox, Bernardus Holtrop, Alex Kuilman, Andrea Borman, Hendrik Backerra, Anne Gottlieb, Claude Stein, Mark Thornton, Priya Parker and our friend and colleague Johanne Lavoie. It was a pleasure to once again have a chance to interweave our teaching and myriad methodologies into a cutting edge leadership offering.

As we head into the new school year let me close by inviting you to join us for a special professional development event this Fall. We will be hosting a webex featuring our friend Scott Keller who is a Director in the Southern California office of McKinsey & Company and leads its transformational change practice in the Americas. We’d love to have you with us for this session and encourage you to invite others in your networks to join as well. His new book, Beyond Performance, is excerpted within this issue of the Strip.

Wishing you a wonderful Fall and harvest season.

Amy Elizabeth Fox

Amy
The Consortium In Action

Over the last five years Mobius has grown its own global network of coaches and facilitators to where it is now over three hundred professionals interested in transformational leadership work. Although we operate mostly in North America and Europe we are increasingly being asked to provide programs all over the world and just completed a wonderful training by Carole Kammen and Alex Kuilman for a group of facilitators in China. Our ability to grow exponentially and to serve clients in this way is made possibly by operating as a new kind of networked organization. We are very excited by the idea that although we are a diffuse network of professionals who are engaged in Mobius together, and many other enterprises each of us independently, we can continually step in to serve clients with shared models of adult development, leadership curriculum, and core values. Over time we have emerged a methodology for how to impact hearts and minds as well as encourage sustainable behavior change. This newsletter, along with ongoing supervision groups, training experiences, our annual summer gathering (photos in this issue) help to foster a far-reaching sense of connection and autonomy both.

From the start we have believed that it was vital to operate in a cross-model, cross-boundary manner. We believe the innovative ideas that are at the frontier of our practice can only be incubated by a wide intellectual exploration. As a result we have been involved in discussions with neuroscientists and quantum physicists such as Brian Swimme and Srin Pillay (who has an article herein), environmental thinkers such as Stuart Cowan and Katy Langstaff, and myriad expressive artists including photographer Bill Tipper (sample work herein) and pantomime artist Samuel Bartussek and dancer Priya Parker (article herein as well). We are also proud to have a transformational faculty that includes Robert Gass, Anne Gottlieb, Claude Stein, Mark Thornton, and other leading edge teachers.

Equally vital we have formed relationships with other organizations helping to develop and deepen the work of transformation. These include but are not limited to best practice organizations such as Action Science, Cambridge Leadership Associates, the Society for Organizational Learning, and the Kantor Institute. We are proud to include in this issue of the Mobius strip an excerpt from the most recent book by Action Science founder and team dynamics thought leader Diana Smith.

We have been working as well with other innovating organizations such as Wealthbridge, bringing leadership work to family owned businesses; AtKisson and Associates, bringing sustainability focused offerings to companies globally; and Life Values Inventory focusing on values diversity in the work place.

We believe that it is this open-hearted spirit of generosity that so many of our colleagues and alliance partners have shown to share ideas, contribute to one another’s learning and to come together for select client engagements that is at the heart of the Mobius success model.
Like everything in life this kind of cross-boundary openness operates isomorphically. It happens at the level of these institutions electing to collaborate and cooperate, but of course these institutions are made up of individual practitioners who elect to open these doors and share their expertise, knowledge, and their own theoretical questions so that we can all learn and grow together. As we end another year of service, it seems a timely moment to mention some of those who have not been featured before in our newsletter but who contribute ongoingly to what is being borne here.

Ongoing gratitude to Bob Putnam, Phil McArthur, and Diana Smith; Joe McCarron; Alexander Grashow and Jeff Lawrence; Ellen Perry, Kelly Crace, Ginny Rice and Wendee Kanareck; Alan Atkisson; Robert Hanig, Frank Schneider and Thomas Sullivan; and more recently David Kantor and Lisa Stefanac. We are delighted to be working with each one of you.

In this issue you will also find a lead article by our colleagues Scott Keller and Colin Price, who lead the Transformational Change practice at McKinsey & Company and who have also just published their seminal book, *Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage*. We are proud and happy to share this excerpt here and introduce you to one of the central theoretical bases for our evolving practice in organizational health and executive development.

This year we expect things to continue to grow and deepen. We are very excited about the fast pace of growth we are seeing in Mobius Europe and hoping to host a practitioner gathering there sometime in the late Fall. We hope you will enjoy the many articles in this newsletter and continue to stay close.

This photograph by Mobius expressive artist and photographer Bill Tipper, is from the forthcoming book, *THE NATURE OF YOGA: Meditations on Love, Beauty & Truth* which will be available late this fall and featured in the January 2012 Mobius Strip. You may see more of Bill’s work at: www.BillTipper.com
Excellence Found?

What is the greatest invention of all time? In our view, it isn’t the wheel, it is organization: people working together toward a common goal. Organizations can achieve feats that go far beyond anything that individuals can accomplish alone. As each successive generation finds better and better ways of working together, it performs at levels that could barely have been imagined a few decades earlier. And when there are improvements in the effectiveness of our organizations—whether they be private enterprises, governments, public agencies, charities, community groups, political parties, or religious bodies—these gains translate into benefits for society as a whole. Innovations such as mass production, public transport, space travel, the internet, and the mapping of the human genome are all products of human organization.

Fittingly, the book you’re now holding is itself the product of a collective feat of organization: many colleagues and friends have worked with us to advance the state of the art in management thinking. For Colin, this book marks the intellectual culmination of his leadership of McKinsey’s global Organization Practice. For Scott, it represents a manifesto for an approach to management that he has long advocated and practiced, and at times staked his career on.

But Beyond Performance wasn’t written for us; it was written for you. If you are a leader who wants to change things for the better, this book is for you. If you want to leave a profound and lasting legacy for your organization and its stakeholders, this book will help you do so. The concepts and approaches we describe apply broadly to anyone who leads people in an organization, whether you are the CEO of a company, the managing partner of a professional services firm, or the head of a public sector body, an activist group, a nongovernmental organization, or a social enterprise.

Much as we hope that every leader who reads the book will benefit from it, we would like its impact to ripple out still further. If we can help improve the way that people manage organizations, we hope that in some way we can also help advance the progress of society itself. It is our firm belief that the human race is capable of achieving far more by working together in the future than we are capable of achieving today.

Perhaps surprisingly, we have found that leaders of successful and enduring companies make substantial investments not just in near-term performance-related initiatives, but in things that have no clear immediate benefit, nor any cast-iron guarantee that they will pay off at a later date. At IT and consultancy services company Infosys Technologies, for instance, chairman and chief mentor N. R. Narayana Murthy talks of the need to “make people confident about the future of the organization” and “create organizational DNA for long-term success.”

So why is it that focusing on performance is not enough—and can even be counterproductive? To find out, let’s first look at what we mean by performance and health.

• Performance is what an enterprise delivers to its stakeholders in financial and operational terms, evaluated through such measures as net operating profit, return on capital employed, total returns to shareholders, net operating costs, and stock turn.

• Health is the ability of an organization to align, execute, and renew itself faster than the competition so that it can sustain exceptional performance over time.

For companies to achieve sustainable excellence they must be healthy; this means they must actively manage both their performance and their health. Our 2010 survey of companies undergoing transformations revealed that organizations that focused on performance and health simultaneously were nearly twice as successful as those that focused on health alone, and nearly three times as successful...
as those that focused on performance alone.
High performance is undoubtedly a requirement for success. No business can thrive without profits. No public sector organization can retain its mandate to operate if it doesn’t deliver the services that people need. But health is critical, too. No enterprise that lacks robust health can thrive for 10, 20, or 50 years and beyond.

In fact, we would argue that strong financial performance can have a perverse effect: it sometimes breeds a degree of complacency that leads to health issues before long. In the months before the 2008 economic crash, the financials of most banks were at record highs. Similarly, oil at record prices of more than US$200 per barrel led the oil majors to declare record profits. As it turned out, this didn’t mean that the banks and the oil companies were in the best of organizational health.

The importance of organizational health is firmly supported by the evidence. When we tested for correlations between performance and health on a broad range of business measures, we found a strong positive correlation in every case. For example, companies in the top quartile of organizational health are 2.2 times more likely than lower-quartile companies to have an above-median EBITDA (earnings before interest, taxes, depreciation, and amortization) margin, 2.0 times more likely to have above-median growth in enterprise value to book value, and 1.5 times more likely to have above-median growth in net income to sales (Exhibit 1.1). Across the board, correlation coefficients indicate that roughly 50 percent of performance variation between companies is accounted for by differences in organizational health.

The results from our large sample of companies are mirrored by the results within individual organizations. At a large multinational oil company, we analyzed correlations between performance and organizational health across 16 refineries. We found that organizational health accounted for 54 percent of the variation in performance (Exhibit 1.2).

So strong is this relationship between performance and health that we’re confident it can’t have come about by chance. We’d be the first to admit that correlations need to be treated with caution. Take an example: education and income are highly correlated, but that doesn’t mean that one causes the other. It’s just as logical to argue that a higher income creates opportunities for higher education as it is to argue that higher education creates opportunities for a higher income (and even if it does, we can’t infer that everyone who gains more education will have a higher income).

But our argument doesn’t rely solely on correlations. On the strength of our research and analysis, we assert that the link between health and performance is more than a correlation, and is in fact causal. We argue that the numbers show that at least 50 percent of your organization’s success in the long term is driven by its health. And that’s good news. Unlike many of the key factors that influence performance—changes in customer behavior, competitive
moves, government actions—your organization’s health is something that you can control. It’s a bit like our personal lives. We may not be able to avoid being hit by a car speeding round a bend, but by eating properly and exercising regularly we are far more likely to live a longer, fuller life.

The notion that organizational health matters as much as performance makes intuitive sense when we consider that ultimately it isn’t organizations that change; it’s people. Take people away and the life-blood of the organization is gone, leaving only the skeleton of infrastructure: buildings, systems, inventory.

Getting there: The five frames

If achieving sustained excellence means paying close attention to performance and health, how can leaders bring about significant and mutually reinforcing improvements on both these fronts at the same time? The answer is to follow a structured process designed to transform performance and health in an integrated manner.

The mathematician and philosopher René Descartes advised us to “Divide each difficulty into as many parts as is feasible and necessary to resolve it.” For a large corporation, achieving organizational excellence is an enormous undertaking that can involve tens if not hundreds of thousands of people. Various academics, commentators, and practitioners have recommended breaking down the change process in a multitude of different ways: you can identify, plan, adopt, maintain, evaluate; believe, decide, act, achieve, maintain; evaluate, vision, organize, link, vest, embed; prepare, connect, discover, activate, integrate; or define, discover, dream, design, destiny. However, the

good news for leaders is that most of these people are saying much the same thing.

We’ve chosen to describe the process for achieving organizational excellence in terms of five basic questions that need to be answered in order to make change happen. Each question is summed up in a word beginning with the letter “A” to make it simple and memorable, and so the five stages in the process are collectively known as the “5As.” Here they are:

- **Aspire:** Where do we want to go?
- **Assess:** How ready are we to go there?
- **Architect:** What do we need to do to get there?
- **Act:** How do we manage the journey?
- **Advance:** How do we keep moving forward?

In turn, each of the 5As translates into a specific challenge for performance and for health, and a particular approach for tackling it.

In performance, these challenges (and approaches) are:

- **Aspire:** How to develop a change vision and targets (the strategic objectives).
- **Assess:** How to identify and diagnose an organization’s ability to achieve its vision and targets (the capability platform).
- **Architect:** How to develop a concrete, balanced set of initiatives to improve performance (the portfolio of initiatives).
- **Act:** How to determine and execute the right scaling-up approach for each initiative in the portfolio (the delivery model).
- **Advance:** How to make the transition from a transformation focused on a one-time step change to an era of ongoing improvement efforts (the continuous improvement infrastructure).

And in health, the challenges (and approaches) are:

- **Aspire:** How to determine what “healthy” looks like for an organization (the health essentials).
- **Assess:** How to uncover the root-cause mindsets that drive organizational health (the discovery process).
- **Architect:** How to reshape the work environment to influence healthy mindsets (the influence model).
- **Act:** How to ensure that energy for change is continually infused and unleashed (the change engine).
- **Advance:** How to lead transformation and sustain high performance from a core of self-mastery (centered leadership).

You can successfully navigate through the five stages in a transformation (the 5As) by adopting the approaches listed above, which are summarized visually in Exhibit 1.3. Taken together, these approaches are known as “the five frames of performance and health.” We use the word “frames” to acknowledge that change doesn’t happen in a linear way in real life, even if it may sometimes be portrayed that way on paper. When an organization undergoes a transformation, it experiences a process that is dynamic and iterative, rather than a one-way sequence of separate steps.

For example, when a company looks at where it is today during the “assess” stage, it often uncovers information and insights that send it back to refine the change vision and targets it developed earlier during the “aspire” stage. In much the same way, a company may need to go back
and forth between the performance and health frames within a particular stage. When it is working on health essentials during the “aspire” stage, for instance, it may uncover health constraints that lead it to tone down the strategic objectives it had initially planned to set for its performance.

We should also stress that the approach we propose is designed not only to support an organization through a one-time cycle of major change, but to help it increase its capacity to change and keep changing over time. In effect, our aim is not to help organizations “learn to adjust” to their current context, or to challenges that lie just ahead, but to help them “learn to learn” so that they will be able to respond flexibly to, and even shape, whatever the future may hold in store. The old adage applies: give a man a fish and he will eat today; teach a man to fish and he will eat every day. To extend the metaphor, teach a man to learn and he will be able to hunt and gather and farm as well as fish. Organizations that learn are able to keep finding new sources of value and capturing them more quickly and effectively than their peers, creating the ultimate competitive advantage.

To see how the five frames of performance and health work together, imagine that you aspire to become a marathon runner. You decide which marathon you’d like to compete in, find out when it takes place, work out how long you have to train for it, and set your performance targets accordingly. Perhaps you even have a finishing time in mind. To extend the metaphor, teach a man to learn and he will be able to hunt and gather and farm as well as fish. Organizations that learn are able to keep finding new sources of value and capturing them more quickly and effectively than their peers, creating the ultimate competitive advantage.

To see how the five frames of performance and health work together, imagine that you aspire to become a marathon runner. You decide which marathon you’d like to compete in, find out when it takes place, work out how long you have to train for it, and set your performance targets accordingly. Perhaps you even have a finishing time in mind. To extend the metaphor, teach a man to learn and he will be able to hunt and gather and farm as well as fish. Organizations that learn are able to keep finding new sources of value and capturing them more quickly and effectively than their peers, creating the ultimate competitive advantage.

Exhibit 1.3 The Five Frames of Performance and Health

<table>
<thead>
<tr>
<th>Transformation Stages</th>
<th>Performance</th>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspire</td>
<td>Strategic objectives</td>
<td>Health essentials</td>
</tr>
<tr>
<td>Assess</td>
<td>Capability platform</td>
<td>Discovery process</td>
</tr>
<tr>
<td>Architect</td>
<td>Portfolio of initiatives</td>
<td>Influence model</td>
</tr>
<tr>
<td>Act</td>
<td>Delivery model</td>
<td>Change engine</td>
</tr>
<tr>
<td>Advance</td>
<td>Continuous improvement infrastructure</td>
<td>Converged leadership</td>
</tr>
</tbody>
</table>

Exhibit 1.3 The Five Frames of Performance and Health

Next you need to assess your current capability as a runner. On the performance side of things, how fast can you run? How good is your technique? Do you have the right equipment? Can you get access to the facilities you need? On the health side, do you have the mental toughness to achieve your target fitness level? What dietary changes are you prepared to make to get into better shape? How much time are you willing to dedicate to training? If you have unhealthy habits like smoking or staying up too late, do you have the willpower to give them up?

Armed with this information, you can architect a training plan to improve your performance by alternating high- and low-intensity workouts and extending your range gradually over a few months. On the health side, you can plan a diet that will give you the energy you need. You may also want to make adjustments in other aspects of your life: letting go of commitments to free up time, telling your friends you won’t be seeing them so often for a while, finding the money to pay for a trainer, and so on.

Then it’s time to act on the plan. In terms of performance, you start out gradually and then ramp up your training. In terms of health, you change your diet and your life in general in the ways that you’ve planned, monitor and review your results, adjust your approaches as you go, and find ways to keep your energy levels and motivation high.

As you get closer to the date of the marathon, you consider how to make this more than a one-off event—how you can advance your running afterward. On the performance side, what will be your baseline training regime before you ramp up again for your next marathon? On the health side, how will you prepare yourself mentally to make marathon running a regular part of your life? What if you get injured? How will you keep a good balance between your training, your work, and your personal life?

It isn’t hard to see how this way of thinking can be applied in a management context. We’ve found that the concept of tending to both the performance and the health of an organization makes intuitive sense to most experienced managers. Indeed, the case for promoting health is easy to make. The real challenge, however, is to adopt it as our “permanent residence,” and not just a nice place to visit during episodes of discursive
thinking. As Chris Argyris, a business theorist and expert on learning organizations, might say, it needs to become the “theory-in-use.”

Much of the book is devoted to exploring how leaders of organizations can approach the five frames of performance and health. Although both aspects are critical, we go into much more depth on health. Why? Because that’s where the greatest need exists. Most companies already know how to keep a close eye on performance; it’s their health that more often suffers from neglect. By way of example, when we asked more than 2,000 executives to nominate the areas where they wished they had better information to help them design and lead transformation programs, only 16 percent chose “determining what needs to be done to generate near-term performance.” On the other hand, more than 65 percent chose “determining what needs to be done to strengthen the company’s health for the longer term.”

This appetite for guidance on long-term health makes sense when we look at the data regarding why change programs fail. What we might think of as the usual suspects—inefficient operations, rising consumer demands, increasing competition, a changing regulatory environment—account for less than a third of change program failures. In fact, more than 70 percent of failures are driven by what we would categorize as poor organizational health, as manifested in such symptoms as negative employee attitudes and unproductive management behavior (Exhibit 1.4).

Exhibit 1.4 Barriers to Organizational Change

Scott Keller is a director in the Southern California office of McKinsey & Co., and leads its transformational change practice in the Americas. He has published several articles on change management and organizational behavior, as well as a book for colleagues and clients. Outside McKinsey, Keller is a co-founder of Digital Divide Data, an award-winning social enterprise that benefits some of the world’s most disadvantaged people.

Colin Price is a director in McKinsey’s London office, and leads its organization practice worldwide. He has advised many of the world’s largest corporations, several national governments and a number of charitable institutions. His books include Mergers and Vertical Take-Off.
separate frames, each with several steps of its own. Where are the rules of thumb that typically reside in management literature, you may wonder? Not here—for the simple reason that such principles are all too often, paradoxically, both common sense and yet astoundingly difficult to put into practice.

Louis Lavelle, in a book review in BusinessWeek, puts this well: “To hear most authors of business books tell it, there is no management conundrum so great that it can’t be solved by the deft application of seven or eight basic principles. The authors are almost always wrong: Big public companies have too many moving parts to conform to any set of simple precepts.”

We agree. Our aim is not to offer a simplistic checklist, but to provide thoughtful insights and guidance to help leaders achieve excellence in anything from the smallest start-up to the largest and most complex multinational organization. At the same time, we’ve tried not to introduce any complexity that doesn’t add value. We’ve done our best to abide by Einstein’s edict that everything should be made as simple as possible, but no simpler.

I believe that we learn by practice. Whether it means to learn to dance by practicing dance or to learn to live by practicing living, the principles are the same. In each, it is the performance of a dedicated precise set of acts, physical or intellectual, from which comes shape of achievement, a sense of one’s being, a satisfaction of spirit. One becomes, in some area, an athlete of God. Practice means to perform, over and over again in the face of all obstacles, some act of vision, of faith, of desire. Practice is a means of inviting the perfection desired.

– Martha Graham
The Elephant in the Room: How Relationships Make or Break the Success of Leaders and their Organizations
by Diana McLain Smith, Co-founder Action Design and Mobius Senior Expert

It’s a Matter of Perspective

So prevalent are relationship troubles that most of us merely accept them as the way things are. A Time magazine article in 2002 went so far as to say: “Until recently, being driven mad by others and driving others mad was known as life.” The article, entitled “I’m OK. You’re OK. We’re not OK,” questioned whether it was wise to include “relational disorders” in the newest edition of a diagnostic manual. What would happen, the columnist Walter Kirn asked, to notions of personal responsibility? How could anyone ever be held accountable for anything? After all, you can fire or sue a person, but not a relationship. Besides, Kirn concluded, relationship troubles are simply a fact of life. You’re better off keeping your eye on individuals where responsibility can be clearly assigned and appropriately taken.

I doubt many people would disagree. There’s already enough blame in organizations without adding another excuse: “It wasn’t me. My relationship made me do it.” But taking a relational perspective doesn’t pre-empt people from taking responsibility. Paradoxically, as I’ll show, just the opposite happens. When people think in relational terms, they are more willing and able to take responsibility for their part in any problems or difficulties.

To illustrate, I’ll introduce two perspectives that leaders might take to any differences, challenges, or troubles they face. The more common is what I call the individual perspective, based on the assumptions that there is one right answer, people either get it or don’t get it, and when they don’t, their dispositions are largely to blame. When leaders hold this perspective, their relationships will grow weaker rather than stronger over time.

Less common is what I call the relational perspective, based on the assumptions that there is one right answer, people either get it or don’t get it, and when they don’t, their dispositions are largely to blame. When leaders hold this perspective, their relationships will grow weaker rather than stronger over time.

If civilization is to survive, we must cultivate the science of human relationships.
—Franklin Roosevelt, the day before he died.

History is awash with accounts of failed relationships among leaders of every stripe: Steve Jobs and John Sculley of Apple; Larry Summers and the Harvard faculty; Carly Fiorina and the Hewlett-Packard board; President Obama and General McChrystal. Yet history also tells us that even under extraordinary adversity, some relationships rise to the occasion and usher in phenomenal success: Franklin Roosevelt and Winston Churchill during World War II; Michael Eisner and Frank Wells at Disney; Warren Buffett and Charlie Munger.

All the way back to Achilles and Agamemnon on the beaches of Troy, relationships have had the power either to create or to destroy enormous amounts of human, social, and economic capital.

Yet never before have we faced a time when relationships have mattered more. Leaders today must be able to make decisions and take action well and quickly with others with whom they share very little—perhaps not even a time zone. No longer can we work within our own silos with little regard for those at work in theirs. No longer can we take the time to send conflicts up the hierarchy instead of settling them ourselves. No longer can we count on like-minded colleagues of the same race, class, culture, or gender to think and act like we do. No longer can we count on long time horizons or sloppy competition to make up for the inefficiencies poor relationships create.

We face a crisis today not only of leadership but of relationship.

Still, despite their increasing importance, no one has yet asked, let alone answered, three fundamental questions: What exactly is a relationship such that it can catapult or torpedo a leader’s success? How do relationships form, work, develop, and with the right effort, change? Why do some relationships create exceptional successes and others produce stunning failures?

The Elephant in the Room answers these questions and gives leaders the tools they need to understand, strengthen, and transform relationships so they can usher in success.
will determine how well and how quickly people can put their differences to work. Leaders who take this perspective use the heat of the moment to forge stronger relationships. Let’s take a look at each perspective, then consider both in light of some recent research on relationships.

The Individual Perspective

Hard to believe, isn’t it? One of the most successful and innovative companies ever in America, Apple Computer, almost faded into oblivion 20 years ago, and all because of the failed relationship between Steve Jobs and John Sculley.

“I’m actually convinced that if Steve hadn’t come back when he did,” John Sculley said in a 2010 interview, “Apple would have been history. It would have been gone, absolutely gone.” What Sculley doesn’t say is this: Had the two not had a falling out, and had John Sculley not gotten Jobs fired in 1985, Apple might not have stagnated for 12 years, and Jobs might not have had to rescue it from oblivion. But the two did have a falling out, Sculley did get Jobs fired, Apple did languish, and Jobs did have to return to rescue Apple and turn it into the firm we all know today. So how did it all happen?

All too easily, as it turns out. Initially, in the first few months after Jobs recruited Sculley away from Pepsi in 1983, everyone considered them the perfect match: Sculley, a seasoned executive savvy about marketing; Jobs, the young charismatic visionary. During these heady times, the personal computer market was bursting. Apple sales were skyrocketing, the two talked for hours about how Apple would change the world, and the cover of BusinessWeek crowned them “Apple’s Dynamic Duo.”

It was hard to imagine what could go wrong. Yet as soon as the going got tough—competitive pressures mounted and Apple’s sales dropped—the two men began to argue over what was wrong and what needed fixing. Soon their long meandering chats about how to change the world gave way to heated exchanges about how to change each other. Jobs blamed Sculley for not solving Apple’s distribution problems fast enough; Sculley blamed Jobs for getting Macintosh Office to market late. Before long, each grew convinced that the other was the sole source of Apple’s woes, and each sought to oust the other. In the end, Sculley prevailed, the board fired Jobs, and the company languished for 12 years.

Most people chalk up what happened to personality differences, or to power struggles, or to insurmountable competitive pressures weighing down too heavily on the two men. But if that’s true, why are some partnerships able to make the most of adversity and difference?

No, the fundamental cause of their troubles—and their inability to resolve them—lies elsewhere: in the assumptions they brought to the pressures and differences they faced (see Table 1 below). These assumptions, which make up what I call the individual perspective, systematically turn substantive differences into irreconcilable relationship conflicts that lead even so-called perfect matches to self-destruct under pressure.

When Jobs and Sculley first differed over what was wrong and needed fixing, they each assumed that he alone was right, that this was so obvious any rational person would agree, and so the only reason the other disagreed was because he was unreasonable and just didn’t “get” it. These assumptions made it impossible for them to entertain the possibility that they might both be right—that is, that Sculley wasn’t solving Apple’s distribution problem fast enough, and that Jobs wasn’t getting Macintosh Office to the market fast enough. Riveted as they were on the other and blind to their own role, neither could convince the other of anything, and they began accusing each other of behaving in ways that were making matters worse: Jobs accusing Sculley of failing to provide enough leadership; Sculley accusing Jobs of meddling in things that were none of his business. Each assumed the other was at fault; each set out to get rid of the other.

What happened to Jobs and Sculley—and to Apple as a result—may be dramatic, but it is far from rare. Only in the interactions of the most mature and savvy leaders do you see a different perspective based on a different set of assumptions. These assumptions, which comprise what

<table>
<thead>
<tr>
<th>Table 1: The Individual Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Issues</strong> (The Substance)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>The People</strong> (The Relationship)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
I call the relational perspective, focus on mutual responsibility and stress the importance of relationships. The next section shows what these assumptions look like in action.

The Relational Perspective
At the beginning of World War II, when Winston Churchill and Franklin Roosevelt first came together to form an alliance against Hitler, they were a study in contrasts: Roosevelt, secretive; Churchill, transparent. Roosevelt, calculated and at times manipulative; Churchill, expressive and at times impulsive. Roosevelt, intent on keeping the United States out of the war; Churchill, equally intent on bringing the United States into the war. Roosevelt, a constant critic of colonialism; Churchill, a steadfast defender of the British colonial empire. Roosevelt, intent on keeping the mission—and their relationship—alive; Churchill, transparent. Roosevelt, expressive and at times impulsive.

When it came to their mission, neither Roosevelt nor Churchill expected they would always get along—nor did they. But because they understood that their relationship would have a decisive impact on the success or failure of their mission, they gave it the same strategic attention they gave every other aspect of the war. All told, they met nine times—between 1941 and 1945 in a range of different locales from Canada to Casablanca to Iran. In between, they exchanged countless wires, letters, and phone calls on everything from their families’ well-being to their flagging spirits to matters of war.

Still, as the war neared its end, Roosevelt and Churchill disagreed so vehemently that their relationship grew contentious. In a steady stream of cable traffic, the two fought over how best to end the war and structure the peace. In their last fight, this one over whether they should try to beat the Soviets to Berlin, the two failed to reach agreement. In the end, Churchill conceded. Afterwards he wrote Roosevelt a note to reassure him that there were no hard feelings: “I regard the matter as closed,” he wrote, “and to prove my sincerity I will use one of my very few Latin quotations, ‘Amantium irae amoris integratio est.’” Translation: “Lovers’ quarrels always go with true love.”

I would argue that the strength of their relationship was a product of the way they saw and handled their most fundamental differences. Throughout, the two leaders illustrate a perspective that’s built on a set of assumptions many leaders espouse but few enact (see Table 2 below). People who take this perspective, which I call the relational perspective, anticipate disagreements, expect these disagreements to cause frustration, and believe that any frustrations they face will best be handled by building relationships strong enough to handle them well.

### Reality Check: The Power of Relationships
Whether aware of it or not, most of us take an individual perspective to the substantive differences we face.
Diana McLain Smith, Senior Expert

Diana M. Smith is Chief Executive Partner of New Profit Inc, a national venture philanthropy firm. Before joining New Profit, she was a partner at the Monitor Group, a global management consulting firm, where as the Chair of Human Dynamics and Change at Monitor University, she studied and advised leaders on how to navigate interfaces where coordination is as essential as it is difficult.

In addition to her consulting work, Diana has authored three books and dozens of articles and chapters on organizational change and learning, leadership, and conflict. Her most recent book, The Elephant in the Room, shows how relationships among senior leaders make or break the success. Other writings include: “Too Hot to Handle? How to Manage Relationship Conflict” with Amy Edmondson in California Management Review and “Treat Relationships Like an Asset or They’ll Become a Liability,” in Leader’s Edge.

Diana speaks regularly to leaders in the for-profit and non-profit sectors about how to build organizations and relationships that propel innovation and growth. She has taught as a guest lecturer at the Harvard Law School, Harvard Business School, Harvard Graduate School of Education, Columbia’s Executive Education Program, and Boston College’s Carroll School of Management. She received her masters and doctoral degrees in consulting psychology from Harvard University.

Diana is now Chief Executive Partner at New Profit Inc., a national venture philanthropy firm, and a former partner of the Monitor Group.

and the relationship troubles they cause. This leads us to assume that views or behaviors we don’t like are caused by people’s dispositions alone and to assume that those dispositions are unchangeable.

We’re wrong, it turns out, on both counts.

For decades now, one psychology experiment after another has shown that situations have far greater sway over people’s views and behavior than we think. Indeed, all of us are exquisitely sensitive to experience and to circumstance, and our views and behavior at any moment in time is—to a much larger extent than we assume—shaped by the circumstanc-es in that moment. Yet the belief that people’s views or behavior are determined by their dispositions alone is so pervasive that psychologists call it the fundamental attribution error.

Even more counterintuitive, to the extent to which our dispositions do inform behavior, those dispositions are far more changeable than we think. In fact, recent research suggests that our relationships have the power to amplify or modify even genetically based dispositions. Take, for example, a 12-year study of 720 adolescents led by family psychiatrist David Reiss. It found that relationships within a family affect whether and how strongly genes underlying behavior get expressed.

“Many genetic factors, powerful as they may be,” writes Reiss in The Relationship Code, “exert their influence only through the good offices of the family.” Some parental responses to genetic proclivities—say, toward shyness or antisocial behavior—exaggerate traits, while others mute them.

“Our proposal,” says Reiss, “is not simply that the environment has a general and non-specific facilitative or preparatory role in the behavioral expression of genetic influences, but rather that specific family processes may have distinctive and necessary roles in the actual mechanisms of genetic expression.” In other words, to have any effect, genes must be turned on, and relationships are the finger that flips the switch.

To illustrate how, writer Sharon Begley in a March 2000 Newsweek article called “The Nature of Nursing” asks us to consider how rats behave. (Actual rats, that is—not the people with whom we wish we didn’t work.) Citing McGill University professor Michael Meaney’s study, Begley explains how the interaction between genes and environment accounts for much of the variance among the responses of baby rats to stress:

As soon as their wriggly little pups are born, rat mothers lick and groom them, but like mothers of other species they vary in how obsessive they are about getting every one of their offspring’s hairs in place. Pups whose mothers treat them like living lol-lipops grow up different from pups of less devoted mothers: particular genes and environment accounts for much of the variance among the responses of baby rats to stress:
the Medical College of Virginia, who found the same thing among humans.

Family is like a catapult. Kids with a difficult temperament can be managed and set on a good course, or their innate tendencies can be magnified by the family and catapulted into a conduct disorder... A child with a difficult temperament—irritability, aggressiveness—brings on parents' harsh discipline, verbal abuse, anger, hostility and relentless criticism. That seems to exacerbate the child's innate bad side, which only makes parents even more negative, on and on in a vicious cycle until the adolescent loses all sense of responsibility and academic focus.

What's more, the power of relationships to shape behavior doesn't stop in childhood. If we're wired to do anything, it seems, we're wired to learn. “Learning is not the antithesis of innateness,” says Gary Marcus in his 2004 book Birth of the Mind. “The reason animals can learn is that they can alter their nervous systems based on external experience. And the reason they can do that is that experience itself can modify the expression of genes.” Reams of research suggest that the brain continues to change in response to experience. Even adult brains are proving more mutable than most people think. Indeed, it's looking more and more like our genes are continually working together with our environments—and most importantly, our relationships—to define and redefine who we are by structuring and restructuring our brains.

All this research adds up to one important conclusion: our assumptions about individuals are quite simply wrong. Even so-called “difficult” people aren't innately or irrevocably mad or bad. The relationships we build with others have the power to bring out the best or the worst in all of us. It's the relationship we should be focusing on, not on individuals alone and in isolation.
Action Mapping

Action Mapping is a system to recognize and name common patterns in human interaction. Developed extensively by Diana McLain Smith and described in her book *The Elephant in the Room* the methodology helps diagnose repeating cycles that lead to breakdown. In essence, people have certain “tendencies” of thinking that lead them to manage challenges and dilemmas in a similar way. When the same players interact time and again, the tendencies they each have can result in counter-productive but stable patterns of interaction. Mistaken assumptions and inferences are reinforced by the pattern. At that point they have what Diana calls "interlocking" interpretations and actions which keep them stuck.

For example, a wife feels intense client pressure and comes home late from work. Her husband imagines work is more important to her than their relationship. Feeling hurt, he makes a sarcastic comment and ignores her. She interprets his behavior to mean he doesn’t enjoy her company anymore, and notices she is more comfortable at the office than she is at home. So she decides the next day to stay late at work. And the pattern begins again. Over time, the wife may indeed value work over her marriage, and the husband may not enjoy her company anymore. What they will not see is that this result did not "happen" to them but rather was created by them as they interpreted each other's actions and chose behavior based on those stories they made up. They are unlikely to notice that they never tested their interpretations with the other person but instead simply decided their own attributions were "true".

As the example shows, each pattern combines what is visible to the eye and what story is made up in the hearts and minds of the people as they make meaning of each other's behavior. These patterns become problematic quickly because we often make up stories about the motivation of the other people (she is trying to hurt me) based on the impact their actions have on us (I feel hurt). Likewise the impact of our own actions (it appears I value work more than my marriage) are invisible to us since we see the motivation inside us (I have a tight deadline for an important client). In most situations the "invisible" aspect of the structure is not discussed by the people, making it difficult to recognize and fix.

Transforming Patterns of Interaction

There are two critical stages to effectively transforming this kind of "stuck" pattern of interaction.

1) Diagnosis

The core notion in the diagnosis is that the results we get are not random. Results are the direct product of the behavioral choices we make. And those behavioral choices are the direct result of interpretations (called "frames") we make of other's actions.

The first step is to understand exactly how the pattern works. What interpretations are people making of each other's behavior, and what meaning do they take from it? Based on those attributions and the choices they see through those frames, what behavior do people choose to enact? In turn, what impact does that have on the other side, and what actions does it elicit?

This leads to the simple chain:

<table>
<thead>
<tr>
<th>Frames (or Interpretations)</th>
<th>Actions</th>
<th>Results</th>
</tr>
</thead>
</table>

It becomes more complex when you see an interactive system of multiple players, but the essential notion is the same.

2) Intervention

The key to an intervention is to make the pattern visible to those enacting it. This involves sketching on a piece of paper the moves each person is making, as well as how each person is framing things -- that is the "action map". When the action map is accurate and compelling, it shows how each person's actions invite and reinforce the very behavior in the other person they find unacceptable. When the map captures a dynamic that repeats, it shows how patterns of interaction have crystallized into a stable structure that needs to change. Change becomes possible when the invisible interpretations, intentions and impacts, can be discussed and re-negotiated. As the "frames" change, the action choices will also shift, thereby creating new, different and better results.

By Grady McGonagill and Erica Ariel Fox
Innovation at the Corner of Profit and Purpose
By Priya Parker, Mobius Consultant and Innovation Expert

Today, some of the most path-breaking and innovative work is happening at the nexus of profit and purpose. Organizations are innovating around every aspect of the business model, questioning traditional assumptions about price structures and dividends, and embedding their values into the operations and balance sheets. Companies such as TOMS Shoes, Better World Books and FEED are challenging the fundamental assumptions of what drives consumer behavior and what leads to market sustainability. And they’re having fun doing it.

I design visioning sessions and innovation labs for start-ups and organizations at inflection points. I work with them to create viable value-based visions, and find ways to create operations and structures that align with their core purpose. When designing innovation labs, we first explore the boundaries around which they’ve considered innovating: their product, customer, supply chain, business model, organization structure, etc. Many organizations aren’t sure how deep their innovation should go. I’ve found social enterprises and hybrid organizations more willing than most to be innovative across a multitude of platforms. Not surprisingly, this willingness to experiment sometimes leads to tension around decision points with multiple stakeholders. For example, whether to plow back profits in the company to scale (and arguably affect more people in the long run) or to create a cap above which dividends are distributed to the targeted community of impact through financial or non-financial returns.

Over the past six months, a colleague of mine at Harvard and I conducted research looking at how successful hybrid organizations innovate around their business models to create value for both consumers and producers.¹ We were working with a Cambridge-based social enterprise that was struggling to balance its social mission to help female entrepreneurs in conflict zones while selling their product at a large enough size to maintain solvency. We designed a benchmarking project and studied seven organizations across public and private sectors that have faced the similar challenge of creating a scalable product and positively impacting their target communities. The companies ranged in size, revenue, age, and geography (three in the United States, two in Africa and one in India). While the companies shared a number of interesting insights, the most common theme was the importance of identifying core values and making them explicit early, and then of structuring every aspect of the organization around those values.

¹ The original paper is co-written with Moni Haji Mkanga for the Harvard Hauser Center for Non-Profits in May 2011.

Sequencing Matters: Clarify your values first and articulate them

We interviewed the founders of organizations that have been at the forefront of innovation in their sectors and focused on how and when they innovated. Despite the differences among the organizations, we found that the ones that have been able to innovate most successfully were the ones that had invested in identifying, articulating and infusing their organization with an explicit mission and an explicit set of priorities. The organizations that were most easily and effectively able to innovate when the need arose were the ones in which every staff member could articulate the core purpose and values of their enterprise.

Once an organization becomes clear on its values, the form these values take tends to be held less sacredly and provides an easier bed for experimentation and design. The organizations that have the most trouble with change are those that are vague on whether, for example, their primary duty is customer satisfaction or community impact.

Priya Parker, Innovation Expert

Priya Parker is a visioner, design process expert and dancer. Drawing on ten years of work as a conflict-resolution specialist and facilitator, Priya creates visioning and innovation labs for leaders and teams. She works with teams at Harvard and MIT and serves as faculty for the MIT Sloan Innovation Period and Mobius Executive Leadership.

She is the co-founder of the Sustained Dialogue Campus Network and has served as a consultant on dialogue to the Dalai Lama’s Women in Security, Conflict Management and Peace in New Delhi.
Vinod Parmeshwar, Oxfam’s Brand Manager, spoke of the importance of coming up with the “brand attributes and values that are most dear to you early.” He said, “If you’re clear on the values, you can keep reinterpreting these values for each new generation and as the product goes through its natural life.”

One organization we interviewed, Fabindia, has enjoyed much success because of clearly defined values early in its life. Fabindia is considered a leader, in India and globally, for growing impressively while mastering a values-based supply chain. Sourcing from 40,000 artisans throughout India, a staff of 960 employees brings traditional products to 141 stores in 58 Indian cities. When asked about the trade-off between social impact and the quality of products sold, Fabindia’s Prableen Sabhaney said, “The founder of Fabindia was very clear that equitable relationships are very central to what the company does. Therefore, we have perfect clarity on how we want to be perceived and a very strong central idea on how you marry profit and purpose. It’s not something that’s new to us, the base has been very very clear.” Once a company is clear on its basic principles, they can then focus on all of the other aspects of running the business. She added, “Our brand is completely intertwined with how we source.”

Alignment of the supply chain with the values of the organization
Every hybrid organization that achieves social impact through sales of a product needs ensure that each step of its supply chain is aligned with their values. The more complicated the supply chain and the more steps in getting the product to market, the more likely a values clash will occur. Supply chains affect not only the customer experience in terms of delivery time and fulfillment expectations, but also the customer’s value expectations of how the product got to market.

The mode of engaging suppliers can create legitimacy. At Fabindia, the artisans are integral partners in the supply chain. “Our biggest strength,” Sabhaney said, “is our ability to work with artisans on the ground.” The very way the company is structured reflects its mission. “We have created in the past ten years what we call Community Owned Companies (COCs).” Currently, Fabindia has developed 17 COCs across India.² They have moved into these 17 COCs “to get closer to the artisans so that they get access to the market.” Additionally, all of the work is still done in traditional environments (out of homes or in community clusters) and they intentionally don’t run any factories.

The supply chain is personal, and the sourcing is authentic. When balancing the tradeoff between surge in demand and the resulting demands on the supply chain, Fabindia prioritizes the supply chain over its customers. Sabhaney said, “We have to grow capacity unit by unit and product by product. We value the supply chain over the demand for sales if there is a conflict. For example, if there is a surge in orders, we don’t have the women work faster, we have to get more women.” She added: “For us, the supply chain is very important, and we have been working with it for 50 years. We know down to the person who made what. Because of the nature of the product, we can tell you exactly where the craft has come from, and even the village, and by looking at the design, can tell you which family.” The value that Fabindia brings is largely “the authenticity of sourcing. You can be sure of the authenticity in each of our products and how it’s being sourced. That’s where we put our brand value.”

Another aspect of a supply chain is location. Managers at two companies told us that a fundamental aspect of their supply chain is to use local materials and to build on traditions of local craftsmanship that already exist. Torkin Wakefield, the founder of Bead for Life, explained that the material for the beads the community women make is recycled paper from print overruns in Uganda. She said that she has had to turn away international donors that wanted to donate paper because “it makes no sense: it’s heavy; it requires storage; and you have to get it through customs, which in Uganda often means bribing.” She shared an example: “British Airways wanted to donate to us one ton of paper. When it arrived in the airport, the customs officials wanted us to pay $780 just to get it out. So we abandoned it. I tried to explain to the officials that it was used paper, and it didn’t matter.”

When developing an innovative model, Wakefield said, “Look for a naturally occurring product that the people are already making, that maybe you can make it nicer and bring up to the standards of Western market rather than inventing something.” She added:

² Fabindia has a subsidiary, Artisans Micro Finance Pvt Ltd (AMFPL) that has set up 17 Community-Owned Companies across the country in the areas Fabindia sources from. These COCs act as an aggregator for the products. 26% of the shareholding belongs to the artisans, 49% to AMFPL, and 10% to the employees of the COCs. The rest is capitalized through shareholders. Each board of directors has at least one artisan director.
“First, see what’s there. Second, see what’s lightweight, not breakable and useful to the culture.” The Foundation executive also said that one of the most important aspects of their model is that “we work with what is readily available rather than bringing in what you think should be.” All of the company’s products “are generated in rural areas largely because that’s where the best craft comes from. Our products are based in skills and techniques that are traditions and linked to knowledge.” She talked about the importance of community feedback on what they need and what they’d like to produce: “Being entrepreneurial happens when you work with people and find out the materials they can access locally.” The best organizations then add value on top of what already exists by tailoring it and providing access to the market.

Alignment between the Customer and Producer

One area of innovation and alignment that is often overlooked is alignment between the customer and the producer. In innovation circles, there can be a tension between listening to the customer and leading the customer. Henry Ford once famously said, “If I asked my customers what they wanted, they would have said a faster horse.” The companies that have been able to manage this tension, and communicate both with the producer and the customer to get them aligned (to get the producer to understand what the customer likes and to get the customer to value the uniqueness of the producer’s style), tend to thrive. One leader told us: “We have had to embark on a continuous co-education campaign both for the artisans and for the customer.” For example, “To the artisans, we may need to explain that this year green is more popular than red, and to the consumer that ‘indigo’ is a natural color that bleeds and not a defect but part of the ‘custom-made’ quality of a shirt.” Greater alignment between the customer and the producer increases sales and, more importantly, repeat purchases. And repeat purchases in any sector lead to long-term sustainability.

Alignment between the Values and the Product

The organizations that were most excited about what they were doing tended also to value the products they were selling. “We are committed to our products and to their intrinsic value. For us, the product is intrinsic value in itself: we’re selling a sari that takes three days to create. The value is the work that’s done, the food put on the table as a result – so many factors. A large part also is the skill and knowledge that go into each piece.” In the case of TOMS shoes, each staff member is a brand ambassador and would likely buy the product even if they weren’t working for the company. Alignment between the values and the product usually assumes high quality. Oxfam’s Parmeshwar sums up nicely the importance of organizations conveying their social impact: “The most essential thing is that people need to come and be clear about your product and what your product stands for.”

Finding customers who exercise your values and buy into the community

In hybrid organizations, the leadership has to create a strong relationship between the customer and the product (just like Mac fans are attached to their Macs), but also to the community of producers (most Mac fans don’t think about the variety of engineers producing their materials or hard coding their computers). Leaders in the social impact sphere are very clear about the two-way relationship between the customers and the producers, and the importance of this emotional connection that the community of buyers feels for the producers. This is a key difference between hybrid organizations and others. A number of organizations distinguished between merely telling a story about their social impact and actually encouraging their customers to believe that they, too, can make a difference. For instance, Wakefield, of Bead for Life, said that they encourage people to have the identity that “I can change the world.” Similarly, Devon McAnany, of Arzu Studio Hope, said, “We are successful in educating people about social change and inspiring people to make a difference in whatever way we can, whether it’s with Arzu or other ways.” While it doesn’t substitute for product quality after an initial purchase, it is a very strong asset to any organization looking to achieve social impact through sales.

Conclusion

In 2009, the White House established its own office of “social innovation.” Innovation hubs are no longer only at places like MIT and Stanford, but are popping up in places like Nairobi, Buea, Lagos and Ahmedabad. And it was recently announced that the top 50 impact investors manage a total pool of $8.9 billion in assets. With the rise of so many organizations...
starting to experiment with developing products and services that can both make a profit and have a social mission, there is a growing need to apply the skills and best practices from leadership and change fields to these fledgling organizations.

Because these are still relatively early days for the field of social enterprise, organizations that are working today not only have an effect within their own target communities, but also contribute to an anchoring affect in the field. The decisions they make today will be looked at by many other organizations and leaders in years to come. As there has been a surge in interest in these types of organizations – in starting them, funding them, supporting them, buying from them – co-creating visions and aligning structures that will bring those visions to life will be a key success factor in the long-term impact of the field.

4 See Appfrica Labs, ActivSpaces, iHub, and Center for Innovation Incubation and Entrepreneurship.

5 http://t.co/F7wTtuc

"Knowledge emerges only through invention and re-invention, through restless, impatient, continuing, hopeful inquiry men pursue the world, with the world, and with each other." - Paulo Freire
Clarification of individual and organizational values has been a central process for organizational development, strategic and succession planning, executive coaching and leadership development. Inherent in this work has been an assumption that values clarification is a positive process that will also lead to positive outcomes. In our work of trying to develop an empirical framework of assessing values, we have learned that values clarification can be just as strongly a predictor of languishing as flourishing.

How can the process of values clarification be a bad thing? Left to our own natural tendencies, we are vulnerable to (1) assessing our values in an ideal, aspirational manner; (2) using our values as a rigid, self-critical evaluation that can foster guilt and shame; (3) using our values in a judgmental manner against others; and (4) confusing values, attitudes, preferences and needs when assessed in an open-ended, projective manner.

In addition, there is no such thing as an emotionally neutral personal value. If it’s important to us, it will have an emotional charge. Furthermore, values will always bear some uncertainty and risk in their expression, which evokes fear. Unless we have a sophisticated manner of managing the emotional charge and fear associated with values expression, we can find ourselves drifting toward maladaptive coping strategies that compel us toward emotional comfort and away from meaning. This process tends to interfere with the dynamics that promote both individual and organizational flourishing. It’s not “What” but “What + How”

Values are truly central determinants of fulfillment, productivity and resilience. The key for consultants is to gently nudge the process of values clarification so that it avoids some of our natural vulnerabilities. In essence, we need to spend as much time working with clients on how to manage our values as we do clarifying what they are.

Considerations for Optimal Expression of Values: Addressing the “How”*

**Integrity Action Steps**

One of the cornerstones of healthy self-esteem is integrity, behaving congruently with the values that are personally important. People with high self-esteem routinely monitor how well their behavior aligns with what’s important to them and develop action steps to bring behavior and values closer together. So, it’s important to help clients understand that striving to align their values with behavior has a direct link to their self-esteem, and subsequently, their resilience.

However, another key difference between flourishing and languishing is the perspective one takes when going through this analytical process. People that flourish undertake this process compassionately, instead of judgmentally. Helping clients distinguish between analysis (an intent to learn and grow) from evaluation (deeply personal process that often results in dichotomized conclusions of good/bad, success/failure) is important to instill a compassionate approach to integrity development.

Help them develop realistic goals that are within their control. What specific actions would demonstrate to them that they are behaving according to their values? Their values-based goals should be less about outcomes and more about process-oriented actions that are within their control.

They should have only a few action steps and remain sensitive to when they feel their action steps are exceeding their available time and energy, or what their environment will allow. Have them assume they are already 100 percent committed, so if they are going to devote more energy to one value, they must reduce time and energy for another value. It’s also important to distinguish preferences from values and knowing when a goal may need to go on the “preference shelf” for another time in order to focus their available energies on higher order values.

**Balanced Expression of Values**

**Balance WITHIN Values.** To feel a sense of fulfillment, we must devote time and energy to important values - up to a point. Our values are like a double-edged sword. They are a primary determinant of life satisfaction, but they are also a major source of stress. If we over-express a value, we will feel the cost or stress associated with it because it is becoming a psychological need - a "have to," or perhaps a compulsion - at the expense of other important values.

One of the most important factors in fostering success (as defined *Adapted from the Life Values Inventory Online*
by fulfillment, productivity, and resilience) is to commit to a balanced expression of each value. Values clarification should include an understanding of how their values can cause both fulfillment and stress. This understanding can result in heightened sensitivity to the tipping point of when a value drifts into a stressful need state.

Managing the Interaction BETWEEN Values. Our primary values can often interact in a complementary manner - the expression of one helps the expression of another. We usually experience this interaction as either amplified fulfillment or synergy because one action can fulfill more than one value. For example, the sensitive support you may provide a friend in need can fulfill both Concern for Others and Belonging.

However, there are often conflicting values among our top values, such as Independence and Belonging, or Independence and Interdependence. We feel this conflict in the form of stress or tension. Decision-making can be stressful when one opportunity fulfills one value while another opportunity fulfills a conflicting value. When we make a decision that fulfills one value but conflicts with another, we will feel a certain ambivalence or perceived "wrongness" associated with sacrificing an important value. Not accepting or managing this ambivalence can lead to chronic indecision.

To effectively manage conflicting values, one must respect why these values are important and strive to express them in a manner that corresponds with their rankings. Decisions and actions should reflect balanced expression instead of an all-or-nothing approach. This balance is analogous to seeing time and energy as weights that are carefully added to both sides of a scale to keep them in balance, as opposed to a seesaw approach, in which one alternates between complete expression of one value at the sacrifice of the other. For example, if Belonging and Independence are two important values, help clients find separate activities that will currently fulfill both values. Balanced expression helps gain an appreciation and emotional tolerance for the healthy tension that exists between conflicting values, rather than perceiving this tension as a problem.

Effective Decision Making
To make the best values-based decisions, people who flourish commit to giving themselves a 24-hour pause before they commit to any opportunity. When opportunities arise that touch our values, we are vulnerable to saying "yes" to all of them without much regard for our current time commitments. We also tend to underestimate the additional time required for new opportunities.

Consider the balance within and between values. Will taking on this new opportunity cause one to lose balance within a value and result in over-expression of one value at the expense of other important values? Will balance be lost between conflicting values? Committing to opportunities that are congruent with important values must be managed with a realistic appraisal of available time and energy. The basis for good decision-making is values congruency and energy management, not whether decisions resulted in a good outcome. If a good outcome results from values-based decisions, it’s to be appreciated, but not to be used as the criterion for evaluating decisions.

R. Kelly Crace, Ph.D., Values Expert
Dr. R. Kelly Crace, a Mobius Senior Expert, is the director of Duke University’s Counseling & Psychological Services. He is a licensed psychologist, the co-author of the Life Values Inventory, and creator of The Life Values Inventory Online, an online mini-course for values clarification and personal development. He has published and presented extensively in the areas of values, transition, multi-generational family business dynamics, organizational development and performance psychology. He is president of Applied Psychology Resources and has conducted over a thousand seminars for business, academic and sport groups. He is the former director of the Counseling Center at the College of William & Mary. He received his academic and clinical training from Vanderbilt University, the University of North Carolina at Chapel Hill, and Duke University. He is co-inventor of a U.S. Patented Interactive Sports Simulator System designed for scientific and entertainment application. Kelly was the recipient of the Chambers-Reid Award for Professional Excellence at William & Mary. We are very pleased to share this article on his values work with the Mobius community.
Striving for Expression versus Potential

It is natural for us to use our values and a mentality of striving for potential as our guide to success. It seems like a great approach. Unfortunately, it can actually get in the way of our best performance and quality of life. It can lead to negative procrastination and perfectionism, excessive anxiety and stress, and at times, symptoms consistent with depression.

How can something that sounds so good work so negatively? Essentially, it creates a *chronically evaluative mindset*. We never shut off our mind. We are constantly asking, “How am I doing now?” in everything that matters to us. The reason is that we can’t turn the volume down in our head because of our values. We’re acting toward things of importance to us. And if we are striving toward our potential in everything that’s important to us, we’re never feeling that we’re quite enough. In fact, potential is a concept that is fear-based. We are afraid that if we don’t strive for our potential we will become complacent. “Potential” is a basic lack of trust that we can motivate ourselves.

So what does work? It is important to use our values as a guide to our behavior because values are critically important to our fulfillment. But instead of striving for potential, one must tap into one of the important determinants of success in adult life, energy management. If we use our values as the primary source of motivation and approach our values with sensitivity to energy management, we tap into our optimal behavior. Why? This approach fosters an *expressive mindset* rather than an evaluative one. An expressive mindset is what defines the zone or flow experience of optimal behavior. Most of us have experienced the zone or flow experience, in which everything clicks and feels almost magically effortless. Most of us believe that we can’t control the zone experience. However, we can more consistently experience this state when we foster an expressive mindset.

How do the principles of values and energy management work to foster an expressive mindset? First, values can motivate us to act in ways that have meaning to us. But acting on our values also makes us vulnerable to accepting any opportunities that can fulfill those values, leaving us over-committed. Second, energy management keeps us honest with one of the most difficult truths to accept in adulthood. We will always have more demands and opportunities than we have time and energy. Optimal performers accept and respect this fact and try to work with it.

Fostering an Expressive Mindset: A Daily Plan for Values Expression

The following is a five-step process that nudges values expression toward flourishing and fosters an expressive mindset:

**Step 1: Values.** At the beginning of each day, ask yourself, "What is the most right way for me to devote my time and energy today?" The word "right" is intended to tap into the values you have clarified, but in the context of a day. The answer on one day may be about balance, doing something in all the things that are important to you. One day it may be more singular and focused on an important project. On another day it may be about rest. Whatever it is, use the concept of "rightness" to tap into your values.

This process doesn’t have to be long and structured. It can be short and intuitive, while you are getting ready for your day.

**Step 2: Acceptance and "Can."** Usually, you will react to the answer from Step 1 with uncertainty as to whether you can get it all done. If you feel a twinge of doubt, you’re probably right. Reduce the activities until you feel a sense of confidence and a mindset of “I can do this.”

**Step 3: Expression and Engagement.** Once you have your “can do” list of values-based behaviors, you focus on expressing those activities the rest of the day. The day is about being fully engaged in the expression of your talent and energy, with courage and commitment, and with full acceptance of the day’s challenges.

**Step 4: Appreciation.** At some point near the end of the day, spend a couple of minutes appreciating what you did and why. This may sound a little touchy-feely for some. However, there is a very practical reason for doing this. At the end of the day, we most naturally think of the things that didn’t get done and what we need to do tomorrow to make up for it. This triggers an overly evaluative, or judging, mindset and negatively affects our motivation and stress level. Taking a couple of minutes to appreciate what you did and why counters this negative process. We already know what didn’t get done.

In addition, this step allows us to see how unexpected events provided opportunities for values-congruent behavior. For instance, we may have planned to devote time to an important project but ended up devoting time to a friend who unexpectedly called in crisis. It is important to appreciate the values that are behind that behavior. This is not intended to
be a self-love fest, but a moment to take time to appreciate the courage you exhibited by committing to values-based behavior. Martin Luther King, Jr. often spoke of the heroism associated with living congruently with our values on a daily basis. This step is intended to be a form of self-management and self-encouragement for our difficult efforts.

**Step 5: Analysis.** After spending time appreciating what you did during the day, ask yourself “What is one thing I can learn from today that will help me tomorrow?” This helps us continue to grow and improve. This process is analysis - which is not the same as evaluation. As we mentioned earlier, analysis is an authentic way to learn and self-improve; evaluation is too personal - we process it as good-bad or success-failure. For example, we may look back at the day and realize that we fell short of a particular goal. Evaluating our actions may cause us to conclude that we were lazy (or some other very negative, personal label). This process only serves to negatively affect our motivation and make us vulnerable to repeating the same behavior. Thinking analytically, we can look at the situation, try to understand the factors that influenced our behavior (e.g., we took on too much today, we let fear get in the way, something unanticipated happened that was more important), and try to learn from the experience. After you have appreciated and learned from your day, you can mentally flush the stress of the day with a clear conscience, helping you sleep better and fully restoring your body and mind.

**Embracing the Fight for Meaning**

From a values clarification process, it is hoped that clients will discover an important dynamic of stress. Much of the stress we experience is connected at some level to the things we believe are important. We can’t feel anxious about things that are unimportant to us. If we view stress as a problem that needs to be removed from our lives, then we may also be removing areas that are central to our fulfillment. For example, you could get your feelings hurt less if you cared less, but if you value Belonging or Concern for Others, you will feel the loss of not expressing that value.

We are naturally inclined toward physical comfort. This can also lead us to place primary importance on emotional comfort. If the primary guide is emotional comfort, decisions will be driven toward reducing uncomfortable emotions, such as fear, boredom, hurt, or anxiety. But this may also come at a cost: less meaning and fulfillment. If primary importance is placed on meaning by committing to our values, the cost may be periodic stress and discomfort associated with having to manage those values. We all have times when we need a break from stress and discomfort, but there’s a distinction between primary versus secondary focus. Fulfillment, productivity, and resilience are optimized when commitment to our values is primary and emotional comfort is secondary.

Dedication to a values-centered life provides the opportunity for excellence and fulfillment. But it also means dedicating to something that is hard. It’s not complicated, just hard. That’s why positive change requires courage and commitment. One has to cross that emotional hurdle of accepting the fight of doing something hard. Fortunately, if we accept the fight and seek to intentionally devote your time and energy to our values, our emotional reaction to the fight decreases and feels less painful.

While positive change is ultimately our own responsibility, support can help us from feeling alone in the fight. Growth comes from a balance of challenge and support. Helpful support for positive change tends to come in the form of people, faith and structure. The support of friends, loved ones, and/or professionals can provide encouragement and perspective. One may find that prayer, meditation, or reflection consistent with their spiritual beliefs can help maintain faith and hope. One may also find that a certain level of organization or structure to their day helps create a rhythm and routine when they are trying to internalize change. Whatever combination of support feels most helpful, consultants are uniquely qualified to help clarify optimal support for clients as they begin their personal development program.

This article has focused on the “how” of helping clients manage their values to promote flourishing. Stepping back to the “what” of values clarification, consideration needs to be given to the difference between operational and aspirational values, the interaction between importance and behavior, the integration of life roles, empirical validation, and cultural sensitivity. The Life Values Inventory (LVI) is an attempt to address these issues. As always, it is an imperfect process and we are continuing to refine our empirical understanding of values. Please note that one of our goals was to provide a trans-theoretical tool so that consultants can use the LVI in a manner congruent with your theoretical framework of working with clients. Now that it is a free resource available to everyone, we look forward to your input and wisdom about this tool.

www.lifevaluesinventory.org
Rarely a day goes by without a call from someone who is looking for information about MWI’s mediation training programs. Callers tend to be professionals who are looking for a more collaborative way to lead their teams, an additional service to offer their clients, or a new challenge. Others have been mediating informally and are looking to put words and definition to something they have been doing for years. Additional callers are retired judges or graduate students who seek to grow a new set of skills for helping others resolve differences efficiently and effectively.

Questions that aspiring mediators inevitably ask include, “I’m interested in becoming a mediator. What do I need to do?”, “What are the educational requirements?”, “Who are the trainers?”, “What happens after I complete mediation training? How does the field work?”, and “When are your courses offered?”

This article provides answers to these frequently asked questions. “I’m interested in becoming a mediator. What do I need to do?”

My first response to this question is—why do you want to become a mediator? My purpose in asking this question is to better understand the interests of the caller and to set expectations. Mediation, like other professional consultative services, is currently an unregulated and unlicensed profession that requires practitioners to invest hundreds of hours to become skilled, sought-after and marketable. If the caller has an assumption that disputants will flock to their offices after completing a 30-hour training, this is an unrealistic expectation. In my experience, it takes at least three to four years or 250 cases (1000 hours of practice) to get to a place where a mediator understands the process, sees patterns in their practice, and can genuinely begin to add value to the parties’ discussions. By setting realistic expectations about how the field works, callers can make an informed decision about whether mediation training is a good match for them and whether they want to invest the time into building a practice.

“What are the educational requirements to become a mediator?”

Given that mediation is a field without state or federal licensure and certification requirements, there are no preclusive educational requirements for entering the field. Some states, like Massachusetts, have a state statute that governs confidentiality in mediation. The Massachusetts mediation statute, MGL ch233 sec 23C, states: “For the purposes of this section a ‘mediator’ shall mean a person not a party to a dispute who enters into a written agreement with the parties to assist them in resolving their disputes and has completed at least thirty hours of training in mediation and who either has four years of professional experience as a mediator or is accountable to a dispute resolution organization which has been in existence for at least three years or one who has been appointed to mediate by a judicial or governmental body.”

While seemingly undefined (e.g., what does it mean to have four years of professional experience – full or part time? What does it mean to be accountable to an organization?), it does define a 30-hour training requirement for mediators seeking protection.
under the statute. MWI’s mediation training programs are 40-hours in length, given that it is difficult to cover everything in 30-hours. The forty-hour standard is fast becoming the established norm for mediation training according to state court guidelines (e.g., AZ, CO, FL, and ME). The mediation field is made up of professionals from many disciplines, which in turn has made the field rich with experience and perspectives.

“When are the trainers?”
When considering taking a mediation training, it’s important to know who are the trainers. What do they do when they’re not training? Are they full-time mediators? Ask the training provider for specifics about the trainers and the types of clients they serve. Do they mediate the types of cases that you plan to mediate? MWI’s training faculty is made up of full-time professional mediators who bring decades of experience to each program having mediated thousands of business, workplace and other types of cases. In addition to providing nationally recognized mediation training programs, MWI trainers also provide a full range of ADR services including mediation, arbitration and ombudsman services to clients such as General Motors, Bose Corporation, Coca-Cola Enterprises, BMW, Visa International and others. You should be vetting programs for faculty with this level of hands-on experience.

“What happens after I complete mediation training? How do I get experience?”
Getting experience as a mediator is similar to building your financial credit. It’s difficult to get opportunities to mediate if you don’t have experience as a mediator, which is a real challenge for new mediators. Unlike many other training providers, MWI offers opportunities for participants to grow their mediation skill-set by mediating actual cases in Massachusetts-based courts following successful completion of MWI’s mediation training programs. The best programs will include an element of application in real-world settings to ensure you are ready post-program to actually serve as a mediator.
Fads come and go. Brain science is an alluring subject. However, when it comes to coaching one of the questions people sometimes ponder is: is it just another fad? If not, exactly how useful is it and why? Do we really improve our insights with brain science? Does it make a difference? Can it change outcomes for business? Or is brain science simply a theory that sounds fascinating but has no relevance in a business world or in executive coaching?

The Rationale

When I decided to start NeuroBusiness Group (www.neurobusinessgroup.com) it was with the distinct knowledge that businesses generally want to enhance their profits, develop better leaders and/or accelerate their strategies when they hire coaches. For the longest time, many businesses had noted that simply having a plan was not enough. Somehow, the “people” variable always made the difference between plans that were well executed and those that were not. Even when an outstanding consulting company had made breakthrough recommendations, businesses often found themselves floundering to put this plan into action or to impact the bottom line—which was often greater profits or more cohesive teamwork.

Coaches are hired to help to move business processes along, and many businesses have experienced the significant impact of executive coaching on their performance. However, there are several challenges of existing coaching methodologies: 1. They are overused and therefore less effective when it comes to employees actually learning anything. 2. They rely on observing conscious behavior rather than accounting for unconscious phenomena. 3. Targeting behaviors is not always effective. Thus, neurocoaching offers solutions to these challenges in that it is new, provides insights about the unconscious and offers different targets within the brain.

With this in mind, I wrote “Your Brain and Business: The Neuroscience of Great Leaders” (FT Press, 2011) in an attempt to provide a comprehensive approach to utilizing brain science in coaching. This is by no means the be-all-and-end-all version of brain science applied to business, but it covered many coaching mandates that could be better understood by delving into brain science.

The bottom line is that business profits depend on the efficient execution of business strategies and that strategies are carried out by people, who in turn have brains. Thus, if we wanted to impact strategy, we would need to impact people and more specifically, their brains.

Some Examples of Value

So now that we know that brain science adds a different perspective, some new insights and concrete regions to target, how exactly does this play out in the executive environment? First let me say that brain science without people skills is a dead tool in the hands of an executive coach. It only comes alive when it is used in combination with people skills and an understand-
ing of organizational psychology. To date, we have used this perspective to improve insights in various aspects of executive coaching. Below are some of them:

1 Improving sales performance:
The old carrot and stick method of improving sales performance does not always work. Salespeople are often not motivated to sell because the rejection rate is so much higher than the acceptance rate and as a result, there is no reward to go out and sell more. How could brain science help us help coaches increase their motivation? While this in itself is a very large topic, among some of the insights that brain science can offer us are the following hypotheses: (1) The sales performance is suboptimal since the person is unable to focus on making the requisite number of calls: Brain science teaches us that “lack of focus” may be due to conscious and unconscious factors such as anxiety and fear and not simply a fundamental inability to attend or concentrate. By teaching a sales force how this unconscious anxiety impacts thinking, they will be in a better position to understand and intervene using brain-based principles. (2) Several sales principles can be taught using brain science. For example, a simple principle I call “loan it to own it” has a basis in brain science. When people own something, the brain’s reward center is activated and they are more likely to want to keep what they have. The aim in developing a sales force is to help them develop ways outside of liberal return policies to increase the feeling of ownership during the sales process. In the best case scenarios, this would involve authentically directing the buyer to something that would be of value that they may not already see by asking them to consider what it would be like to own it. For example, asking somebody to wear something and take it home because it looks good on them even though they cannot see that it does. Knowing that the customer’s reward brain needs to be activated to make the sale helps salespeople anchor and modify their persistent ways.

2 Improving innovation: If you want to increase the innovative capacity of a team, there are several brain-based insights that can help. For one, creativity requires “letting go” of inhibition in thinking. This skill can be taught. One of the brain-based insights is that creativity relies on brain regions that overlap with dangerous disinhibited behaviors such as sexual indiscretion or poor risk assessment. That is why many people avoid the slippery slope and stay well outside their own creative capacities. When we explain this to managers or leaders, they can then learn where they fall on this inverted U-shaped curve, and executive coaches can help them steer themselves up the curve to maximize creativity but anticipate dangers without falling into the “prudence” trap. This and several other insights really helps creative people ground themselves and can help to spur on innovation.

3 Improving the time to market or accelerating strategy: For a product to come to market, several levels of an organization must work like a well-oiled machine to be as efficient as possible. Efficiency is compromised by conflict, poor communication, difficulty negotiating and lack of consideration. Brains science teaches us how different forms of empathy impact the brain differently: to feel what people are feeling and to understand what they are feeling requires different brain systems with different results. As part of negotiation training, managers can learn the art of negotiation with the nuances of brain changes that affect how they negotiate and what forms of empathy to use. Also, understanding the biology of conflict and how brain science can help people in conflictual situations can be very helpful. When the brain’s conflict detector is working overtime, it may compromise retention of information since short-term memory systems are disturbed. As a result, this slows the process down. When people understand what the brain impact of their conflicts and negotiations are, they are in a much better position to remember the most and least effective forms of behaving and when coached, this can significantly impact how fast a product comes to market.

4 Improving overall performance and facilitating change: Several factors contribute to poor performance within a corporation. Habit pathways in the brain keep people stuck and when change is necessary, the brain goes into a state of cognitive dissonance – that is, it starts to get anxious because change is threatening. This is a large topic (our three-day basic training is all about making changes and how to manage important changes) but brain science offers a unique perspective on what goes on when the brain is in this dissonant state and how you can target specific brain regions with interventions that increase commitment to a new course of action. For example, we know from brain science that stimulating the left frontal cortex increases commitment to a new path of action. Thus, executive coaches can teach people how to stimulate
this brain region with simple interventions that are different than simply forcing people to change.

**Conclusion**

When you empower employees with new insights into their own behavior, they are in a much better position to understand their behavior and to remember what to do. The science also provides more neutral grounds for understanding without people feeling picked on due to their personal traits. By learning and remembering image-based coaching solutions inherent in the methods of neuroscience, strategy can be much more effectively executed by employees. When these tools are combined with people skills, an executive coach is in a much more powerful position to provide a context for change and to inspire the desired commitment. Knowledge is power. Brain science is new knowledge. As a result, brain science can help organizations become much more powerful when it is used in combination with an understanding of organizational psychology and people skills. To date, we have documented promising anecdotal evidence that brain science is effective in corporate learning and several business outcomes. As time goes on, more research will help us fine-tune how we can apply these principles with greater generalization in the corporate world. ■

---

**Neuro Business Group: Basic Neurocoaching Certification**

**Certification in Applying Neuroscience to Executive Coaching**

**November 14-16, 2011 | Harvard Faculty Club, Cambridge MA**

Dr. Srinia Pillay, CEO of NeuroBusiness Group, will lead a three-day workshop on the role of neuroscience in executive coaching. NBG integrates brain science with organizational psychology to help corporations reach their goals through workshops, trainings and coaching.

Existing coaching methodologies only tap into conscious thinking and behavior. Yet brain science teaches us that unconscious factors play a large role in shaping organizational psychology and business outcomes. By understanding these unconscious factors and other aspects of brain science, executive coaches will be empowered with what some might call an increasingly essential tool. While there is a tremendous amount of information on neuroscience out there, knowing how to apply this knowledge to executive coaching requires a different knowledge and skill-set. The NeuroBusiness Group Basic Training will help you apply the core concepts from Dr. Pillay’s book *Your Brain and Business: The Neuroscience of Great Leaders*. The certificate earned is particularly useful to executive coaches and consultants.

**What we will cover:**

The 3-Day program will help participants understand the neuroscience of change and transformation. The format is very experiential with substantial content and opportunities to apply the content learned.

**Day 1: Introduction, Overview and New Ideas on the Horizon**

- Introduction and overview of neuroscience as it applies to the executive environment

**Day 2: Moving from Overview to Specifics**

- Review of issues of relevance to executives in the areas of change: e.g. grooming new leaders and transformational leadership, dealing with layoffs and restructuring, outsourcing and ‘mergers and acquisition’ and how neuroscience applies
- The Coach as Change Agent: From Process and Content to Implementation of Change
- Overview of the integration of neuroscientific and psychological models of change with coaching skills

**Day 3: More Specifics and Moving to Immediate Action**

- Getting to action orientation using neuroscience: application to coaching
- More details on neuroplasticity: so what if the brain can change?
- Conversations that keep people stuck: applications of neuroscience

To register or for more information on NBG: [www.neurobusinessgroup.com](http://www.neurobusinessgroup.com)
Many of us know and feel intimately that the quiet, but pervasive suffering in many organizations — infighting and bureaucracy, power games and perceived powerlessness, frantic activity that covers up feelings of emptiness — points to a transition to come in how we think about and run our organizations.

Expressed in terms of stages of consciousness (spiral dynamics), we are reaching the limits of organizational models molded in (orange) achievement consciousness and (green) affiliative consciousness. A great number of people who are waking up to (yellow) authentic consciousness are quitting the race to the top, and leaving today’s organization that they perceive to be inhospitable to the deeper longings of their souls.

We know that in not too distant a future, many organizations will emerge based on a (yellow) authentic consciousness, just as every past transition in human consciousness has brought forth new organizational models. And just like in previous transitions, we know that the new model will bring forth unprecedented levels of collaboration, performance and well being (until transition pain sets in and the next model comes along).

How will that yellow organizational model look like? What principles will shape it, what processes and practices will give it life? How will yellow organizations allow and help people to express their talents and pursue the callings from their souls? What will happen when people dare to show up whole? These questions are at the heart of this research and book project.

Can you help me?
The most critical aspect of this research will be to identifying the — most likely still small — organizations experimenting with a yellow model, wherever they are in the world. If you know of any organization (corporation, non-profit, school, clinic…) that is trying to work from a place of authentic consciousness, however you would define this, please let me know!

If you know of any other person engaged in similar research, or an article or book that you think would be relevant, please let me know too — perhaps we are meant to join forces. Also, if you know of a foundation or a publisher that might be interested in supporting this research, let me know. If you have any thoughts on this yourself, let me know. Finally, if you are interested in the topic, and want to stay in touch and receive updates, let me know too.

I can be reached at Frederic.Laloux@Mobiusleadership.com.

Research and Book Project: The Yellow Organization
From Mobius Europe Senior Consultant Frederic Laloux

Frederic Laloux
Frederic Laloux is a coach, consultant and change maker with over 10 years at McKinsey & Company working to help organizations and individuals achieve higher collective and individual purpose and success in their work. With a strong knowledge and foundation of corporate business, Frederic provides individual coaching, and designs and facilitates workshops and trainings for management teams often with the aim to help solve challenges in leadership. He has worked with leading financial and industrial companies on specific issues including performance management, strategy and strategic alignment, large-scale operational transformations, mergers and re-organizations. Deeply curious, Frederic has worked and traveled on all continents, and speaks five languages fluently.

In his coaching and trainings, Frederic is known for his lighthearted and demanding approach. Having witnessed deep personal transformation in his own being, and in many other people during powerful interventions, Frederic challenges himself and his clients go beyond traditional training and coaching goals – such as improving business outcomes and personal skills – but to reach for personal learning and transformation in the process. As a certified ontological coach, Frederic’s ultimate purpose is to facilitate new awareness in clients of their potentially limiting mindsets and to allow the expansion of their full capabilities, creativity, performance and joy for the sake of their person, corporation and the world.
Professional Development Opportunities

Upcoming Offerings from Mobius Alliance Partner
Seven Stones Leadership

Mobius Alliance Partner Seven Stones has three upcoming events and courses to further your experience of wholeness and sufficiency.

Fall Somatic Practice Group
Jennifer Cohen is leading a 8-session course for coaches and consultants and others working with human beings to bring about abiding transformation for ourselves and others.

WHEN: Mondays, September 31st–November 28th 3:30pm-6pm ET.
WHERE: The Luminosity Studio in W. Concord.
TO REGISTER OR LEARN MORE: Contact Jennifer Cohen at jen@sevenstonesleadership.com or 978.274.2089.

Exquisite Sufficiency: A New Way Home
5 days at Omega Institute in Rhinebeck, NY
Want to take a deep dive into what is enough? Join us for a full week at Omega, the fabulous camp for adults in mid-state New York. Together in community: through meditation, guided spiritual investigation, small group exercises, we will heal old patterns that live in our bodies and form the context of scarcity that rules our lives. We will re-awaken to what is enough.

I Am Enough on DailyOm.com
Want to explore sufficiency from home but with guidance? You can soon! Coming later this summer, a 7-module course that will re-awaken you to what is enough, and transform your experience of yourself and everything around you on a visceral level will be available on the renowned DailyOm site.

www.sevenstonesleadership.com

Details on the following upcoming trainings can be found on their website at www.atkisson.com/wwd_training.php.

Upcoming Trainings on Sustainability
From Mobius alliance partner AtKisson and Associates

Ongoing schedule of ISIS Academy USA Classes offered at both University of Florida, and in St. Paul, Minnesota

Upcoming Trainings in Mediation from Mobius Alliance Partner
American Institute of Mediation

Resolving Conflicts at Work
With Ken Cloke, Mobius Senior Consultant
December 2-3, 2011 • Los Angeles, CA • 9-5 p.m. PT
American Institute of Mediation
Develop the skills and understanding to use conflicts as opportunities for personal and organization learning, growth, change, healing, and transformation. Explore the principles of “conflict resolution systems design,” the social psychology of workplace conflict and the need for solutions that reconsider the way we work.

For more information:
www.americaninstituteofmediation.com/pg1004.cfm

Mediating Commercial and Litigated Cases
LeeJay Berman, Mobius Senior Consultant
January 24-28, 2012 • Los Angeles, CA
Want to build your skills as a mediator? This course gives hands-on experience with different styles and approaches to mediation and focuses on understanding the core skills, strategies and techniques of negotiation. Learn to master techniques for getting people to the table, creating an environment of agreement and closing deals that will bring about lasting agreements.

For more information:
www.americaninstituteofmediation.com/pg15.cfm
September 15-16, 2011
Stanford University
INVITATION ONLY PROGRAM

“Finding Your True North” is an experiential program based on the research behind the best-selling book True North (Jossey-Bass, 2007) and the Harvard Business Review article “Discovering Your Authentic Leadership”. The curriculum sets you on the path to discovering your authentic self as a leader, aligning your intrinsic and extrinsic motivators, integrating your personal and professional life, and identifying external resources to support you on your leadership journey. This 2-day course also includes two follow-up webinars, as well as group work and individual reflection. In this course you will:

**Identify Your Story:** Through your own crucible stories, you will find who you are as an authentic leader (your True North)

**Live Your True North:** Find your own guiding principles, and see how to express values, principles, and ethical boundaries in a deeply powerful way on a daily basis

**Empower Others to Find Their True North:** Discover how, through accessing your authenticity as a leader, you can support those around you to do the same

**What is it?**
- 2-day workshop
- Small group learning experience with ALI facilitators

**Designed for:**
- Senior executives in general management or functional leadership positions
- High potential mid-level leaders preparing for new career opportunities
- People who are on the forefront in innovation and cross-functional integration

**Benefits to individual:**
- Greater confidence in taking on “game-changing” initiatives
- Greater ability to speak and act from an authentic vs. ego-based perspective
- Clarity on your identity as a leader and the best place to apply your talents
- An opportunity for feedback and perspective on leadership style and strategies

**Topics covered include:**
- What is an Authentic Leader?
- “Purpose-driven” vs. “Ego-driven” leadership
- The role of self-awareness
- Discover where your talents are best utilized and what motivates you- Your Leadership Sweet Spot
- Understand your Leadership Story
- Put Leadership Back into Strategy

**Requirements:**
- Pre-reading and reflective exercises

**Suggested follow-up:**
- Participants will be given an outline and coaching on how to form an action plan for applying the key insights gained at the session

**Benefits to the organization:**
- Leaders with a focus on integrity and business ethics
- A stronger results-oriented culture

**Program Cost:** $1,900 per person
**Contact:** Lindsay Earnest at learnest@authleadership.com for more information
Coaching from a Systems Perspective

For experienced coaches committed to expanding their capacity to coach individuals and teams from a systems perspective.

As leaders and coaches, we live and work in complex systems — our families, our organizations, and the larger world. By deepening and broadening your ability to coach from a systems perspective, you will help your client leaders see themselves as human systems working and living in larger systems. *When leaders understand those systems and how they operate, they are better able to achieve their goals.*

Course Covers:
- The Butterfly Model of Complex Human Systems
- Coaching in the External System: systems thinking, system archetypes, a systems learning cycle, and emergent learning
- Coaching in the Internal System: intentions, internal narrative, mental models, underlying stories
- How the external and internal systems impact our interactions with clients and self as a system

Approach: Capacity Development at Five Levels
- Tools, methods, a “kit” of “how-to’s.” *What to do.*
- Skills... are strengthened through practice, repetition, and coaching. *How well we do things.*
- Stance. *Intention, quality of attention, state of mind, and embodiment.*
- Being and Identity. *Who am I that I do these things?*

Graduates of this Course Have Found:
- New tools and skills that complement mainstream coaching
- An experience of coaching that touches them deeply and personally
- Relationships that expand their professional network of coaches

The course is approved for 29 ICF Continuing Coach Education Units (CCEUs). A course certificate will be granted to all participants who complete the full course and follow-on certification requirements.

2011 U.S. Course Schedule

**Boston, MA**  
October 11–13

**Seattle, WA**  
November 2–4

**Washington, DC**  
November 7–9

**Boston, MA**
Pine Manor College, Ashby Campus Center  
Chestnut Hill, MA 02467
Faculty: Jeff Clanon, Heidi Sparkes Guber and Jeffrey McIntyre
Tuition: $1,494.00
Registration: [http://11cspboston.eventbrite.com](http://11cspboston.eventbrite.com)
Contact: Jeff Clanon  
mailto:Jeff@SystemsPerspectivesLLC.com

**Seattle, WA**  
in partnership with Pegasus Communications
Systems Thinking in Action Conference  
Westin Hotel, Seattle, WA 98101
Faculty: Richard Karash and Steve Ober
Tuition: $1,395.00
Registration: [http://SystemsPerspectivesLLC.com](http://SystemsPerspectivesLLC.com)
Contact: Richard Karash  
mailto:Richard@SystemsPerspectivesLLC.com

**Washington, DC**  
in partnership with The Nebo Company
Georgetown University, Center for Continuing and Professional Education, Arlington, VA 22201
Faculty: Miriam Hawley and Richard Karash
Tuition: $1,800.00
Registration: [http://11cspdc.eventbrite.com](http://11cspdc.eventbrite.com)
Contact: Heather Broberg  
mailto:HBroberg@NeboCompany.com

Coaching from a Systems Perspective is developed by eight members of the Coaching Community of Practice of the Society for Organizational Learning (SoL). The program is dedicated to the memory of our colleague Diane Hetherington, who did so much to bring the course to life.
Comprehensive Collection

*Leadership* makes available his most sought-after writings in one single volume. Included are adaptations from *Emotional Intelligence*, which made TIME’s influential management book list, and the Harvard Business Review article "What Makes a Leader?,” the most requested reprint in the history of the publication.

Latest Findings

Dr. Goleman highlights the latest scientific research on the relationship between brain circuitry and EI, and provides practical applications of this skill set, a key ingredient for stellar management, performance and innovation.

Generous BULK DISCOUNTS available for Mobius Community. Contact Mike Sjostedt (mike@morethansound.net) for more information.

[www.morethansound.net](http://www.morethansound.net)
Deepen your understanding of Social and Emotional Intelligence. Daniel Goleman hosts this informative series of talks with luminaries in psychology, neuroscience, leadership and more.

Available individually and as a box set at: morethansound.net

Generous BULK DISCOUNTS available for Mobius Community. Contact Mike Sjostedt (mike@morethansound.net) for more information.
Women are not advancing to leadership roles fast enough to meet the needs of organizations worldwide.

Research shows that organizations with diverse leadership teams outperform those with homogeneous leadership teams. Maximizing the potential of female leaders is essential to ensuring your organization’s future.*

Introducing Linkage’s Women in Leadership Institute™.

Our research over the last 15 years has shown us:

1. There are critical competencies and skills that enable leaders to drive results; capabilities women leaders need to accelerate in organizations today.
2. A high-impact, cohesive, and immersive learning experience that includes peer connection, deep skills-based learning, and on-going support is needed.
3. When organizations send multiple high potential women to a learning experience, the speed of succession in the organization increases.

Download your copy of the brochure at www.linkageinc.com/WIL.

What will participants receive onsite?

Immersion Learning Experience
Participants will experience accelerated growth through an intensive training program built for emerging women leaders. The Institute is an integrated learning experience connecting what our research shows us are the most important competencies for women leaders today.

Each session has been selected based on its alignment with the skills and competencies of Linkage’s Accelerated Leadership Development Model™ including:

- Strategic agility
- Systems thinking
- Creating the vision for the future
- Fostering trusted influence
- Negotiating
- Managing conflict
- Motivating for change
- Coaching/inspiring teams and people

Leadership Self-Assessment
Allows for immediate engagement in the critical skills and competencies that enable participants to drive results.

Peer Coaching
Participants will be paired with a peer coach to review assessment results and address leadership strengths and create an action plan for change.

Learning Teams
Facilitator-led, peer teams of 15–20 leaders that share what they have learned and apply it to their leadership challenges.

Keynote Speakers
Learn from a diversified group of accomplished professionals—from the first female CEO of Xerox, Anne Mulcahy to one of the world’s preeminent executive coaches, Marshall Goldsmith.

Year of Learning
Benefit from quarterly broadcasts, a Systems Thinking Toolkit, the Linkage Women’s Network, and monthly webinars.

*“The Attraction, Retention and Advancement of Women Leaders: Strategies for Organizational Stability,” AICPA.
Mobius Train the Trainer Program
August 15-19th, 2011 | Ashland Massachusetts
One moment of total awareness is one moment of freedom and enlightenment. Being totally in the here and now is the ultimate therapy, tuning into the timeless moment—the eternal now—and cultivating the enlivening nowness-awareness from which we are actually never apart.” This is Buddha Standard Time.

We have all the time in the world; it’s only focus, awareness, and priorities that we lack. We’re all given the same twenty-four hours a day, so where did all the time go, even with all our labor-saving devices and speeded up forms of travel and communication? We can spend ours feeling hurried and harried, overwhelmed by chores and demands, distracted and burned out, multitasking . . . or we can awaken to Buddha Standard Time, the nowness realm of timelessness where every choice, every action, and every breath can be one of renewal and infinite possibilities.

Time is the ultimate natural resource, for time is life—and time is an endangered one. Time is life, life is time, and we simply deaden ourselves by the amount of time we kill even during this perceived time-famine when no one seems to have enough time for all they think they need to do.

—Lama Surya Das, "Buddha Standard Time: Awakening to the Infinite Possibilities of Now"