Introduction to the Vertical Framework for the Theory and Practice of Leadership Development

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Agenda

- What is vertical leadership development?
- Why is it important?
- Self (and other) assessment: Individual & Collective
- Vertical transformation of leadership cultures
  Tools and frameworks
- Action inquiry in the age of disruption
- Questions?
Our shared challenges are increasingly disruptive and complex.

Vertical theory suggests some ways forward.

**Leadership**: How do we transform our organizations and societies?

**Learning**: How do we inquire together?

**Life**: How do we grow up?
Vertical development is useful both as a spotlight and as a scaffold

*Scaffold*: The theory is in the background and interpretive lens of the designers.

*Spotlight*: The theory is featured and taught in some way.
Maturity

Wisdom

Mindset
“The future of leadership is mindsets not competencies.”

“Wake up, grow up, show up.”
THE 2018 STATE OF LEADERSHIP DEVELOPMENT
MEETING THE TRANSFORMATION IMPERATIVE

RESEARCH REPORT
THE 2018 STATE OF LEADERSHIP DEVELOPMENT

“IN TODAY’S BUSINESS WORLD, *transformation* has become the new normal for organizations seeking to adapt and excel in the face of ever-accelerating change.”
FIGURE 1
Most Organizations Are in the Midst of Transformation

- 32% Yes, completed in the past three years
- 54% We are in the midst of a transformation
- 10% No, but we anticipate the need in the next five years
- 3% No, we do not have a need for transformation at this time

The challenges we face ...

**Volatile**: Change happens rapidly and on a large scale.

**Uncertain**: The future cannot be predicted with any precision.

**Complex**: Challenges are complicated by many factors and there are few single causes or solutions.

**Ambiguous**: There is little clarity on what events mean and what effect they may have.

... require *human transformations*. 
What makes us human?
What makes us human?
What makes us *human*?

*Meaning-making* of increasing complexity

- *inherent meaning*
- *constructed meaning*
Human Development Basics

• **Meaning-making** is what makes us human.
• Children develop in dramatic steps or “stages” of meaning making (Jean Piaget)
• Adults continue to develop in stages. (Lawrence Kohlberg, Bob Kegan, Bill Torbert)
• Adults can become increasingly more mature as they “grow up” and develop “bigger minds.” We call this “vertical.”
• Our adult stage of development affects how we think and act at work and at home – our *action logics*.
• There are at least **seven transformations** possible in adulthood.
• The catalyst is often hitting limits, getting stuck, or intense curiosity.
Development
= Horizontal + Vertical

There are two types of leadership development:

**Horizontal Development**

*Adding* knowledge and skills.

Transmitted from experts.

It’s about *what* you think.

**Vertical Development**

*Growing* abilities to think and act in more complex, systemic, and interdependent ways.

Earned through life experience.

It’s about *how* you think.

Self Assessment

Let’s look at your own life.
Let’s look at your own life.

Take a piece of paper and make three columns or sections with room to write in each.

PAST       PRESENT       FUTURE
Let’s look at your own life.

Take a piece of paper and make three columns or sections with room to write in each.

| PAST | PRESENT | FUTURE |

In the PAST section, jot down a few notes about:

*When in your life did you first experience your influence on peers (your leadership)?*

*Choose an episode or period of time when this influence occurred.*

*How did you think, feel, and act back then?*
Let’s look at your own life.

**What was your primary action logic during that point in your life?**

**When in your life did you first experience your influence on peers (your leadership)?**

**Choose an episode or period of time when this influence occurred.**

**How did you think, feel, and act back then?**
Seven Transformations of Leadership

Alchemical
Integrates material, spiritual, and societal transformations

Transforming
Generates organizational and personal transformations

Redefining
Reframes complex problems in unique ways

Achieving
Driven by personal and team achievement

Expertise
Focus on logic and expertise

Diplomatic
Wants to belong and fit in

Opportunistic
Wins for self

Growing Up

Seven Transformations of Fishing

Alchemical
Society changes its ecosystem

Transforming
We will transform our food network

Redefining
Here is a whole new way of obtaining fish

Achieving
My team and I catch all the fish for the community

Expertise
I am an expert at fishing

Diplomatic
We belong to a community of fishermen

Opportunistic
I catch fish to survive
Using the same piece of paper:

<table>
<thead>
<tr>
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As you see a phrase or idea on one of the next slides that describes you well in the past, present, or desired future -- jot it down in the that column.

*Which of the Seven Transformations were clear in your past?*

*Where are you now, mostly?*

*What is your desired future?*
Seven Transformations of Leadership

- **Alchemical**: Integrates material, spiritual, and societal transformations
- **Transforming**: Generates organizational and personal transformations
- **Redefining**: Reframes complex problems in unique ways
- **Achieving**: Driven by personal and team achievement
- **Expertise**: Focus on logic and expertise
- **Diplomatic**: Wants to belong and fit in
- ** Opportunistic**: Wins for self

Growing Up

Opportunistic

When have you been like this in the past?
When are you like this currently?
Do you aspire to this in the future?
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Growing Up

Diplomatic

When have you been like this in the past?
When are you like this currently?
Do you aspire to this in the future?

1. Obey the rules
2. Be nice and get along
3. Avoid conflict
4. Focus on appearances
Seven Transformations of Leadership

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Integrates material, spiritual, and societal transformations

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Generates organizational and personal transformations

**Redefining**
Reframes complex problems in unique ways

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Driven by personal and team achievement

**Expertise**
Focus on logic and expertise

**Diplomatic**
Wants to belong and fit in

**Opportunistic**
Wins for self

Growing Up

Expertise

When have you been like this in the past? When are you like this currently? Do you aspire to this in the future?

- trust the experts
- pleasure from problem solving
- efficiency above all
- perfectionist
Seven Transformations of Leadership

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Growing Up

Achieving

When have you been like this in the past? When are you like this currently? Do you aspire to this in the future?

- striving for greater achievement
- I have my own voice
- juggle many duties and demands
- embrace challenges to improve
# Seven Transformations of Leadership

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Redefining

courageous vulnerability

When have you been like this in the past? When are you like this currently? Do you aspire to this in the future?

reframe the problem

constructive skepticism

attracted to differences
Seven Transformations of Leadership

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Transforming

When have you been like this in the past? When are you like this currently? Do you aspire to this in the future?

- timely interventions across multiple systems
- acting mindfully in the present moment
- see within, around, and beneath
- sees own shadow
# Seven Transformations of Leadership

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Alchemical

When have you been like this in the past?
When are you like this currently?
Do you aspire to this in the future?

transcend self for the good of all

wisely navigate cycles of creation and destruction

disturbing the universe

together we create our reality
Using the same piece of paper:

PAST       PRESENT       FUTURE

What are your reflections on your development over time?

*Which of the Seven Transformations were clear in your past?*
*Where are you now, mostly?*
*What is your desired future?*
Warren Buffett: The Giving Pledge

Bill Gates and Warren Buffett. REUTERS/Rick Wilking
Buffett the Investor

Early years in college where he was socially awkward and emotionally immature. Attempts to fit in with others by reading and practicing How to Win Friends and Influence People and taking a Dale Carnegie course in confidence building.

Buffett matches his logical/mathematical intelligence and rational temperament to his adoption of Ben Graham’s value investment approach, which he would later describe as ‘his road to Damascus’ moment.

Buffett’s ‘go it alone’ period in his early forties when, encouraged by his wife Susie, he explores a calmer life. He funds some scholarships and becomes active in the local community. This comes to an end with the merging of his interests and relationships, including that of Charlie Munger, into Berkshire Hathaway.

Buffett the Business Leader

Amazing success with the Buffett Partnership (1957-1969) which saw investors enjoy a 24% per annum return over a thirteen year period against 7% for the market index. Provides foundation to Buffett’s wealth which he re-invests in Berkshire.

Strategist

Long period in which he excels in an extraordinarily wide range of investments and businesses at Berkshire, including his vital managerial role in the saving of Solomon’s in the early 1990’s. Creates a unique and sustainable leadership culture at Berkshire based on: de-centralisation, personal autonomy, seamless web of trust and love.

Buffett the Elder Statesman

Marked by the death of his first wife Susie in 2004 and the gradual unwinding of his fortune in Berkshire, the marrying his long term partner, Astrid Menks, announcing succession plans in Berkshire, the unleashing of his first officially sanctioned biography and an increasingly open engagement with the wider business community.

Oppositionist

Teenage years, opportunistic business adventures and often cajoling others into doing things he would rather not have done himself. Also underperforming at school, running away from home and stealing from Sears Department store.

Diplomat

DEPENDENT

INDEPENDENT

INTER-INDEPENDENT

Expert

Achiever

Individualist

Alchemist
Vertical Development is both Individual and Cultural

**Leadership culture** is the set of shared beliefs, values, and practices for creating and maintaining shared direction, alignment, and commitment (DAC) in a collective.

Answers the questions:

*What does good leadership look like around here?*

*Who are exemplary leaders?*

*How do we talk to each other?*

*How do we make decisions, engage conflict, give and receive feedback?*
The Evolution of Leadership Cultures
Leadership is a **collective activity**

Leadership emerges out of **individual expertise and heroic action**

People in authority are responsible for leadership

What leadership beliefs & practices will drive your business strategy?

Leadership Culture

- Interdependent
- Independent
- Dependent

new cultural core capability

Leadership Strategy

current capability ceiling

Business Strategy

- Global
- Adaptive
- Sustainable

Multi-regional
Entrepreneurial
Heroic

Local
Routine
Regimented
Cultural Beliefs & Practices + Individual Action Logics

- Alchemical
- Transforming
- Redefining
- Achieving
- Expertise
- Diplomatic
- Opportunistic

Interdependent

Independent

Dependent
Action Inquiry for Positive Culture Change

• *Action inquiry* is the idea that, in every moment of life and work, we can cultivate an intentional experimental attitude of learning, growth and mutual development.

• Action inquiry is both serious and playful, both art and science. It’s about questions. It’s about meaning-making.

• Intentional change of the leadership culture requires leaders who can participate in and *facilitate* action inquiry.

• Every *action* in support of positive culture change is a kind of *question*: *Does this work in the way intended? Why? Does this move us in the right direction? What are the trade-offs?* And so on.

• Every *question* we ask in support of positive culture change is a kind of *action*: The question itself should invite us to actively examine and reframe our assumptions and look for new opportunities.
Components of Action Inquiry

- Open and honest dialogue
- Mutual support of each other’s growth and development
- Personal commitment to our own growth and development
- Viewing old assumption as open to fresh question
- Getting our own egos out of the way
- Seeing conflict and disagreement as opportunities to find new or better answers
- Regarding changes we make as experiments that we can learn from
- Learning from mistakes in the course of positive change
- Learning in public
- Reducing the fear of speaking up or trying new things
- Reaching out and connecting across boundaries and hierarchies
Questions?

• Contact Chuck Palus at palusc@ccl.org
• More on Transformations™ cards and vertical development at www.ccl.org/transformations