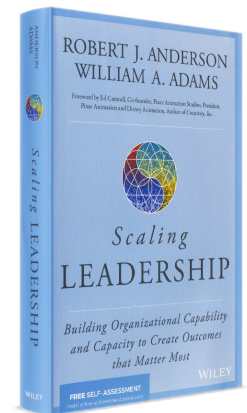


Scaling Leadership

Building Organizational Capability and Capacity to Create Outcomes that Matter Most

by **Robert J. Anderson & William A. Adams**



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THE SUMMARY IN BRIEF

How do you navigate our increasingly complicated and volatile world such that you scale new and innovative solutions to complex business, organizational, and global problems? The answer is leadership!

Scaling Leadership is the just-in-time guide for those in positions of senior leadership who need to transform their organizations. You do this best when you start with yourself. Drawing on a huge international database of senior leaders providing 360-degree written feedback to fellow senior leaders, *Scaling Leadership* distills lessons from successful leaders into a powerful and universal leadership framework that will let you chart your specific path of development.

With this framework, leadership experts Robert J. Anderson and William A. Adams challenge you to evolve your leadership in deep relationship with others and with exceptional integrity. *Scaling Leadership* is an essential guide that offers senior leaders the information needed to develop conscious leadership at scale within their organization.

IN THIS SUMMARY, YOU WILL LEARN:

- The meaning of the development gap and how to address it.
- Why scaling leadership can be achieved only by developing others.
- How and why leaders “cancel themselves out.”
- To transform Reactive leadership into Creative leadership.

Exposed at Scale: Spiritual Boot Camp for Leaders

Over the past decade, the term VUCA (volatility, uncertainty, complexity, and ambiguity) has become part of the business lexicon as executives, managers, and others grapple with its effects. The level of disruptive change coming at us is unprecedented, and we can only expect it to increase.

As leaders, we must learn to navigate the permanent white-water in which our organizations operate. It is not enough to cope with the volatility and unpredictability in our markets; we must develop a new level of leadership literacy, mastery, and agility. We either rise to meet the challenge or get swamped. This is the new normal.

As businesses grow, their long-term, sustainable success depends on more than developing great products and services, securing necessary financing, or hiring and retaining talented people. It also depends on scaling leadership.

Ineffective leadership caps the ability of an organization to grow, and this liability is exposed the minute you start to scale. Leadership that works at one level of scale is likely to run into serious limitations at the next level. As an organization becomes larger and more complex, the number of people being led is larger, and the issues and opportunities requiring a leader's attention are more numerous, more frequent, and more consequential than ever.

The Development Gap

For most of us, our inner game (the complexity and structure of our internal meaning-making system, our decision-making system, our level of self-awareness and emotional intelligence, our mental models, and the inner beliefs and assumptions by which we define and deploy ourselves moment to moment) lacks the capacity and maturity to thrive amid all the complexity.

Hence, most of us are in way over our heads. We are running an internal operating system that is not complex enough for the complexity we face. This is our development gap. Since the context in which we lead will continue to challenge us, the rate of our leadership development, individually and collectively, must at least keep pace with the rate of change and escalating complexity, if not close the gap.

Scale can only be achieved by developing capacity and capability in others. Effective leaders develop other leaders. A critical prerequisite to effective organizational leadership is leadership of self. Here, self-leadership is defined as

creating outcomes that matter most. Optimal self-leadership is the wherewithal to show up in our lives in ways that best serve our desired outcomes—loving families, strong relationships and friendships, work that matters, and futures worthy of our life's commitment.

The moment we start to work on our effectiveness as leaders, we begin to improve our effectiveness as human beings. Because our humanity is ultimately the foundation of our leadership, these paths are inseparable. This puts us right in the middle of a spiritual path.

Spiritual does not mean religious, except that the essence of all religions is radical transformation. This choice calls on the highest and deepest within us. We are challenged to become higher versions of ourselves—to mine our true human greatness and put it in service of others.

Leadership is the deployment of self into circumstances. As a leader, *you* are your primary asset. How you show up moment to moment is your leadership impact. When you lead, who shows up? Which self do you deploy?

Profiles in Leadership: Every Leader Has One

Jim Geiger, the CEO of LiquidWeb, offered this brilliant insight regarding leaders: "Leaders bring the weather." When a great leader walks into the room, everyone is on notice and everyone notices—the energy is palpable. The tone, mood, presence, focus, and behavior of the leader is the weather in any organization—a force of nature.

So, what is this weather—this powerful leadership presence that leaders bring with them wherever they go? In effect, the weather is the leader's profile in action. Each of us has a leadership profile. It's the way we show up to our people, how we tend to respond to certain situations or crises, what is and is not permissible to discuss, and much more.

The Leadership Circle Profile (LCP) is a tool that measures what great leadership looks like. It is designed to measure all the leadership conditions necessary and sufficient for scaling leadership. The tool incorporates progressively developing levels of leadership—Reactive, Creative, and Integral—developed by the authors in their book *Mastering Leadership*. Creative leadership is more effective at leading in complex environments than is Reactive, and Integral is even more so. Each level of leadership is powered by a different internal landscape, or Internal Operating System, that governs how we deploy ourselves moment to moment.

Reactive Leaders can and do get results, but they create an unhealthy “or-else” ultimatum culture that brings burnout and diminishing returns over time.

The optimal LCP reflects the responses of 50,000 leaders and employees worldwide who were asked in a study to describe ideal leadership: “What kind of leadership, if it existed, would enable the organization to thrive in its current marketplace and into the future?”

Creative vs. Reactive Leadership

The Leadership Circle Profile (represented as a circle) is divided into two hemispheres, upper and lower. The upper half, Creative, represents the kind of leadership that emerges as leaders mature into Creative leadership. It displays 18 Creative Competencies that tend to arise naturally as we move into the Creative level of leadership: caring connection, fosters team play, collaborator, mentoring and developing, interpersonal intelligence, selfless leader, balance, composure, personal learner, integrity, courageous authenticity, community concern, sustainable productivity, systems thinker, strategic focus, purposeful visionary, achieves results, and decisiveness.

The correlation between the average rater score on all 18 Creative Competencies and leadership effectiveness is 0.93. It is based on more than 1 million rater surveys from around the world. This remarkably strong correlation shows that as you improve your scores in the Creative half of the circle, you will likely be experienced as a more effective leader.

The Reactive half of the circle in the LCP is comprised of 11 Reactive Tendencies: conservative, pleasing, belonging, passive, arrogance, critical, distance, perfect, driven, ambition, and autocratic.

Embedded in each Reactive tendency is a strength, but it is a strength being run reactively. In effect, these are default behaviors. They are go-to strengths on which we habitually rely when we feel under pressure or at risk.

When we run our strengths reactively, we often create unintended consequences that limit our effectiveness. When we deploy a strength reactively, we often cancel out that strength and introduce liabilities in its place. Consequently, Reactive Tendencies are inversely correlated to Leadership Effectiveness.

The correlation between Reactive Tendencies and Leadership Effectiveness is -0.68 . This solid inverse relationship shows that the more we lead reactively, the less likely we will be experienced as an effective leader over time.

Yes, Reactive leaders can and do get results—sometimes extraordinary results. They may sell more, innovate more, and deliver more than anyone else in the organization. But they often leave behind them a trail of broken, disenchanted, and disengaged employees, peers, and other stakeholders who invariably feel pushed, coerced, pressured, or let down. Reactive Leaders create an unhealthy “or-else” ultimatum culture that brings burnout and diminishing returns over time.

High-Creative Leadership Strengths: What Differentiates the Most Effective Leaders

How do leaders describe the very best leaders? Here are descriptions of the 10 most strongly endorsed strengths of High-Creative leaders, in language commonly found in the written comments of the study:

- 1. Strong people skills:** Has a high level of interpersonal capability. Is caring, compassionate, big-hearted, and respectful. Connects well with others and makes them feel valuable.
- 2. Visionary:** Communicates a compelling vision of the future that fosters alignment. Knows and sets strategic direction and business plans that allow teams/organizations to thrive.
- 3. Team builder:** Unites, engages, and supports the team's efforts. Gives support to team members and advocates for initiatives.
- 4. Personable/approachable:** Is friendly, likable, and has a good sense of humor. Maintains an open-door policy. Is accessible and available.
- 5. Leads by example:** Good role model. “Walks the talk.”

6. **Passion and drive:** Enthusiastic, driven, and strongly committed to the success of the organization and self.
7. **Good listener:** Attentive and present when people are presenting their views.
8. **Develops people:** Shares experience and provides mentoring, coaching, career planning, and development experience to ensure growth and development.
9. **Empowers people:** Shares leadership and encourages people to take ownership, find their own solutions, make their own decisions, and learn from mistakes. Trusts people's ability and their willingness to follow directions.
10. **Positive attitude:** Optimistic and upbeat with a can-do attitude.

The biggest gaps between High-Reactive and High-Creative leaders are in the areas of people skills, listening, team building, and leading by example. The gaps are big because these two groups of leaders are experienced in very different ways. The High-Creative group had an average Leadership Effectiveness score at the 87th percentile, while the High-Reactive leaders were ranked at the 10th percentile on Effectiveness.

The Strengths of High-Reactive Leaders: Non-Differentiating Strengths

The study showed that High-Reactive leaders are most strongly endorsed/acknowledged for a much different set of strengths than are High-Creatives. Here are the top 10 strengths of High-Reactive leaders, listed in rank order:

1. **Drive and passion:** Enthusiastic, driven, and strongly committed to the success of the organization and self.
2. **Visionary:** Communicates a compelling vision of the future that fosters alignment. Knows and sets strategic direction and business plans that allow teams and organizations to thrive.
3. **Strong networker:** Builds partnerships with other business leaders. Is good at bringing diverse groups together and provides a strong customer focus.
4. **Domain/technical knowledge:** Excellent knowledge, technical skills, and experience—particularly related to the organizational culture and market.
5. **Results focused:** Knows what needs to be accomplished and how to get results. Holds people accountable, can be depended on to deliver results. Is reliable and action-oriented.
6. **Intelligent/brilliant:** Keen mind and sharp thinker.
7. **Strong people skills:** Has a high level of interpersonal capability. Is caring, compassionate, big-hearted, and respectful. Connects well with others and makes them feel valuable.
8. **Creative/innovative:** Thinks outside the box and pushes for change.
9. **Personable/approachable:** Is friendly, likable, and has a good sense of humor. Maintains an open-door policy. Is accessible and available.
10. **Positive attitude:** Optimistic and upbeat with a can-do attitude.

High-Reactive leaders are rated 12 points higher on passion and drive than are High-Creative leaders. In addition, High-Reactive leaders are endorsed more often for being intelligent, creative/innovative, thorough, hard-working, results focused, and more. This leads to a question: Is it possible to be *too* driven?

The answer is yes. High-Reactive leaders are described by other senior leaders as more driven and far less effective than High-Creative leaders. This result is consistent with decades of leadership research showing that excessive drive is a big issue with many leaders. We have all heard statements such as, “He’s wound too tight,” “She is constantly in overdrive,” “He is excessively ambitious.”

The issue here is not the strength itself but how the strength is deployed. The over-extension of a strength becomes a weakness in most every case. High-Reactive leaders are described similarly to (if not more strongly on these strengths) High-Creative leaders, but they could not be more different in how they are experienced by others as leaders. High-Creative leaders have similar to lower scores on these strengths, and yet they are experienced by others as far more effective than High-Reactive leaders.

This led to the conclusion that High-Reactive leaders are leading with Non-Differentiating Strengths—strengths that don’t differentiate between the most-effective and the least-effective leaders. These Non-Differentiating Strengths comprise the bulk of the strengths for which High-Reactive leaders are endorsed.

The lesson? Not all strengths are equal as it relates to leadership, and if you overplay certain strengths, you get in your own way. You block your effectiveness as a leader. Leading from Non-Differentiating Strengths is not scalable leadership, or at least these strengths scale only to a point. You need to have them or you don't make it into leadership positions, let alone reach the top. But as you move up, they become table stakes.

Effective leadership is something entirely different. That "something different" has to do with the strengths for which High-Creative leaders are most strongly endorsed.

When an extremely talented leader is reaching his or her limits, these limits are (more often than not) within their inner game.

The Canceling Effect: Are You Canceling Yourself Out?

How many times have we heard people say, "He can't get out of his own way." "She keeps shooting herself in the foot." "He is canceling himself out." "Could you believe that conversation? It completely undid all that we've done for the last three weeks."

These statements are indicative of the Canceling Effect. When leaders, or entire leadership organizations, experience the Canceling Effect, their strengths are canceled out by their liabilities. As a result, their leadership cannot and does not scale.

Here is feedback to Jim, a senior leader. In these comments, you can clearly see the Canceling Effect at work in his leadership:

"Jim is all over the map in his management style—from extremely professional and centered, to childish and petty. He needs to believe in the values he espouses and then align his behavior consistently with those values."

"Jim seems a bit disconnected on a personal level from those

he should be mentoring. While I know he is often pressed for time, I suggest that he strive to connect with those in the organization and be willing to share some of himself to develop a bond with them so they want to follow him."

"Jim undervalues the power of relationships and the synergies those relationships can create in accomplishing his vision and those of others. He tends to go it alone, instead of working to figure out how to combine resources and efforts with his peers to be able to accomplish an expanded vision."

Jim is a capable professional, but his leadership is neither scaling nor is it scalable unless he changes his approach.

A Matter of Development

The phenomenon known as the Peter Principle happens when managers eventually get promoted to a position that's beyond their capability to perform. It says, "People are promoted to their highest level of incompetence."

There is some truth to it. However, ineffective leaders at this level have reached the limits not of their competence but of their development. This conclusion redefines how we go about developing leaders for the future.

To understand how significantly this redefines leadership development, we need to understand how each level of leadership described here is underpinned by a progressively maturing Internal Operating System. This inner game runs the outer game. Creative leadership arises on a more mature inner game than does Reactive leadership.

So, when an extremely talented leader is reaching his or her limits, these limits are (more often than not) within their inner game. Their inner game is reaching its Peter Principle and needs to evolve. They are not reaching the limits of their level of competence but of the development and maturity of their inner game.

How Leaders Scale Leadership

Some of us may be born to lead; still, the leadership ability we are born with must be developed, coached, and exercised regularly. To have a developmental (if not transformative) effect on your people, your teams, your organization, and the world around you, you must scale your leadership.

How do the best of these leaders change themselves, scale their leadership, and in so doing, transform their organizations? Three key steps will get you there:

Step 1: Start with yourself. Take a deep look within yourself to understand your strengths and liabilities as a leader. Take the Leadership Circle Profile to see where you sit in the spectrum between Creative and Reactive. Specifically,

- Awareness first; acknowledge your gap.
- Harvest your feedback-rich environment.
- Focus on the One Big Thing (the one big thing you need to change).
- Reach out for help.

Step 2: Develop leadership teams. Once you have an understanding of your own strengths and liabilities as a leader, the next step is to shift the focus to your leadership teams. This begins the process of scaling leadership beyond yourself. Specifically,

- Lead the development agenda.
- Assess individual and collective effectiveness.
- Get the right people in place.
- Build alignment around what matters.

Step 3: Build leadership systems. Creating long-term organizational change that will survive those who catalyzed it requires building systems that develop Creative or higher leadership throughout the organization. Specifically,

- Create a developmental organization.
- Focus on measuring results.
- Institutionalize the development agenda.

Transforming Reactive into Creative Leadership: A Fundamental Shift of Mind and Heart in Three Movements

Your level of leadership is related to your level of adult development. Robert Kegan, a psychologist and professor at the Harvard Graduate School of Education, shows that when adults evolve, they move through three progressive stages of development:

- Socialized Mind,
- Self-Authored Mind,
- Self-Transforming Mind.

If your self is constructed from Socialized Mind, you likely lead Reactively. If you do the hard, spiritual work of trans-

forming Socialized Mind into Self-Authored Mind, you more likely lead Creatively. Likewise, Self-Transforming Mind tends to boot up Integral leadership. Each level of mind and leadership is developmentally more adapted to meet complexity and thrive within it than the one before it.

Shift from Reactive to Creative in Three Movements

The shift from Reactive to Creative leadership is nothing short of a transformation—a fundamental shift of mind and heart. This evolution occurs in three movements. As we make this shift, we move from

- Authored by others to authored by self;
- Safety to purpose;
- Ambition to service.

The first movement. The first movement is from a person who is authored by others to one who is authored by self. The leader authored by others is running a Socialized Mind—the conditioning we were given in our youth and the identity we constructed over the years.

However, when we deploy ourselves from a Socialized mind, we are more likely to lead and live Reactively, because our behavior is being authored by outside circumstances and expectations. We depend on outside validation for our security and self-esteem. The structure of this game is self-limiting—it is not mature enough for the kind of complexity most of us face as leaders.

Out of all the many external messages, the Self-Authored leader has discerned what is most important and what he or she chooses to stand for. From this move is derived the definition of self-leadership: creating outcomes that matter most. What matters most defines the Self-Authored leader. Stephen R. Covey called this stage independent, not because those in it act independently (lone wolf) but because they no longer depend on outside validation for self-worth.

The second movement. The movement from safety to purpose is embedded in the first movement. The primary tension in adult life is between purpose and safety. We want to be part of something great, but at the end of the day, we still need to pay the mortgage. Both are important. If we ignore safety, we put purpose at risk. If we focus too much on safety, we also put purpose at risk.

Leaders working their way to the top are motivated to move up safely. The more we want to move up safely (knowing

As our leadership transforms from Reactive to Creative, we become less ego/self-centric and more focused on what is good for the whole.

the fall gets farther and harder with each promotion), the more we need approval of those around us, especially those above us. Most of us would do almost anything to avoid losing the confidence of key stakeholders. Here's the rub: You can't pursue purpose and safety at the same time.

In the first movement, we let go of being constantly driven by the voices from our past and the expectations of others. As we do so, we play the second movement—we re-optimize the tension between purpose and safety. We move from playing not-to-lose to playing on purpose and what matters most. There is no safe way to be great!

The third movement. The third movement, from ambition to service, is interconnected with the first two movements. As our leadership transforms from Reactive to Creative, we become less ego/self-centric and more focused on what is good for the whole. We become a servant of bringing into being what matters most.

Our drive for personal success moderates and becomes maturely balanced with the success of others and with the success of the organization's mission. As this shift happens, leadership is freed up to scale.

Leadership becomes less self-centric and more about developing the capacity and capability of the organization. It becomes more approachable and skillful in working with people, listens well, builds high-performing teams, mentors, and develops capability in others and then empowers them.

Practices That Transform Leadership: Change Is Simple, Change Is Hard

It is hard to change deeply grooved patterns in how we show up every day in our lives and our leadership. Transformation—fundamental change—is an acquired taste. It takes hard work individually, and it takes more hard work to do it collectively and at scale. If we pull it off, our leadership becomes a competitive advantage.

Effective leaders create the conditions for leadership at scale in themselves, in others, and in the organization by

engaging in these four practices that work to establish and hold generative tension:

1. Tell the truth about what we want. Create vision. Focus attention on the outcomes we want to achieve together. Set our intention to create them. Choose to have this become our current reality. Hold and reaffirm this intention daily.

2. Tell the truth about how you are creating your current reality. Tell the truth about the results we are creating right now, especially those that are inconsistent with what we want. Get underneath how we are creating our current reality, individually and collectively, until we see the embedded beliefs driving the behavior that gets us what we don't want.

Surface those beliefs within yourself and within your team members. Delve into these beliefs deeply enough to see the falseness in them.

3. Rinse and repeat to continue to hold generative tension. Do this as an ongoing practice—that is, telling the truth about what we want and what we've got.

4. Practice every day. Make daily experiments. Take small steps every day to move toward what we want. Learn from your experience.

It helps a lot if you get feedback all along the way; have a practice of daily reflection; trust your intuition, and develop the openness to intuitive insight in your teams.

The leaders who quickly make the most progress scaling leadership do two additional things that help them change personally while catalyzing systemic transformation: They take a long-term, systemic approach to development, and they lead the change publicly, personally, and vulnerably.

Integral Leadership Informed by Grace: The Future of Leadership for a World at Stake

The future of leadership is Integral leadership—creating organizations innovatively designed to scale leadership at

every level, to innovate at the pace of change, and to thrive amid complexity. This puts us right back into our spiritual boot camp. The pressure of the business context relentlessly requires us to develop even further.

In the shift from Creative to Integral leadership, we move from being Self-Authored to Authored. That means we are neither authored by others nor exclusively by our own sense of personal purpose. We let go to being authored by something much larger than ourselves—something that seems to want to come through our life and leadership. We let ourselves be used by a great purpose while becoming the servant of our emergent collective future.

We see that the system's development gap is related to our own development gap. We no longer merely sponsor change in the organization; we radically, humanly, and in deep relationship lead change from the perspective that the system is mirroring the function and dysfunction in us, individually and collectively.

We experience others, much like ourselves, as a work in progress, and we engage in dialogue from a place of listening, learning, compassion, and strength. Within our leadership teams and extended leadership teams, and among our stakeholders, we generate the kind of dialogue that's more likely to create innovative, adaptive, breakthrough solutions to complex problems in which all stakeholders win. We learn together and out loud. We let go of our knowing and certainty because the solutions we seek will take a high level of collective intelligence and systemic wisdom. No one person is smart enough.

Together, we innovate new and agile organizational designs that are inclusive, engaging, developmental, and fit

for purpose in a VUCA world. As such, we become the servant and system architect of an emergent future that is our collective welfare.

All of this is informed by grace. We are graced with the wisdom that rides in on intuitive waves of insight when we suddenly know what has to be done, where we need to go, or what/how we need to change, however counterintuitive. We are graced when we break through to deeper levels of self-understanding and find, in that awareness, our deep kinship with humanity. We are blessed and surprised with the synchronicity of events arising at just the right moment to propel us forward.

The future of leadership is Integral leadership informed by grace and leading from the presumption of our inherent unity. This is how we will create a thriving future for all of Earth's inhabitants.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- *The Change Maker's Playbook: How to Seek, Seed, and Scale Innovation in Any Company* by Amy J. Radin
- *Leading Clarity: The Breakthrough Strategy to Unleash People, Profit, and Performance* by Brad Deutser



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