LEADERSHIP FOR THE 21st CENTURY


A compilation of blog posts from Leading Questions.

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http://edbrenegar.typepad.com

By Dr. Ed Brenegar

Community of Leadership, LLC

210 Wood Dale Drive * Hendersonville, N.C. 28791

828/275-1803 * ed@edbrenegar.com

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During the 19th century as pioneers moved West, they went with a purpose in mind. They had a vision for a better life on the frontier. The open spaces and freedom of the frontier were a place of opportunity.

Near the close of the century, historian Frederick Jackson Turner in his famous essay, *The Significance of the Frontier in American History*, noted that the 1890 Census claimed that the free and open land in the country had been sufficiently settled that there was no longer an identifiable “frontier line.” Turner wrote,

"This brief official statement marks the closing of a great history movement. Up to our own day American history has been in a large degree the history of the colonization of the Great West. The existence of an area of free land, its continuous recession, and the advance of American settlement westward, explain American development.

Behind institutions, behind constitutional forms and modifications, lie the vital forces that call these organs into life and shape to meet changing conditions. The peculiarity of American institutions is, the fact that they have been compelled to adapt themselves to changes of an expanding people - to the changes involved in crossing a continent, in winning a wilderness, and in developing at each areas of this progress out of the primitive economic and political conditions of the frontier into the complexity of city life."

Just as Turner evoked, over a century ago, a belief in the American people to meet changing conditions, so today we are confronted with a world of changing conditions that demand that we change. One of the questions that rises from this perspective is *Whether American institutions are still able “to adapt themselves to changes of an expanding people?”*. 
If the 19th century was the century where the frontier of free land was eclipsed, then the 20th century was the century where the frontier of economic opportunity was eclipsed in favor of the institutions of government and business. In both cases, these institutions created a type of dependency that required individuals to turn over their own individualism to become, essentially, wards of the institution. The egregiousness of this system was that those men and their families worked the mines and "owed their soul to the company store."

The consequences of reaching a mature state for both the institutions and the people within their social and organizational contexts is the loss of a horizon that that marks the frontier that is our future. As we look at the institutions of society, it is difficult to look beyond them to see what might be in the future. Is our present state of government and business our future, or is a picture of the past that obscures a vision for the future?

**The Necessity of the Frontier**

Human beings need frontiers. We need them for we are seekers, discoverers, creators, innovators, and movers-and-shakers. We do not stand still. We seek to acquire, exchange, settle, resettle, destroy, restore, and expand that which is in our reach. For these human behaviors, we need a frontier to give us purpose and a horizon to reach after.

Stand at the edge of the frontier and we see ourselves better than at any point. We find that we are both great and small. We see beyond our reach. We discover that life is not yet complete, settled and fixed. We realize that change is natural and healthy, as long as it leads towards the horizon of the frontier.

Without a horizon for our lives, with no frontier, we lose perspective, we retreat into the comfort of what is known and owned. Our smallness before the frontier becomes diminished within the confines of what we can control. Without a frontier, we lose the better part of ourselves. Instead of initiating to create the future, we react to preserve a treasured, often nostalgic past.
A generation after his essay on the frontier, Turner published a follow up essay on *The Significance of the Section in American History*. In it he compares the West of the frontier to the settled civilization of the East.

"The East feared an unchecked democracy, which overturn majority rights, destroy established institutions, and attack vested interests. The buoyant, optimistic, and sometimes reckless and extravagant spirit of innovation was the very life of the West. In the East innovation was a term of reproach. It always "stalked" like an evil spirit. The East represented accumulated experience, the traditions of the family living generation after generation in a single location and under a similar environment, as President Thwing, of Western Reserve University, has aptly put it. But out in the newer West through most of its history men lived in at least two or three states in the course of their migrations."

These basic human differences become regional, or sectional, cultures. These differences exist today, and mark the tension that makes social change so difficult now. They are so difficult because once the frontier has been settled, a shift takes place from the freedom and openness that is the frontier to the confines of institutionalization.

The American experience of the frontier is unique for the American West was not first colonized by institutions of government and business, and then the people came. No, the people came, and then their institutions followed. As a result, the Western United States, were not colonies of the East, but their own unique sectional creation.

**The New Frontier**

The frontier today is still geographic and economic, even more so now, technological and social. The geographic frontier is local, "How can our community thrive in the midst of the chaos of global change?" The economic frontier line is discovering alternative and complementary resources for communities and their business and organizations.

The advance of technology is where innovation and creativity is most broadly nurtured as the landscape of the frontier. It is free and open space, its virtual geography is in human ingenuity, relationship and the networks that provide the structure for our interaction. From those networks, the frontiers of science and human knowledge present horizons that are only now coming into view.

Today's line of the frontier is more personal than ever before. If technology and its application in social networks are making a difference that matters, it will because it is utilized for a clear purpose. That purpose is an identified frontier.
that marks a horizon for us to venture toward. Whatever unexplored, under-
achieved, far off goal or aspiration that we have is the frontier of our lives.

It is personal because the social and organizational institutions that defined the
parameters of society in the 19th. and 20th. centuries are disintegrating, proving
to have run their historic course. It is doubtful that a person graduating from
high school or college next spring will spend their entire career with the same
company. It is as Frederick Jackson Turner identified above in his essay on
sectionalism in American history. When the frontier is sought, people move to
where the opportunities are that mark the horizon.

The challenge of this new frontier, for most of us, is not how to master the
latest Facebook social media app or decide which smartphone to purchase.
Rather, it is knowing for what purpose do these technological innovations exist.

Activity or Achievement

The evidence to me that we have lost our horizon is how purpose is generally
understood.

Here's an example of what I mean.

I take a trip to Florence, Italy, one of the most beautiful and picturesque
places in Europe. I go to art galleries, eat fantastic food and drink wonderful
wine, climb to the top of the Duomo, and return home to tell the tale of my
trip.

In describing the trip, I tell of my flight, the hotel where I stayed, the museums
and outlying towns I visited, the meals I had, and show the souvenirs that I
purchased. And if you are really interested, I could take you through my credit
card statement to show you what it cost me.

What does this description of a great trip tell you?

It is a listing of activities, of what I did. It is an accounting of the energy
expended. It doesn't tell you the impact that the trip had upon me. It doesn't
tell you how seeing Michangelo's David or the Chapel of San Lorenzo had a
transformative effect upon me. It doesn't tell you how I am now different for
having gone to the seat of the European Renaissance.

A statement of purpose, which is only a description of doing, is a purpose that
has lost its horizon. It is a statement of institutionalized identity. It doesn't tell
what it is that I seek to achieve or to become or to create or the impact that I
wish to have. It doesn't say what I hope to change or the difference that we
seek to make that matters.
The Journey is to Change Us

I use the journey illustration intentionally because to venture towards our horizons is to journey into the future. And it should change us and the people around us and the organizations where we spend our lives.

Over a decade ago, I became inspired by the story of Lewis and Clark and the Corps of Discovery. In that tale, I saw a picture of "the first 21st century leadership team." I was so inspired, that I persuaded my family to travel parts of the Lewis & Clark Trail with me. On one of our trips, we traveled by train from Chicago to Montana, to reach the portion of the trail that we were to visit. Over the course of 36 hours, we passed through very different geographic landscapes, from green regions of lakes and rivers, to flat, wide expanses of golden prairie to the “purple mountain majesty” of the northern Rockies.

Seeing those same horizons that Lewis & Clark crossed, floating down the Upper Missouri in a replica keel boat, camping where the Corps camped, reading their journals in the geographic setting where they were written, I began to see why their Journey of Discovery impressed me so. It changed the way I perceived the nature and character of leadership.

I realized that Meriwether Lewis and William Clark understood something two hundred years ago, that we are just now rediscovering about leadership. That personal initiative and mutually respectful, collaborative relationships are the key to organizational leadership in our time. (Read my, now dormant, blog on the expedition, Lewis & Clark for the 21st century to learn more.)

The experience of the trip changed our family. We were no longer a collection of genetically-linked individuals, each pursuing our own individualized personal mandates, in some zero-sum game of parent / sibling rivalry. We had a set of shared experiences that created a bond that is not only still with us a decade later, but the values derived from those experiences define who we are as both individuals and family.

If the journey of our lives or our businesses is only an activity, only an amusement, or only a utilitarian means to provide income for that which we really want to do, then its purpose is passive and limiting. It can be the source of the short-term thinking and immediate gratification that limits what we can
do. For if our purpose does not provide a far enough horizon, then we will not be willing to do the hard work and make the serious sacrifices to achieve what we seek. If so, then that horizon is too close.

However, if we approach our lives and the development of our organizations from the perspective of seeking to identify a lost horizon that sets a new frontier line, then immediately we are invigorated for a journey of self-discovery and future impact.

**The New Frontier**

We each must find the new frontier. Its far horizon calls us to think long term, to delay gratification, to build social networks of collaborative endeavors, to take responsibility for making a difference beyond our own interests, and to create new institutional structures for the future.

Yet, in the midst of a persistent global recession, these words may ring hollow and seem to lack reality. Surely, to seek for new frontiers when jobs are scarce and money hard to come by, to do this is unrealistic. This is why the frontier exists, to show us that whatever is our experience today, tomorrow presents us with a new horizon.

For me, this perspective about the frontier, and how we as human beings relate to it, may best be described in a poem that **Western poet Waddie Mitchell** wrote for the Salt Lake City Winter Olympics. I find it a testimony to the truth that a horizon exists for each of us if we’d only look up and see. I end with **That No Quit Attitude**, my favorite of his poems, which celebrates the spirit of the frontier.
While gathering cattle near the ruins of a long abandoned homestead in the shadows of the mountains, questions swarmed around my mind of the people who had claimed there, most forgotten now, and long dead still.

I wonder what had prompted them to leave their worlds behind searching for a life uncertain, in a vast and rugged region up and leave their home and kin for opportunity to find.

Taking little more to start with than an idea, and a reason and a dream of their succeeding in a future yet defined.

Soon these queries led to more like ...

Why it is that some folks always need to push their borders out beyond the furthest milestone on a never-ending quest to find new ways and trails to blaze and in the process stretch that realm of what is built and done and known?

From the little draw above me and my pard’s ride with his fine’ns, throwing his bunch with mine now shaded up and settled down.

I could see that he had gone through battle for his pony sporting lather but his smile claimed that he had made it in with everything he’d found.

The sweat and dust and brush streaks on that pair done heaps of speaking as he pulled up near, dismounted and loosen latigo a bit.

He said, “We jumped them in the rough, and would have lost them had we weakened but I swear, this here caballo ain’t got one half ounce of quit.
And that no quit phrase speaks volumes on one’s character and makin’s to a cowboy drawing wages riding ranges of the West.

Them who have it you’ll find usually conquer most their undertakings for the best in them is drawn out when their spirits put to test.

Then I spot my cow dogs bushed up staying well hid from the cattle knowin’ with a cue they’d give all to do anything need done.

I thought then how the most of us will opt to shun that battle never knowin’ fully what we could accomplish or become.

Still, I believe like dogs and horses we’re all born with resolution.

Like muscles and good habits it needs use and exercise, if left dormant, its in jeopardy of lost evolution for eventually it shrivels ups and atrophy and dies.

But when flexed, it blossoms heroes in a source of inspiration for we all recognize that virtue and a no quit attitude.

And it proves its attributes in competition and vocation that evokes appreciation and a show of gratitude.

And since mankind started walking, it has been swifter, higher, stronger, as if pushed by some deep need to keep their limits unconfined,

Almost thriving, always striving for things bigger, better, longer in an unrelenting pursuit of perfection, redefined.

And in this world that is soft complacence there are still a few among the masses who will readily give all to see a job or dream fulfilled.

It’s a trait that’s void of prejudice toward races, sex or classes just demanding its possessor be of valor and strong will.

Then as we start our cattle homeward lettin’ the dogs bring up the rear, and we leave what’s left of once somebody’s hopes and dreams behind.

I’m convinced that no quit attitude will always persevere. Now it’s the essence and the promise and the crown of human kind.

Copyright: Waddie Mitchell
The killing of Osama bin Laden brought me back to a time thirty years ago when I passed by the Pakistani military base in Abbottabad near bin Laden’s compound. I was in Pakistan for the summer working with a refugee agency. We traveled all over northern Pakistan looking for small encampments of Afghan refugees who had fled their country during the Soviet invasion.

This picture is of an Afghan man whose family was camped on a hot, desert plain between Peshawar and the famed Khyber Pass. We took food, clothing and some tents to this small, very destitute camp of a few hundred people. After our truck was unloaded, this man came up to me, took both my hands in his, shook them, and then reached up and stroked the beard on my chin.

Our guide told me that what he had done was to honor me with his respect and thanks in a very traditional Afghan manner.

Last week I attended the retirement dinner of a gentleman with whom I had occasion to work with over the past few years. It was a nice event to honor his service, and celebrate the next stage of life for him and his wife.

I went not because we were close friends and colleagues, but to honor him and his service. It was something I did as much for me as for him. By that I mean that it was important for me to take the time, make the sacrifice to travel out of town to honor him. In honoring him, I supported what I believe is a missing practice in our society.

Honor is more than recognition for someone's service. It is the respect we owe to one another. It is how our relationships are intended to function in society.

Think for a moment of your office. Let the faces and names of all the people with whom you regularly interact pass before you. Imagine what the workplace would be like if each of you honored one another as your ongoing practice of relating.

Honor is the respect that lies at the heart of diplomacy.
Diplomacy is the practice of respect applied in places of diverse cultures. It is the ability of one person to be able to empathize with another person, even though their cultural, ethnic and philosophical backgrounds are not similar.

It was what made my encounter with this Afghan gentleman so influential upon my life. We had nothing in common, at all, yet we connected a level of respect that I don't with people who are much more like me. Our diplomatic moment was an act of gratitude on his part. I was honored by his thanks, and I share his story today was a way of thanking him in abstentia for teaching me a lesson that I would have never learned in a book.

This type of respect is a form of humility that places the dignity of the other person ahead of one's own prerogatives. It is what I see missing in much of the social and civic interaction that takes place in our society. I fear this kind of diplomacy will retreat further into obscurity as we entered the 2012 political campaign season.

**How I am approaching the 2012 campaign.**

I am an independent, undecided, non-aligned voter. I am neither liberal nor conservative, neither Republican nor Democrat. I am a political outlier.

I have decided that I'm going to keep a running tab in my head as to whose supporters are the nastiest, most divisive, most condescending of the campaign. I will base my vote on the candidate and his or her supporters by who shows the highest level of respect and honor to their opponents and their supporters.

My reason for doing this is that I can no longer stand the way we practice politics. The practice of demonizing your opponent is a practice of cowardice and dishonor. It is cowardice because it plays to the crudest, most divisive elements of our society, as if they are those who hold genuine power. They do not.

It is dishonorable because its purpose is to demean and defeat, not by intellectual reason and logical persuasion, but by the destruction of the person him or herself.

*I feel so strongly about this that I have also decided to refuse to buy the books of authors, watch the movies and television shows of actors, and follow those public figures who practice divisive politics. The beauty of social media, of Twitter and Facebook in particular, is that it shows the true colors of those who practice this sort of political gamesmanship. I don't care how important your latest book is, or whether your movie has Oscar potential, if you lower
yourself into the gutter of dishonorable politics, I'll delete your blog from my Google reader and your books boxed and put away in a closet.

My point has nothing to do with the positions of your candidate or your political party. It has everything to do with civility, honor, and yes, diplomacy.

What I’ve learned.

To live with honor and to practice diplomacy in our daily lives is not easy. It is countercultural, even prophetic in its application to our world today. It means that while we may disagree with another person, we can also honor them with respect, even if their behavior is a demonstration of a lack of their own self-respect.

I understand, therefore, that as we enter this new Presidential election campaign season, that your candidate is dishonored when you treat his or her opponents and supporters with dishonor.

I understand that your reasons for not voting for your candidate's opponent are not the same as having positive reasons for voting for them.

I understand that while pollsters say that negative campaigning wins votes that it also poisons the well of respect that is required for the diplomacy that civic leadership demands.

I understand that dishonor in any context easily finds its way into others. Consider carefully what kind of atmosphere you want in your social and organizational life. The line between politics and the rest of life and work is razor thin.

I understand that to be honorable and diplomatic does not mean you give up your values and principles. It means that you do not win by destroying the other person. You lose by dishonoring your own values.

The place of Honor in The Five Actions of Gratitude

Honor Others is the fourth action of the Five Actions of Gratitude. Without this action, the other four are not sustainable. For to live with honor in one’s relationships requires the ability to recognize the value and dignity of other people, which is the basis of diplomacy.

When we find reason to Say Thanks, we are seeing a quality in that other person that is worth recognizing.
When we **Give Back**, we are recognizing, like my Afghan friend, the gifts that others have made to our lives.

When we **Make Welcome**, we are saying to those we treat hospitably that we honor you by opening up ourselves to you.

When we **Create Goodness**, we do so with a view to contribute, to make a difference to others, to others we honor by our acts of goodness.

I take my cue from the advice that Paul wrote to the church in Corinth, Greece two millennia ago.

> On the contrary, the members of the body that seem to be weaker are indispensable, and those members of the body that we think less honorable we clothe with greater honor, and our less respectable members are treated with greater respect; whereas our more respectable members do not need this. But God has so arranged the body, giving the greater honor to the inferior member, that there may be no dissension within the body, but the members may have the same care for one another. If one member suffers, all suffer together with it; if one member is honored, all rejoice together with it.

This is the high standard that honor demands. It is not idealistic to believe so. It is logical and pragmatic to recognize that a team or an organization or a nation that acts in this way will be stronger, more confident, and better able to manage the constantly shifting environment that our world provides us.

To honor is to be fully human. To practice dishonor is to lose our humanity. It is a choice we make every day. And it is a choice that we will make on November 6, 2012.
An interesting conversation is taking place about *The Future of Money*. A global community is engaged in discovering alternative ways of viewing the way commerce is conducted. They want to move economics beyond the transactional level to the social. What these bright innovators recognize is that trust must be at the center of all interactions in society. This is why I'm paying attention to this conversation.

Watch this video, [http://vimeo.com/16025167](http://vimeo.com/16025167), which captures the scope of this discussion.

The video was produced as a part of a presentation that Venessa Miemis gave at the Sibos conference of the financial services industry in Europe. In her presentation she said,

> There is a class of young, intelligent, creative, passionate people who have become disillusioned with the debt-based monetary system, and are busy creating new infrastructures, right now, that are allowing a commons-based peer-to-peer infrastructure to emerge - in parallel to what currently exists. And the foundation of this economy is based on trust, and on transparency, and on the ability of distributed networks to self-organize.

For the community concerned with the Future of Money to realize a financial system based on trust they will have to address the place of culture.

Social scientist Francis Fukuyama's book *Trust: The Social Virtues and the Creation of Prosperity* places trust at the center of cultures that prosper.

> Trust is the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community.
Fukuyama describes culture as an *inherited ethical habit*.

Trust as an inherited ethical habit produces a culture that is predictable, open, honest and where mutuality is important. The reciprocity aspect of trust is how it becomes a culture. It is shared and exchanged between people. It creates a value within the culture because trust elevates the possibilities that come from the relationship.

**Trust, therefore, has a strategic, developmental, entrepreneurial value upon which organizations and communities can create the future.**

Over the past few months, I have been writing about the shift that I see taking place. You can download a compilation -


I see this shift as moving us from a lower-level reality of self-focused individualism to a higher one of a shared community of responsibility and contribution.

This shift is necessary because the time of the imperial self is fading in the wake of its own exhaustion as an ideology and the growing complexity and interconnectedness of our global society. It isn't simply the idea of the influence and impact of one person upon the whole world. Rather, it is the need for higher-levels human interaction to fulfill the opportunities that are being presented each day. We need each other precisely to fulfill our individual sense of calling to make a difference that matters. It is the matters part that drives us into social arrangements that require us to be better people. It is ironic that as the world shifts from the individual to the social, it is providing a better context for the development of human potential as a result.

At the heart of this shift in human history is the importance of trust as a core condition for human community

**What is the source of trust?**

Trust is an outcome of attitudes and behaviors that we share. When I trust you, it is based on my respect of you and an appreciation of who you are, in other words, of your dignity and value as a person.

When a person lacks dignity and self-respect, I know that it will be hard for them to treat me with dignity and respect. As a result, it will be difficult for us to trust one another.
If trust is the outcome of mutual respect and dignity, then it is also the recognition of our interdependence with one another. Our mutual respect means that we can see in the other person strengths and potential that is worth affirming and elevating. As a result at the heart of the experience of trust is the practice of honor.

**Honor and Trust**

When my Say Thanks Every Day: The Five Actions of Gratitude project first began my *perception* of *honor* was that it was about recognizing the accomplishments of people. While I still see that, I've come to realize that there is more to it.

At first, I began to ask some questions

*What is it that we are recognizing when we honor people at banquets, awards shows, etc?*

We are recognizing their accomplishments, their contributions, their achievements in life and to specific organizational and social contexts.

*Why do we recognize these achievements of these people, and not others?*

Because those we recognize represent the values that unite us a group. They signal to others what it takes to be a fully functioning, contributing member of our society. In essence, our recognition is symbolic of our values and beliefs as a people.

*What if we reverse the sequence? Instead of recognizing people after their accomplishments, what if we recognized them, or rather affirmed them, for their potential accomplishments. Why can't we honor the talents and abilities of people in order for them to recognize the opportunity they have to make a difference?*

Consider this.

You walk into a room of strangers. You don't know them. They don't know you. You feel a bit intimidated by the experience. Who are these people? Are they important or invisible? Are they interesting or boring? You don't know. Do you wait for someone to start a conversation, or do you take the initiative? If you take the initiative, what are you going to talk about? You're nervous, so you talk about yourself. You try to impress them with your own importance so they think you are important. Yet we know this doesn't really work. We come across as self-important egotists.
If instead we approached this scenario from the perspective of honor, then we walk into the room with the expectation of honoring each person. This means that we must discover what it is that is worth honoring in them. We must, therefore, ask questions about them. And once we find out some noteworthy things, we honor them by affirming and envisioning how they can make a difference.

Since I shifted my perspective to honoring the potential in people, I find it is much easier to trust them. There is a bond that forms. This is so because as soon as I recognize their potential, I become a partner with them in realizing it. Here's an example.

A few weeks ago I was at a conference in the mountains of Virginia, at a beautiful place called Primland. One evening after dinner, we were sitting outside of the Lodge where there was a firepit. A young man named Josh came out to start the fire. We began to talk with Josh about the property, where he was from and what his aims in life were. He was a student at a local community college, and wanted to be a professional writer of poetry and short stories.

So, here is this nice young man, who expresses himself well, talking about his writing. I ask him if he has shown his writing to anyone. He tells us that his father knows a bestselling novelist, and wants to connect them up with each other. Good idea. Life is made from connections. He hasn't done this because he doesn't think he can show his work to the novelist yet. He doesn't say it, but he doesn't want to be embarrassed if it isn't any good.

Here's an opportunity to honor someone who has not become accomplished in life, but who has potential, and needs both encouragement and some guidance. To honor him, I offer my help to read and critique his writing so he can go see this novelist with the confidence that he has something to offer than can make a difference. A simple offer that requires him to accept and act for trust to be realized.

When we honor someone in this way, we show respect and we establish the basis for trust to be shared between one another. Of course there will be people who reject our honoring of them. But those who do accept it complete the connection required for trust to live in a relationship. Imagine a group or society where this is the practice of the community.

Honoring others is a pathway to trust. Now pair this with my post of a few weeks ago, *Honor and the Lost Art of Diplomacy*. Here's part of what I wrote.
To live with honor and to practice diplomacy in our daily lives is not easy. It is countercultural, even prophetic in its application to our world today. It means that while we may disagree with another person, we can also honor them with respect, even if their behavior is a demonstration of a lack of their own self-respect.

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I understand that to be honorable and diplomatic does not mean you give up your values and principles. It means that you do not win by destroying the other person. You lose by dishonoring your own values.

To practice honor and trust in this way is transformational. It sets up conditions in organizations and communities where people can discover their true contribution to society, and form the relationships that are needed to realize that calling.

To look objectively upon our world is to see a world where trust, respect, honor and mutuality are in great demand. When we treat others with disrespect and dishonor, we act without dignity. The effect is destructive and toxic. It divides, isolates and creates inequities, poverty and war. I'm no optimistic Pollyanna who believes that we should all just get along. I'm a realist in understanding the competitive ground upon which we walk each day. There is more to trust that just respect and honor.

The Trust Connection

Over a decade ago I first read Ron Burt's Structural Holes: The Social Structure of Competition. Then, I had a beginning confirmation of what I knew intuitively. That the person who is able to establish relationships of trust is the one who will have a greater competitive advantage in a disruptive, rapidly
changing world. In the diagram here, Mr. Blue has a competitive advantage over Mr. Green and Mr. Red. His advantage is in brokering a relationship between them. His ability to connect them together advances each of their opportunities to make a difference.

From the Burt's introduction...

My argument is that much of competitive behavior and its results can be understood in terms of player access of “holes” in the social structure of the competitive arena. Players are connected to certain others, trusting of certain others, obligated to support certain others, dependent on exchange with certain others....the holes in social structure, or, more simply, structural holes, are disconnections or nonequivalencies between players in the arena. Structural holes are entrepreneurial opportunities for information access, timing, referrals, and control. ...

But their individuality is the key to understanding competition. The substantive richness of competition lies in its imperfections, the jostling of specific players against one another, each looking for a way to make a difference. In the substantive details of imperfect competition lie the defining parameters of competition. They are the parameters of player individuality. Competition is imperfect to the extent to which multiple players together dominate a market, is an insufficient answer. The central question for imperfect competition is how players escape domination, whether it is domination by the market or domination by another player.

This is the focus of the structural hole argument - a theory of freedom instead of power, of negotiated instead of absolute control. It is a description of the extent to which the social structure of a competitive arena creates entrepreneurial opportunities for certain players to affect the terms of their relationships.

*Competition* is one way of understanding the social relations of people. We see it most destructively in predatory business practices and divisive, dishonorable politicking.

Its complement is *collaboration*. If at the heart of competition is the competitive advantage that one brings because the other person, then at the heart of collaboration is the recognition of the advantage that another person...
brings to an endeavor. The most enlightened industries are ones where members become **collaborative competitors**.

I venture here because trust is essential to both competition and collaboration. Let's look at this expanded version of the diagram above.

Originally, Mr. Blue brokered a relationship between Mr. Green and Mr. Red. Now we see a network of relationships that is much different. Mr. Green now is the principal broker of relationships by simply bringing two rather than one new relationship into the network. As this network grows in complexity, the key to its healthy functioning is the quality of the relationship that exists.

Healthy competition strengthened by respect, trust and honor elevates the network beyond a transactional relationship, centered upon how to secure one’s own benefits from the network. Instead, the network is transformed from a collection of individuals to a collaborative community that shares common values, goals and benefits.

**The Future of Trust**

Trust is developing as a strategic, emergent reality that transforms relationships of acquaintance into a community of respect, honor and mutuality. It is the basis for the kind of economic system that is being explored by The Future of Money community. It is the kind of attitude and behavior that we should expect from elected leaders. It is what we should expect from ourselves. This is the future of trust.
"If this afternoon, you were to lose everything, become a failure in all that you had sought to create, who would stand by you?"

This is the question I ask of a number of men during a six month period many years ago.

At the time, I did not realize how traumatizing my question could be. Most of them answered with reflective silence.

The others? "My mother."

None of them were confident that their spouse, their children, their neighbors, the people from their congregation, work, the club or any other social association would hang in there with them during a time of humiliation. In effect, these recognized leaders of their businesses were isolated and alone, alienated from a community of support and caring.

It did not take long to realize that I had to stop asking the question. It didn't help them. I also realized that I had to become a person who could stand alongside of them when they would go through the worst experiences of their personal and professional life. It changed my approach to being a consultant. It elevated my understanding of the relational nature of leadership.

Why is it that these men thought that no one stood with them?

Is it something personal?

Or is it something embedded in the way leadership, professional life and the structure of organizations have developed?

Failure of the sort that I described to them could come as a black swan, out of the nowhere, without expectation. Over the past three years, many people have found themselves in this situation. It points to a fragility that exists in our lives that is buffered by relationships of trust.

Trust is basic to healthy human interaction and the functioning of society. We diminish the value of trust when it is understood as little more than the basis of economic exchange.
In my post, *The Emergent Transformation*, I distinguish between human experience that is a series of transactions of information and encounters between people, and a transformational one where our interaction creates a higher level engagement.

Here's an example of what I mean.

The closest Starbucks to my home is in my neighborhood grocery store. For most of the baristas, I'm a customer. I come in, order my coffee, pay for it, and leave. Whatever banter we have is rather meaningless, just the sort of talk that accompanies any transaction.

However, there is one young woman who is different. She engages me in conversation. She recognizes me, tells me about her day, and asks about mine with genuine interest.

One morning, I walked in and said, "Grande bold, room for cream, please." She starts to laugh. She stops and says, "Sounds like the names of your pets." We both laugh. It is one of those situational jokes (You had to be there.). So about once every three or four visits we talk about my dog, Grande bold, and my cat, Room for cream.

Granted, the barista and I will never become BFFs or colleagues in business. However, the moment we shared that day transcended the typical economic transaction that was purpose of my visit, and has transformed my relationship to that store.

**The Social Bond Online**

Over the past decade, an interest in human connection and social networks has grown dramatically. Much of this interest is taking place online through social media platforms. You only have to look at the rise of Facebook to see the extent of the desire to be socially connected to other people.

Many people denigrate the trend towards connection by social media. "They are not real relationships." The relationships that develop are viewed as the online equivalent of a large cocktail party. Lots of meet and greet (search), exchange of contact info (befriending), and a superficial staying in touch (status updates.)

There is a social bond to this shared experience. Real relating is taking place. Some is at a low level of social interaction as describe above. However, some of it is at a personally meaningful level. Social transformation is taking place as our connection deepens with each interaction, and possibilities open up for good things to result. This is my own experience.
The social bond is not the online space where we meet. The bond is the connection that we share through a common interest. Our interaction is real and provocative. Like many people, I find people whom are asking similar questions, seeking similar solutions, and who are open to learning from others.

There are two conditions that determine whether the social bond online is superficial or substantive.

The first is the transformational potential of the ideas or common interests that bring people together.

The second is the willingness for participants to allow their interaction to lead the interaction where it needs to go.

As you can see, it isn’t being online, but what we do online that matters. By being a particular kind of person, we engage others in such a way that the social bond emerges from its hidden place in the social setting...

**Learning to see a social bond**

Earlier in my career, I worked at a small college. One of my roles was to develop a student leaders program. For three years I failed as I sought out the top student leaders to form a group focused on leadership. They simply were not interested. Persistence is sometimes not the answer. Changing your approach is.

Over time, and through my doctoral work, I came to see what is in plain sight, but virtually all of us miss when we talk about leadership.

We see leadership as a set of transactions or rather interactions and moments of decision within an organizational context. We think of leadership as a function of process. Is it simply a series of transactions made between people and groups within a business, or is it something more?

**When we think only transactionally, we miss seeing the social dimension.**

We touch on it when we talk about collaboration and team work. But if you listen, most talk about improving those aspects of their business is not about the social dimension, but rather the tactical dimension of business processes. My observation is that most leaders don’t address the social dimension until it has become problematic. By ignoring the social dimension, we create a self-profiling prophecy as issues arise that not subject to easy process change.

Let me say it this way.
The last remaining unexplored leverage that leaders have now is the social dimension.

Tactics and processes, while essential, do not address the issues that many businesses now face. Leaders must identify the social bond that exists within their organizations if they are going to find the edge they need for sustainable growth in the future.

I learned this in addressing my own failure with my student leaders program. My approach had been abstract and tactical, lacking in a context for application. So, I shifted my focus to mobilizing student groups through the social bond that brought them together.

In a college context, there are sports teams, fraternities, sororities, academic clubs, religious groups, advocacy groups and residence halls. In each, a group of students discover each other through a common bond that unites them together. It provides each person connection, a place of belonging, and a sense of identity. For the group it provides purpose, a reason to exist and possibly as they develop a way to understand the difference they can make as a group.

In a business context, there are associations based on interest, skills, industry and locale. The social bond unites the executive team, the administrative staff, the sales staff, and back office as uniquely definable groups whose shared work experience provides a basis for connection, belonging and identity.

The leader of the organization has to discover the social bond that unites all the different groups to make them one group. That social bond is wrapped in what I call the four Connecting Ideas.

When I discovered this perspective, I made two changes to my student leadership program.

The first change was to shift my attention from the individual leader to the group.

The second was to shift my leadership emphasis from teaching abstract principles of leadership to learning to lead within the context of doing it.
I did this by starting two new activities on campus. One was a campus chapter of Habitat for Humanity International. The second was an afternoon play group for the elementary age children of adolescent mothers in our community. For each, I went to the groups on campus, asking them to sign up for a service weekend with a Habitat affiliate in a nearby county or one of the play days with kids during the semester. In both instances, groups eagerly stepped forward to sign up and participate. They saw it as a fun, meaningful activity for their group. The leaders within those groups rose to the top as organization as they took on responsibility, with the added benefit of new leaders coming forth who wanted to focus on these new campus activities.

**The transcendent character of a social bond**

A group's social bond is not a branded idea. While ideas may describe the bond, it is more than an idea. It is instead something emergent. It is something that is whole, that draws people together into a relationship that transcends the moment.

Here's the difference. Your college's basketball team wins the national championship. The streets of town fill up with cheering, celebrating fans. The experience brings people together around their shared joy for their team. But once the cheering stops, the bars close, and baseball season begins, the bonding experience of the post-game celebration is gone.

The social bond is something that people draw upon for meaning and purpose in their relationships within a particular social or organizational context. This is historically been one of the core strengths of religious worship. It isn't just the ideas of faith, but the shared experience of faith that matters. It is a whole shared experience that elevates one's perception of who they are and how their life matters.

For military personnel, the experience of battle is the archetypical bonding experience. This became quite clear to me when I watch for the first time the HBO documentary, *We Stand Alone Together: The Men of Easy Company* that accompanies the mini-series Band of Brothers. Lt. Dick Winters commander of the 506 Paratroop Infantry Regiment, Company E speaks about the men under his leadership.

*I look upon them ... each man with great respect ... respect that I can't describe ... each one of them proved himself that he could do the job.*

The respect which is difficult to describe is the bond that unites them as soldiers. It comes through a shared experience where they were tested as men and as human beings in the crucible of battle during World War II. Shifty Powers describes it.
"You know these people that you are in service with ... you know those people better than you will ever anybody in your life ... you know them right down to the final thing .. That comes when you start your training... that progresses."

Listen how these men, in many ways not different from people we encounter everyday, describe their relationships with one another.

The social bond that these men have exists beyond analytical description. It can't be simply broken up into a collection of ideas or stories. It goes deeper than that. Their relationships matter more than just as a group of acquaintances. Rather, they are forever connected by the bond of shared experience. You can hear it in what they say. http://youtu.be/s3XuYiCGSiM

Here's what Ed Tipper said in the video.

There is an intimacy develops like nothing I've ever experienced anywhere, not in college, not with any other group of people.

It is like the union leader who commented to me during a values identification process with his company.

I want us to get back to where we were twenty years ago when we were family.

Embedded in these emotions is the social bond that made working for the company or serving in 506PIR Company E something more than a job. What formed was something fundamentally important to their experience as human beings. We are not solely individuals. We are not simply interchangeable parts in a system of organizational processes. And potentially not just list of friends in a Facebook profile.

Attention to the social bond that exists in organizations is largely missing in our society today. We treat the shared work that human beings do as mechanical scientific processes that are to be performed and measured. By removing the human social element we think we are removing ambiguity and creating efficiency and consistency. Rather, we are diminishing the organization's ability to maximize the potential that resides in each employee. It produces a rush to the bottom of the lowest common denominator level of social experience. The potential that resides in each person cannot be released because it must be done so within a social context that shared purpose and experience. Our potential is not realized solely by individual initiative, but by collaborative action. At the heart of every team is a social bond waiting to be recognized and released. It is the hidden potential that awaits recognition by organization leaders worldwide.
The challenge we confront

Years ago, when I asked people who would stand with them if they failed, unwittingly, I was revealing the absence of the compelling connection that the social bond in an organization can create. The reason for this is not solely the mechanistic principles modern scientific management. It is also a national culture that seeks to remove risk and danger from everyday life.

When I first watched the We Stand Alone Together documentary of the actual members of Easy Company, I turned to my son and said,

If you ever find yourself in a group where this is your experience of friendship, consider yourself to be one of the lucky few. Most people go through life never having this kind of experience of human community.

At the heart of the social bond is the recognition that we need one another. Not because we are weak, but rather because we are incomplete as individuals. The togetherness that is realized when this social bond is strong enables men and women from diverse backgrounds to join together to achieve greatness beyond their individual potential.

The challenge before us is to believe that this is true, and to act accordingly. For if this is true, then how we organize our businesses will set the stage for the elevation of the social bond creating a culture of shared human endeavor, that is required more today than ever before.

First steps in discovering the social bond that exists in your organization.

I could give the standard analytical process of a set of processes that focus on the development of values and organizational purpose. But I won't, even if at some level that is important.

Instead, just treat each person with openness and honor.

Learning how to do that (I'm assuming we all need to learn to be more open to others, and to honor the best in them), a new social context will emerge that can elevate your company to a new place of shared endeavor.

To be open simply means to listen, to understand, to affirm, to let people try and fail, and to create the expectation that others will be open.

It means letting new people have the opportunity to influence decision-making and direction. It means not assuming control over every aspect of the organization's life. And from my experience, openness is a powerful attractor
for talented people to come work for your business. It is a signal of authenticity and opportunity.

To honor is to appreciate the value and dignity of each person (see my post *Honor and the Lost Art of Diplomacy*).

This is more difficult because it requires us to pay attention to the other people in the room. We must look at them not as human resources or representatives of particular social ideologies. We look at them with dignity and respect, with appreciation for the potential contributions that they can make. In many cases their contribution can only be realized when the social bond creates social strength for the depth of trust and collaboration needed for a challenge moment.

In one way or another, much of our lives is lived standing alone. But it does not have to be this way. To stand alone together is the product of intention, initiative, openness and persistence. It emerges from the thousands of individual encounters that we have where our connection to one another begins to matter beyond getting tasks done. It is where genuine transformation happens.

Discover the social bond in your business, and you discover the path to a future that is yet to be realized.
Let me begin with this picture.

Here is a student using a three-dimensional printer. The blue object in the middle of the picture is being printed. This is a kit that individuals can buy for around $1,300.

All you need is a basic CAD program to begin to create prototypes of your ideas.

I recently saw this model, RapMan 3.1, and the BFB-300 3D printer demonstrated at Hatchfest in Asheville. Rajeev Kulkarni, Vice President of Global Engineering for 3D Systems (http://www.printin3d.com/) spoke on the uses of 3D printing. His presentation described an extremely wide spectrum of application for this technology. The most impressive use of 3D printing is to create human organs from the cells of the recipient. See Antony Atala’s TED2011 presentation (http://www.ted.com/talks/anthony_atala_printing_a_human_kidney.html) to grasp the magnitude of this innovation in medicine.

This picture of innovative technology points to the social change that is occurring because of the advance of technology. Besides lowering the cost of prototyping and manufacturing new products, people can now take their ideas from conception to market in a shorter period of time. Kulkarni spoke about what used to take months to produce that now can be done in a matter hours or days.

Three Shifts

As I listened to Rajeev Kulkarni’s Hatch presentation, I realized that in these printers I saw three significant social shifts. When the cost of manufacturing and production time is reduced, and the technology becomes affordable for individual use, then we are moving through a transition period from one era to the next. The shifts that I see taking place are:

1. From consumers to creators / producers
2. From mass market to mass customization
3. From a mass culture to a local culture

Let me describe each.
1. From consumers to creators / producers

With the use of basic design software and the RapMan 3d printer, any individual can become a producer of products for sale. The materials that can be used in the printing process are extensive. So, no longer will people have to depend on the marketplace to provide the products that he or she needs. With some ingenuity and business sense, they can make a shift from being a consumer of products to being the creator and producer of them.

Of course, six billion people will not automatically shift from being consumers to creators / producers. And every producer needs consumers to buy her product. Yet, it does not take many people embracing this shift in culture to dramatically impact it. The picture above is of a school girl in England using the RapMan printer.

Imagine every school in your school district having a 3d printer to complete a learning process of idea creation to product completion. Imagine the change of mind that comes to the students in that school when they can create, and not just consume. Imagine a generation of men and women who think of themselves as creators and producers, as leaders, rather than just consumers of other peoples' creative output.

One of the first realizations I had about 21st century leadership was that it was about personal initiative, not about roles. Leadership begins with personal initiative. Tools like these 3D printers place into the hands of people the opportunity to initiate, to create, and to produce products and solutions that can make a difference.

2. From mass market to mass customization

The nature of product development cycles used to be months, even years, necessary to bring a product to market. As a result, it required that product to have as wide an appeal and as long a shelf life as possible. With the advent of technologies, like 3D printers, this is changing. Now in a matter of a few hours, a specialized part can be designed and produced for a customer.

There are a couple implications for this shift.

First, it changes how a company relates to the marketplace. In a one-size-fits-all world, the marketplace is the lowest common denominator. In a mass customized world, the individual is the market. Marketing to individuals is different than to a mass culture. This is the insight that Chris Anderson wrote about in his book The Long Tail.
Second, it makes the relationship between manufacturer and consumer more important. I've learned this as a consultant. I cannot approach any project as if there is a formula that applies to every other organization in their industry. I have to build a relationship of interest, inquiry and adaptive response to meet not only their expectations, but their needs. I enter into their organizational setting with a set of tools, not unlike a 3D printer, though I don't have one, and use my tools to address the needs that they have.

In a mass customized world, relationships matter, and that is a key to managing the shifts that I'm identifying here.

3. From mass culture to local culture

Prior to the 20th century, life for most people from the beginning of time was experienced in small towns. I remember my grandfather telling me near the end of his long life that the most significant invention in his life time was the radio. When asked why, he said, "Because it showed us what life was like in other places."

The 20th century was a century lived on a global scale, with World Wars and multi-national corporations, and, with institutions that were designed for a mass culture. It was a perspective where one size fits all, and that all people are to be treated a like. Individuality was rebellious and conventionality was the norm.

Those days are slipping away as innovations, like 3D Systems printers, make it possible to create a business that serves customers globally from an office in a small town with an internet connection. It is the twin developments of innovation for individual productivity and the failure of large organizations to function in a one-size fits all world.

As a result, the meaning of global and local is changing. It is less about a mass market culture of sameness, and more about a culture of relationship where I can serve you, regardless of where you or I live. We can be connected. We can communicate, collaborate and coordinate our projects from wherever we sit today.

It isn't just that we live in a time of the long tail, or that technological innovation provides a basis for mass customization or a better foundation for individual initiative. Each is true. At a deeper level, it means that any individual with a minimum investment can pursue their own sense of calling as a person, and do it in a social context of others who share their vision and commitment. This is an emerging reality that will seriously impact the nature of leadership and organizational design in the future.
One way of understanding this development is to see this as the ascendency of the local. I've written about it at http://edbrenegar.typepad.com (See below).

The key to making a local orientation work is openness. For many people, local is just another word for provincial, or closed. However, if local is less physical place, and more a relational space, then we can begin to see that my local can include colleagues in Japan, Pakistan, England, Canada, and my neighbors nearby in Asheville.

In a local community, you share a concern for people, for families, for education systems, the business community and for those less fortunate. It is a concern for the whole person, not just for the transaction.

For example, I can share a concern that my friends in California have for the economic and social conditions of their small coastal town, and feel that as their community grows, that I contribute to their growth.

A local community orientation can function in any social or organizational structure. It is the heart of team work. It brings personal initiative, shared responsibility, and common goals and values together.

**Leading Through These Shifts**

The implication of these shifts for organizational leaders is fairly simple. It means that instead of being organizational process managers, we must become culture creators. The culture that forms from our leadership provides an open environment for individual initiative, relationship building, and shared responsibility.

The local in this sense is like the ancient Greek polis as described by Victor Davis Hanson in his fascinating book, The Other Greeks: The Family Farm and the Agrarian Roots of Western Civilization. He writes in the introduction,

The early Greek *polis* has often been called a nexus for exchange, consumption, or acquisition, but it is better to define it as an "agro-service center." Surplus food was brought in from the countryside to be consumed or traded in a forum that concurrently advanced the material, political, social, and cultural agenda of its agrarian members. The buildings and circuit walls of a city-state were a testament to the accumulated bounty of generations, its democratic membership a formal acknowledgment of the unique triad of small landowner, infantry soldier, and voting citizen. The "other" Greeks, therefore, were not the dispossessed but the possessors of power and influence. Nor is their story a popular account of slaves, the poor, foreigners, and the numerous other "outsiders" of the ancient Greek city-state. The real Greeks are the
farmers and infantrymen, the men and women outside the city, who were the
insiders of Greek life and culture.

The rise of independent farmers who owned and worked without encumbrance
their small plots at the end of the Greek Dark Ages was an entirely new
phenomenon in history. This roughly homogeneous agrarian class was previously
unseen in Greece, or anywhere else in Europe and the surrounding
Mediterranean area. Their efforts to create a great community of agrarian
equals resulted, I believe, in the system of independent but interconnected
Greek city-states (poleis) which characterized Western culture.

The shifts identified in this post, to me, point to a similar opportunity that the
early Greek farmers had. Through their collaborative relationship of shared
responsibility, together they created the Greek polis that remains as the model
for what cities and communities are in the West.

The ascendency of the local will come as a result of these shifts. And with it a
new conception of leadership as more personal, more collaborative, more
focused on impact, will emerge to provide it descriptive power that inspires
innovation.
Leadership is a product of personal initiative.

It is a decision, a thought process, an act of the will, and an expression of identity and personality.

However, for initiative to constitute leadership, it also demands that it produce change, a change that matters, a change that makes a difference, a change that advances toward a goal.

The context for change is almost always some group of people socially connected around an idea that matters to them.

This is a basic understanding of what leadership is becoming in the 21st century. It is different than in the past because it is not based on wealth, social class, educational credentials, national origin, religious preference, geographic location or organizational title, position or rank.

This new sort of leadership is based on personal initiative, social connection and the desire to make a difference. As a result, it is a kind of leadership that anyone can do.

Therefore, I think it is safe to say that,

Passive followership is over; Personal initiative for impact is in.

The implications of this shift are significant. If you are the senior executive leader of an organization, it means that the game of recruiting talent is changing.
This is an ongoing conversation that I’m having with Gretchen Zucker, Executive Director of Ashoka’s Youth Venture. Recently, she gave a presentation on Talent for the 21st Century. She, graciously, shared her presentation with me for this blog post.

Gretchen points out that "8 million jobs have been lost since 2008 in the US; nonetheless, employers are still having difficulty filling jobs with the right talent."

She quotes Robert Litan of the Kauffman Foundation.

*Between 1980 and 2005, virtually all net new jobs created in the U.S.were created by firms that were 5 years old or less. That is about 40 million jobs.*

Who is creating these new businesses and the jobs that follow?

People who take initiative, are socially connected, and have a clear purpose that drives their desires to make a difference. The difference though is in the numbers.

While there may be a long history of small business in the US, entrepreneurism did not become the world changing movement that it is until about 30 years ago.

This came clearly to mind recently as I sat across a work table in the office of a web designer, colleague and friend who is in his mid-20s. As he took a call and left the room for a moment, the difference hit me that when I was his age in the late 1970s, I did not have a single friend or acquaintance, in my age group, who had started their own business. I know entrepreneurs existed, but I didn’t know any. Sitting in my friend’s office, I realized that his circle of friends were creating a new culture of entrepreneurism in our community.

According to Paul Reynolds, entrepreneurship scholar and creator of the Global Entrepreneurship Monitor, "by the time they reach their retirement years, half of all working men in the United States probably have a period of self-employment of one or more years; one in four may have engaged in self-employment for six or more years. Participating in a new business creation is a common activity among U.S. workers over the course of their careers."

My own path to entrepreneurship began in the mid-1980’s with the reading of Peter Drucker’s Innovation and Entrepreneurship. My contact with people who had started their own businesses was very small. Not so today.
What this indicates to me is that there is a growing class of initiators whose leadership is changing not only the landscape of business, but of communities and nations worldwide.

This is the point that Gretchen Zucker presents.

Gretchen’s organization, Youth Venture is part of Ashoka, created by Bill Drayton, who coined the term social entrepreneur. Ashoka and Youth Venture invest in people who are changemakers.

Ashoka and Youth Venture are shaping an Everyone A Changemaker™ society: every individual will take initiative, develop solutions to social needs and drive positive impact. Every part of society will benefit from having more changemakers, from a company to a school to an entire country.

Ashoka and YV help ensure the success of any entity, region or field by finding the best new ideas, by cultivating the changemaker talent to act on those ideas, and by designing new ways to allow major change to happen.

Ashoka and Youth Venture are helping to nurture the people I describe above. Currently Ashoka is supporting 2,500 Changemakers in 60 countries. So you can see that as this trend continues, it not only changes the world within the proximity of each person who is a changemaker, but it also sets a standard by which their peers begin to understand themselves.

This standard is appealing because it isn’t based on someone else’s idea about who they are, but their own. It is out of their passion and commitment that these Changemakers venture forward to change the world within their reach.

This is the world that is coming to schools, congregations, scout troops, and businesses everywhere. This is a societal change that is being led by children and young people. This is a grassroots, entrepreneurial movement that begins at an age young enough to care for the needs of the world that they can identify, even at six or eight years old.

Recently I asked Gretchen Zucker to respond to two questions.

**What is the single greatest misperception that businesses have about the current generation of young people as employees?**

Businesses need to realize that the current generation of young employees (Millennials) is very different from the last generation (GenX) or the generation before that (Baby Boomers). Times have changed dramatically and Millennials reflect that accelerating change in a new information era. Millennials are very purpose-driven, tech and information savvy, globally aware, highly engaged
(volunteer at twice the rate as their parents), and struggling to come out from under the very broad wings of their parents.

The best thing a manager can do to maximize the productivity of young employees is to encourage and enable them to be changemakers. They are craving this! Don’t be threatened. They will amaze you with their creativity, drive and ability to mobilize teams to get things done.

I’ve seen this trend grow over the past twenty years. A tipping point is approaching that will mark a shift that is of historic proportions. This point will be when a critical mass of people worldwide decides that they are going to take personal initiative to make a difference, and do so within a social context of shared responsibility and commitment. When they do, they will no longer look to institutions to take care of them, as in the past. They will join together to take care of each other and their communities.

I asked Gretchen, **Where do businesses go to find people like Ashoka’s Changemakers?**

Any employer (businesses included) needs to look upstream to figure out how to get far more changemaker talent (entrepreneurial problem-solvers with strong team, leadership and empathy skills), as the proportion of our society who are changemakers today is only 2-3 percent, making the “war for talent” as fierce as it’s ever been. By enabling and supporting dramatically more people - in particular at a young, formative age - become changemakers through actually experiencing taking initiative to address a social need and leading change.

Once a young person experiences the power of entrepreneurship, teamwork, empathy and leadership, he/she will forever carry the mindset and skill set with him/her in all aspects of life. As change accelerates and employers must stay ahead of that change, the single greatest factor of success will be the proportion of their community (staff, stakeholders) who are changemakers.

So, you can see how monumental is this shift for organizations.

No more passive followers who care little about their company. No more disgruntled employees who only care about how well the company compensates them for the sacrifice of personal time and the personal inconvenience they must go through to be away from the things they do care about. Strangely, it means that owners and managers will have to respond to a higher form of expectation for how their organizations function.

The cause of poor morale in the workplace isn't the external realities that affect the business. Rather, the internal ones. Morale is not some mysterious
human social phenomenon, but rather an outcome of organizational design and management. It is an indicator of uncertainty, and produces a passive aggressive followership which is antithetical to the genuine leadership of personal initiative. The talented and self-motivated will leave or force change.

 Regardless, organizational leaders have a choice to make. To resist the emergence of a generation of leadership initiators and watch their organizations decline, or to embrace them as a beneficial movement by accommodating their energy, ideas and influence to create new opportunities.

What, then, must a business person do to create an environment that is most conducive to attracting the young men and women that Ashoka and Youth Venture support?

**First, envision the possible.**

See it in this illustration from Gretchen Zucker.

**What if this was your typical employee?**

"I saw a problem with our operations and so I got our team together to devise a solution, which we’re now working on implementing with the involvement of other colleagues. I just wanted to make sure with you that I’m moving in the right direction. Is this okay?"

**Second, invest in people.**

Read my post Return on Initiative: ROI for the 21st Century. You can take a regressive cost/benefit approach to the development of people. It isn’t a zero-sum game. Instead, it is a game of survival. Every business’ survival is dependent upon creating an environment that accommodates and nurtures the kind of social entrepreneurial initiative that Ashoka and Youth Venture are developing in people worldwide.

This shift changes the talent recruitment game from a race to hire the best credentialed person to the one who has demonstrated that they are a Changemaker.

**Third, understand what motivates people to take initiative to make a difference that matters.**

No one asks people to initiate. It comes from an inner desire to make the world a better place. Ancient philosopher Aristotle saw this motivation as a function of the purpose of every individual. Something inside points to something
outside that connects the two together and creates what the ancient Greeks called *eudaimonia* which is happiness or human flourishing.

In simple terms, this desire for happiness, that is a kind of completeness, can be seen in three goals that I observe in people. These goals are active reflections of their inner purpose. This is what people want from their life and work.

**Life that is Personally Meaningful**

**Relationships that are Socially Fulfilling**

**Work that Makes a Difference that Matters**

The children and young people that come to RandomKid** have these goals, as do those who work with Youth Venture. The people with whom you work, play golf, and share the subway have these goals. Each person’s expression of them is unique. Yet, we are the same at a very fundamental level.

We look for social and organizational settings where these goals may be pursued. This is why children and young people are coming to RandomKid.

RandomKid’s mission is to provide staff and services to youth, of all backgrounds and abilities, for the development, management and accomplishment of their goals to help others.

We educate, mobilize, unify and empower youth to directly impact local and global needs. By helping kids to become innovative and successful world problem-solvers, we are securing a better fate for our world now, and into the future. We don’t ask you to be a part of us; we become a part of you (emphasis mine).

In this sense, RandomKid provides an organizational structure for these young leaders to take initiative by creating projects that make a difference that matters to them. As Anne Ginther, RandomKid Co-Founder recently commented,

"What is most important to remember is that our mission is to help KIDS help others. It’s about empowering youth to make a difference. It’s about building the change-makers of tomorrow."

Dana Leman, Co-Founder and Executive Vice President tells me that they have learned that kids want *ownership, fun and measurable impact* from their projects.
There is a parallelism between what I observe in people and what RandomKid has identified in their project leaders.

**Personally Meaningful = Ownership**

**Socially Fulfilling = Fun**

**Make a Difference that Matters = Measurable Impact**

There is no dividing line between the child and the adult in this regard. Their goals are one and the same, just expressed differently.

This is the environment that initiators and Changemakers want. This is not the business environment of the 20th century. It is of the 21st century.

Dana Leman commented to me recently about what she sees in the kids who take on a RandomKid project.

Today's kids are not about trying to fit their ideas into standard business models. They are trying to develop business models that fit their ideas. They think about process as an afterthought and tend to engage in a more organic and responsive approach to today's emerging markets.

This is why so many young people in their 20s and 30s are starting their own businesses. Because they don't see themselves fitting in the institutional setting of the last century. And what organizational leaders must understand is that their competition for talent is not within their industry, but rather between the business structures of the past and the future. Either accommodate or become irrelevant is the reality that we face.

I started this post with the following manifesto.

**Leadership is a product of personal initiative.**

*It is a decision, a thought process, an act of the will, and an expression of identity and personality.*

*However, for initiative to constitute leadership, it also demands that it produce change, a change that matters, a change that makes a difference, a change the advances toward a goal.*

*The context for change is almost always some group of people socially connected around an idea that matters to them.*
This is the future of leadership. And its future can be seen in the 10 year olds, the 14 year olds, the 18 year olds and the twenty and thirty somethings who are taking initiative to follow their passion to make a difference in the world.

Sixteen year old RandomKid Co-Founder and CEO Talia Leman speaks of her organization’s mission as

Leveraging the power of kids worldwide to drive an economy of positive change.

This is the purpose they share with Ashoka’s Changemakers and Youth Venturers. This is the 21st century talent pool that stands apart from the rest.

If you want these young people to work for you, then you must become like them. You must become an agent of change by encouraging and equipping the people in your business to take initiative to create an environment that can make the difference that matters.

This may seem to be one of many options for the course of organizations and businesses. I’m convinced that this is the future that is fast approaching. It isn’t an option.

When Ori Brafman and Rod Beckstrom in their book The Starfish and the Spider write about “leaderless”organizations, they are advocating for a leader-filled organization.

In a traditional sense, it could be said that organizations like Ashoka, Youth Venture and RandomKid are developing the next generation of organizational leaders. In reality, these kids are already leading random organizations of social connection that are making a difference in local communities across the globe. The future is now, not tomorrow or next year.

This new future may seem filled with ambiguity and doubt. The reality is that as you accommodate your organizations to the ingenuity and 21st century leadership skills of these young people, a level of impact that your organization has never known will emerge. I’m convince that our best years are ahead of us, and they are going to be fun. Because the children who are leading us today would not have it any other way.

The Initiative Generation is here. Welcome them with openness, support their initiatives, and celebrate the difference they are making now.


** Disclaimer: I am the Board Chair of RandomKid.
Aristotle once said that "Nature abhors a vacuum." It is a statement about flow.

See the two channels in this stream. One is meandering and the other is more direct. The meandering one has established its own path which is different from the wider stream bed. I’ve seen this before in streams near my house as a child. The stream bed was dredged of silt, and it looks like a long straight culvert. Within a few months, the meandering curves return. Flow finds its own path of least resistance.

Professor Adrian Bejan writes,

"Everything that moves, whether animate or inanimate is a flow system. All flow systems generate shape and structure in time in order to facilitate this movement across a landscape filled with resistance..."
It applies to the function of leadership in a way that may surprise you.

The conventional view of leadership is that it is a role within an organizational structure. The people within that structure are divided between leaders and followers. It looks sort of like this diagram. Responsibility is set at the top and accountability is to the level above. It is built for order, control and efficiency.

This kind of structure worked for a long time, many millennia, for many reasons. Principally, limited access to education and technology kept many people from advancing beyond the physical labor of the family farm or the factory. These cultural situations acted as restrictions on the growth of this structure. Sources of friction, like these, are rapidly being removed, the result is that the place of leadership in organizations is changing.

By place I mean function. The function of leadership in this older hierarchical model was management. The function of leadership in the future will be something quite different. Instead of managing order, it is creating opportunity for leadership.

The Flow of Leadership

A vacuum is an open space.

Think of two spaces. A bowl full of water and a sponge. The sponge is less dense, has more open space than the water in the bowl. Place the sponge in the bowl, and the water flows into the sponge until it can hold no more. Take that same bowl of water, and leave it out on your kitchen counter long enough, and the water in the bowl will evaporate into the air. The water
in the bowl is denser than the air. However, for it to flow into the air it must change into water vapor.

This metaphor describes the changes and differences that I see in leadership between the 20th and 21st centuries.

In the older model, the corporation absorbed the raw talent into its organizational structure. Today, there are fewer corporate jobs, and so people are adapting to a world of independence, entrepreneurialism and networks of interdependency.

The difference is between a closed system of a few leaders and many followers and an open system where everyone can function as a leader. It may depend upon how you define leadership. But in reality, these changes are not caused by our ability to define words. Instead, it is defined by our ability to interpret the natural changes that are taking place all around us.

Adrian Bejan's point above is that nature's pattern is one of flow from one place to another following the path of least resistance. I recommend his book, *Design in Nature*, as an introduction to an understanding of flow in science.

The flow of leadership then is to remove the barriers, the restrictions, the obstacles and the controls that bar people from developing as leaders. Is leadership a function of management or is leadership a function of who we are as human beings?

Are we born to lead? It isn't a question of nature versus nurture. It is a question of the human development of the gifts and personality that we have. It is who we become as we develop from childhood to adult maturity. Remove the barriers, create openness, and a specific kind of leadership suited to our contemporary settings will result. To be clear, I am saying that leadership today is a product of human action. Simply put,

**Leaders take personal initiative to create impact or to make a difference that matters.**

The flow of leadership in an organization can be identified as the change that results from the human action of personal initiative filling the open spaces of opportunity to create the impact that is needed in each individual situation.

This means that the role of executive changes from one who manages processes to one who facilitates the creation of opportunity and the development of the practice of leadership throughout the company. In this respect, companies are no longer simply places of employment, but rather places of human formation.
This is how the 20th. century model of leadership and organizational structure is changing.

**Leading by vacuum**

The title of this post is a way I have come to describe what happens in an organization that opens up the opportunity for people to learn to take initiative to create impact.

We create a leadership vacuum when we refuse to do that which we are not able to do. In other words, I only do that which I can do.

This isn't a rationalization for the avoidance of responsibility. It is rather an intentional recognition that each person has gifts to offer to the functioning of the organization. When leaders claim more responsibility, more authority, or more control than they are effectively able to manage, they are at the same time restricting the possibility for the leadership potential of others to be realized.

Here’s how it works.

1. Do that which you can do. Invite others to do that which they can do. Be a team of shared initiative and contribution.

2. Celebrate your values by creating a culture of unity and commitment to a shared purpose for your relationships and your work together.
3. Create an organizational structure open to change and personal initiative to create impact.

An open structure of shared responsibility for each person to realize their own potential for making a difference that matters is the future of organizations.

Executive leaders as a result push the responsibility for developing the processes and policies of the company down the organizational chart to the point of implementation. They also are constantly communicating the Why of the companies values along side the How of the companies policies and approach. They do this by being clear how the values of the company are functioning throughout the organization.

Like a stream, openness for leadership helps the organization finds its path of least resistance to create impact.

Like a vacuum, where there is openness to make a difference, people step forward to fill the space provided for them to make a difference. When each person does what they do best through their own personal initiative to create impact, then the leadership capacity of the organization expands to become its greatest asset. This is 21st. century leadership.

**Update:**

This post was written as an introduction for two presentations that I gave in Ventura, California, March 16-17, 2012. Here are links to those two presentations.


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There are no real measures of leadership.

Well, they are, but what we use are not real measures.

What we typically measure is management, not leadership. The management of people, products and processes. That is different than leadership.

Management numbers may … may … have a relationship to leadership. But it needs to be defined.

So, if you are going to measure leadership then you need to define what it is, and define in such a way that you can measure it.

Defining Leadership

Here’s how I define leadership.

Leaders take initiative to create impact.

Each word is intentional.

Initiate - Leaders start, engage, facilitate, act, do and take the first step.
Create - Leaders generate processes, products, systems, relationships, openness, cultures, opportunities, or the next ones, and they adapt, form, and bring into existence what is new, needed and necessary.

Impact - Leaders make a difference that matters by creating change.

By this definition every person can function as a leader. So what does this mean for those people who are in executive and supervisory roles in traditional vertically integrated hierarchical organizational structures?

It is simple.

Executive leaders initiate the creative processes which produce leaders who initiate to create impact.

This means that executive leaders are measured by the leadership of those for whom they are responsible. This is quite similar to what we have thought of as management, but there is a difference.

The difference is that managers what predictability and consistency, and need to control those who work for them. The reality is that none of this exists any longer. Businesses are changing, but our understanding of leadership has not caught up.

The Three Dimensions of Leadership

Now if everyone simply initiated change, then greater chaos would insue.

So, an aspect of executive leadership is coordinating the leadership of others. They do so in three principal areas: Ideas, Relationships and the context which each person has through the social and organizational structures of their work.

In other words, leaders facilitate clarity around the Connecting Ideas of Purpose, Values, Vision and Impact. They do so to facilitate communication and coordination of the actions that follow the organization's purpose.

Executive leaders build a culture of shared leadership through the shared responsibility for the organization's defined purpose, values and its vision for impact.

As a result, as leadership spreads out through the company, we should see a better connection between the company's purpose and the means to acheive its bottle line. We should better communication, and a greater sense of community between the people in the company, and we should see a culture
that adapts more quickly to the opportunities and obstacles that present themselves every day.

**Measuring Leadership**

So, how do we measure leadership.

First, we define the change we want by defining the purpose of the impact that we seek.

We track change. We track the changes that we see in how the Connecting Ideas are being used. We track change in how people communicate and work together. And we track changes in processes as they adapt to new circumstances.

Second, we identify and track employee initiative.

We track the connection between communication and issue resolution. If people are taking initiative to resolve issues at their own point of responsibility, then you are seeing the impact of the spread of leadership in the company.

Third, we track the speed of change.

How fast does it take for an idea to be enacted? The key to this returns to the Connecting Ideas. They provide a context of understanding that guides the initiative leadership of people.

*Ultimately, the measure of leadership is the number of leaders who have been formed and nurtured by the company, and the collective impact of their shared leadership.*

Grow leadership as a culture, and the result will be a company that has become a community of leaders whose impact is far beyond what it was when everyone was managed to do their job.
The resistance to change has always come from a desire to hold onto traditions that have value. Yet, in a time of dramatic, disruptive change, holding to traditions while adapting to changing circumstances provides a way to build continuity over time. The question is how to change without losing the traditions and the historical continuity that is the seedbed of sustainability? That is a question we must all be asking.

I was thinking of this as I watched again, Luchino Visconti's *Il Gattopardo*, in English The Leopard.

From the editorial notes at the Barnes & Noble page:

*Arguably Luchino Visconti's best film and certainly the most personal of his historical epics, The Leopard chronicles the fortunes of Prince Fabrizio Salina and his family during the unification of Italy in the 1860s.*

What I love about this film is its depiction of social change that comes with the passage of time. In Italy, as in many places in Europe during the 19th century, aristocratic rule is being eclipsed by the modern world. The following transcription of one scene from the English subtitles of the film offers a personal view of this change. The personal view of The Prince, Don Fabrizio Salina. The scene is a conversation in the Prince's study between him and Caviliere Chevalley, an emissary from the Italian government in Turin, asking him to become a Senator in the legislature.

**The Prince:** I am a member of the old ruling class hopelessly linked to the past regime and tied to it by chains of decency, if not affection. I belong to an unfortunate generation straddling two worlds and ill at ease in both. And what is more, I am utterly without illusions.

What would the Senate do with an inexperienced legislator who lacks the faculty of self-deception, essential requisite for those who guide others? No, I cannot lift a finger in politics. It would get bitten off.

**Chevalley:** Would you seriously refuse to do all you can to alleviate the state of
physical squalor and blind moral misery in which your own people lie?

The Prince: We are old, Chevalley. Very old. For more that 25 centuries, we have borne the weight of superb civilizations that have come from outside, never of our own creation, none we could call our own. For 2,500 years, we've been nothing but a colony. I'm not complaining. It's our fault. But we are worn out and exhausted.

Chevalley: But all that's over now. Sicily is no longer a conquered land, but a free member of a free state.

The Prince: Your intention is good, but it comes too late.

Sleep, my dear Chevalley, a long sleep - that is what Sicilians want. They will always hate anyone who tries to wake them, even to bring them the most wonderful gifts. And between ourselves, I doubt whether the new kingdom will have many gifts for us in its luggage. Here, all expression, even the most violent, is a desire for oblivion. Our sensuality is a longing for oblivion. Our knifings and shootings are a longing for death. Our laziness, the penetrating sweetness of our sherbets, a longing for voluptuous immobility, that is ... death once again.

Chevalley: Prince, are you exaggerating? I myself have met Sicilians in Turin who seemed anything but asleep.

The Prince: I haven't explained myself well. I'm sorry. I said Sicilians. I should have said Sicily. This atmosphere, the violence of the landscape, the cruelty of the climate, the constant tension in everything -

Chevalley: Climate can be overcome, landscape improved, the memory of evil governments canceled. Surely the Sicilians want to improve?

The Prince: I don't deny that a few, once off the island, may wake up, but they must leave very young. By 20, it's too late. The crust has already formed. What you need, Chevalley, is a man who is good at blending his personal interests with vague public ideals.

May I offer some advice for your superiors?

Chevalley: With pleasure.

The Prince: There is a name I'd like to suggest for the Senate. That of ... Calogeno Sedara. He has far more qualities than I that merit election. His family, I am told is an old one, or soon will be. He has more power than what you call prestige. He has power. In lieu of scientific merits, he has practical
ones, and quite outstanding too. His work was most useful during the May crisis. As for illusions, I don't think he has any more than I, but he's clever enough to create them when needed. He's the man for you.

**Chevalley:** Yes, I have heard talk of Sedara. But if honest men like you withdraw, the way will be open for those with no scruples and no vision, for Sedara and his like, and everything will be as before for centuries to come. Listen to your conscience and not to proud truths you've spoken. I beg you, try to collaborate.

**The Prince:** You are a gentleman, Chevalley. I consider it a privilege to have met you. You are right about everything ... except when you say, 'Surely the Sicilians want to improve.' They never want to improve. They think themselves perfect. Their vanity is greater than their misery. Sit down. Let me tell you an anecdote.

Shortly before Garibaldi entered Palermo, some British officers from the warship in the harbor asked if they could go up onto the terrace of my house, from where one can see the hills around the city. They were ecstatic about the view, but they confessed they were shocked at the squalor and filth of the street. I didn't explain as I have tried with you, that the one derived from the other. One of the officers asked, 'What are those Garibaldini really coming to do in Sicily?' I replied, 'They are coming to teach us good manners, but they won't succeed, because we are gods.' They laughed, but I don't think they understood.

It's late. Almost time for dinner. We must go change.

Packed into this 15 minute scene are ideas and images of change that were relevant to the aristocracy and rising middle class elite of 19th century Italy. These ideas and images are relevant to us today.

**Traditions are not the same as “the old ways.”**

Traditions are values that serve to define the values and boundaries of a culture or society. They can be stories, myths, that illustrate why we believe in one idea or value or another.

The past two centuries has been an attack on the notion that tradition has value and relevance in the modern world. In the Chevalley, you hear the modern world, as this man expresses his confidence that the world's squalor and filth can be cleaned up. This is the perspective of the 19th century Progressive who saw the world as inherently changeable by their own hands.

If Don Fabrizio's Sicilians thought of themselves as gods unreachable and without need for Progressive contributions, the Progressives of that century
equally failed to see what they could not see, that in their beneficent arrogance, that the 20th century would become an era of World Wars and leadership without *scruples and no vision*.

We are at another turning point in human history. Just as revolution swept through England to America, through France, Germany, Italy and then Russia, bringing with it radical, disruptive change, so too we are at another turning point. The historic trend of change that brought about the decline of the old aristocracy, replaced by the leadership of the bourgeoisie, now threatens a new aristocracy, one born in the revolutions of the 18th, 19th and early 20th centuries.

The old ways of the past hundred years are *worn and exhausted*. What is it that will replace it? Will it come by revolution or evolution?

As I look forward, the themes that emerge are ones related to values and tradition.

Everywhere I turn I find people interested, concerned, engaged in conversation about *trust*. It is something we all desire.

**In trust, I see a type of innocence that has been missing from our world for a long time.**

It was this sort of innocent belief in a person that catapulted Barack Obama into the Presidency. And yet, now, it appears that for many people that innocent trust is gone replaced by disappointment and doubt.

Remember what Don Fabrizio said about himself?

*I am a member of the old ruling class hopelessly linked to the past regime and tied to it by chains of decency, if not affection. I belong to an unfortunate generation straddling two worlds and ill at ease in both. And what is more, I am utterly without illusions.*

Can we not say for ourselves that we are a people raised in an era tied to the dreams and failures of the ruling class of the modern era, the era of Chevalley, and are tied to it by habit and comfort in those old ways?

Can we not also say that we are people who straddle two worlds, and are ill at ease in both? For the one is dying, and the other emerging, and comfort and security are lacking in both.

Can we not also say that we are people with illusions, and that this is a dilemma of our own creation?
What then to we do?

Begin by riding ourselves of our illusions, and thinking clearly about the time we are in. This means that we each are to take responsibility for ourselves, our families and our communities.

We, with great intention and discipline, become people who are trustworthy. We can't ask others to be trustworthy if we are not.

Restore traditions in your homes, businesses and communities. If you were to take the Five Actions of Gratitude, and treat them as traditions, you will find strength to deal with change. Consider for a moment adopting for yourself personally the following traditions of gratitude.

**Say Thanks** by writing notes to people who have done something worth your gratitude.

**Give Bank** in service as an organization to those in need in your community.

**Make Welcome** with a program of hospitality to those who are new comers to your community.

**Honor Others** by recognize their gifts of service and hospitality.

**Create Goodness** by being a person who is trustworthy in all your dealings with people.

To creatively practice these actions of gratitude is allow traditions to be born that build trust and the ability to find continuity from one era to the next.

As I watched The Leopard again, I could not help but think that it should be watched along with Francis Ford Coppola's The Godfather series. Together they are a picture of the historical continuity that our modern world has experienced. In ten years, what film will we refer to as representative of this time? I don't know.

Without illusion, let us approach the future by creating trust and traditions that provide people an environment of support for adapting to the changes that are with us.

*It's late. ... We must go change.*
TRADITION AND CHANGE (part 2)- Leading Questions - August 3, 2010

In my previous post, Tradition and Change, I reflected on the change in society evident in the Luchino Visconti’s film, The Leopard. The picture illustrates the change that took place when traditional European aristocratic society shifted to a modern middle class democratic one. Our experience in America is different because we were not an aristocratic society but a nation of immigrants who came to here as a part of the change we see in the movie, only a century before.

Over the past the century, a similar conflict between tradition and change has been occurring here, as it has in Europe.

Traditions are values that are shared by people and whose practices form a society.

Several years ago, when working on a values project for a company, the members of the committee that I worked with kept saying that their goal was to get back to a time twenty years in the past when the company was more like a family.

What did they mean when they said they wanted their company to be more like a family?

A family is a society with its own traditions. A company can have traditions or not. It depends on its leadership. In this case, the previous leadership had placed their own enrichment over that of the company. As a result, a wedge was driven between the senior executives and the rest of the company. This group of employees wanted a return to a more traditional social environment in the company.

During the past century or so, a mythology of the individual has grown up that places the welfare of the individual above that of society. When this happens, traditions are shredded as constraints upon the individual.

In psychological terms, we could say that when the individual places his or her wants above that of society, that we have something a kin to the adolescent child who is seeking independence from the constraints of the family.

In other words, traditional society that binds one person to another or one group to another is viewed as a liability, not an asset to the forward progress of society.
I'm convinced that it is the elevation of the individual above society, not the elevation of the individual's development as a member of society that has created the crisis, conflict and divisiveness in the public arena that we find in the world today.

However, if you look away from those who promote the dichotomization of society into me or us versus them, you'll see the lingering remnant of a traditional society as played out in individuals who willingness place the betterment of society ahead of themselves.

This is what I see in young people who upon graduation from college, or even high school, go to places of need to teach and to work for the development of people and their local societies. It is what I saw in the people who moved to the Gulf coast of Mississippi to help bring hope and recovery following Hurricane Katrina.

This same attitude of sacrifice is what makes a traditional society work. A traditional society that is focused on the greater good.

Recently, I came across a quote of Aristotle's on kindness

Kindness -- under the influence of which a man is said to "be kind" -- may be defined as helpfulness towards some one in need, not in return for anything, nor for the advantage of the helper himself, but for that of the person helped. Kindness is great if shown to one who is in great need, or who needs what is important and hard to get, or who needs it at an important and difficult crisis; or if the helper is the only, the first, or the chief person to give the help. Natural cravings constitute such needs; and in particular cravings, accompanied by pain, for what is not being attained.

This expression of kindness is at the heart of how a society can sustain itself. Notice that the kindness shown is self-giving. It contributes to those in need, rather than as something beneficial to the giver.

Traditional societies are built upon individuals giving to one another. They require the individual to give up part of their prerogatives as an individual to gain what they cannot have alone.

The criticism of traditional societies is that they are not progressive or modern. If however, to be a progressive or modern society is to pit one person against another, one group against another, then that is not progressive, but regressive.

Traditions are values that join people together in a common purpose. As leaders, we must look to how we can create traditions that provide people
an environment to grow, and a platform to lead, as members of a society of leaders.

At the heart of these traditions is the recognition that kindness is a way to understand how we are to function in society together. As I'm learning, the response to kindness by another is gratitude, to say thanks, and return that kindness is some manner.

The challenge before us is, not our understanding or valuing these ideas of traditional society, but rather the acceptance and willingness to give, contribute, and even make personal sacrifices to make a society work. These sacrifices cannot be coerced or prescribed, but freely made out of the kindness of one's own personal commitments. This is an individualism of personal responsibility and maturity that is the remnant that is holding modern societies together.

For five centuries, the value of the individual has grown to have prominence over a perception of society that is now anachronistic. Those ancient and medieval societies were not traditional societies of one person or one group, joining with others to create a society of opportunity. They were societies built around the power of a governing elite.

The American experiment in freedom, for the individual's right to life, liberty and the pursuit of happiness, is not about the individual alone, but of a society of individuals who join together to create the conditions for their fulfillment.

Today, connection, collaboration and service are values that are uniting people together to create organizations and communities that are traditional in nature. In these places, openness and accountability are practices that build strength and sustainability.

For a very long time, the image of the individual standing alone in the crowd, isolated and alienated from the conditions that can bring genuine happiness has been present in my mind. Even as human connections expand through the use of social technologies, the individual remains alone until a relationship of mutual commitment and accountability is formed.

A traditional society is built upon values that unite people around a common purpose and a vision for the difference that they can make together.

The perception that a traditional society stands against change and progress is a false one. It is only by creating a traditional society that change can be progressive and beneficial to the whole of society. In fact, it is how all social change becomes sustainable.
ASSUMPTIONS ABOUT CHANGE - Leading Questions September 18, 2011

Change is embedded in everything. It is the subtext of every topic of conversation that I have. It is the core issue of every project that I do.

Our assumptions about change need to change.

First Assumption: Change is bad. Change is neutral. It is needed in every aspect of life. Without change there is no life. Too much change too quickly can be destructive. Change functions on a continuum between growth and decline, even life and death.

Second Assumption: The Opposite of Change is No Change. Staying the same isn’t a very sustainable strategy. Yet, it seems to be the response I hear most often to the prospect of change.

Third Assumption: Manage Change through Attitudes and Behaviors. This is a good approach to a point. It assumes that human beings are living in an environment which is changing and their response (attitudes and behaviors) is how we address change. However, I find that this is an inadequate approach to the management of change.

I can understand why these assumptions are the ones I encounter most. They are based on assumptions that are the conventional wisdom of the past century. What are those assumptions?

Fourth Assumption: Large, Global, Transnational Organization is the logical, progressive direction of human civilization. This assumption is captured most succinctly in the phrase "too big to fail." Yet, we do see failure, decline, possible disintegration and collapse of the world’s largest and, at one time, the most progressive and prosperous nations and organizations.

Fifth Assumption: Stability, efficiency and maximization of resources are the highest values of organizations. What this perspective actually produces is vocational instability, economic volatility, social dislocation and the concentration of power and resources into the hands of the few.

Sixth Assumption: Urbanization, and the loss of an agrarian socio-economic culture, is the progressive and beneficial outcome of these historic trends. While I am not an urban sociologist or economist, my on-the-ground observations is that increasing urbanization is more inefficient, is poor ground for the sustainability of inter-generational communal social structures, and increases the cost and demands of daily living. It seems to me that all these
factors exist within a continuum where too little and too dense are not ideal for community or socio-economic sustainability.

Seventh Assumption: The above trends have disrupted natural cycles of growth by accelerating the process of change beyond what is now manageable under the assumptions of the past century. As an out-of-alignment wheel on a car spins more chaotically as speed and variation increase, so are the cycles of change increasing in speed and variability.

Eighth Assumption: Change is cyclical and we are at the end of a long cycle of the kind of growth in organizations described above. From a contemporary context, is Greece's economic meltdown the anomaly or is it the canary in the coalmine? Are we at the end of the era where large, global, transnational organizations can function?

Ninth Assumption: The future will be or should be like the past. There are two assumptions here. One is if the past is prelude to the future, then what in our past should we have seen that would have helped us to predict the past decade of terrorism, war, political division and global economic recession?

It is helpful to read Professor Carroll Quigley's Oscar Iden Lectures, "Public Authority and the State in the Western Tradition: A Thousand Years of Growth, A.D. 976 - 1976" Quigley was a professor in the School of Foreign Service at Georgetown University for over forty years. His perspective is unique, expansive and, I find, very insightful.

The other assumption concerns our nostalgia for past golden ages as Professor H.W. Brands of the University of Texas describes them. He describes that much of this nostalgia is focused on the decades between 1945 and 1965, the golden age of American political economy as he describes it.

... for Baby Boomers, this is the age of our childhood. There is this tendency of humans to look back to a golden age. If you quiz people, the golden age usually corresponds to their childhood. They'll say, life was simpler. Of course, life was simpler, you were 8 years old.

There’s this thinking of, if we could just get back to the way things were in 1950 or 1960, then all will be well. Part of it is this individual nostalgia.

But part of it is this historically anomalous position during this period from 1945 to 1965. Because in a fundamental way, the US was the only victor of World War II. The US was the only country that came out with a stronger economy than it went in. America’s principal industrial competitors were either gravely weakened, like Britain, or absolutely demolished like Germany and Japan. So,
it was easy for the US to embrace free trade. Yeah, level the playing field because we’ve already leveled the industrial capacity of all our competitors.

The weakness of this assumption is that underlying it is a belief often held that our best years are in the past, not the future, therefore, what changes we experience today are taking us further away from the golden age of the past.

Tenth Assumption: Change is Structural, and cannot be adequately faced by just changing attitudes and behaviors. The future is going to be different. The last stage of acceptance of this will be the recognition that many of the above assumptions are declining in validity. Yes, of course, as individuals we adapt to change by modifying our attitudes and behaviors. We also must adapt by changing the social and organizational structures that have led us to this point in history.

The indicators of structural change are already evident. They are awaiting application in theory, design and practice. I’ll write about them in my next posting.

Seeing what's coming

What if our past experience instead of illuminating the future, obscures it? What if the way we have always approached a problem, or the conduct of a single day, or the organization of our work makes it more likely that we end up not accomplishing what we envision?

Working in planning processes over the years, I've concluded that people can see what they want, but fail to reach it because of how they go about it. We can imagine the future, but not see the path that will take us there. This gap in our abilities is becoming more acute as the ways we have worked are becoming less effective.

From another perspective, we rarely see the end of something coming, or the beginning of the next thing. We tend to see in retrospect. Our aversion to change, I believe, is largely because we don't like surprises. We defend the past hoping that it is sustainable into the future, even if we see a better, different one. The past, even less than ideal, at least seems known and more certain, more secure, more stable, more predictable, more comfortable, at one level. It does not mean that it is satisfying or fulfilling, but it seems safer.

As a result, instead of providing us a sound basis for change, the past can inhibit us from achieving the vision that we see. Instead, we live by a set of cultural forms that must be defended against change. In other words, the form of the way we live and work remains the same even after its vitality has gone.

Change that has come

What impresses me about our time is how fast change is happening, and how quickly things we thought were normative seems less relevant.

Ten years ago, websites were the rage. You weren't on the cutting edge of business without one. Today, Facebook, Twitter, LinkedIn and a host of other social media platforms are the norm for a business. Twenty years ago, CDs were the norm. Now, digital I-Tunes downloads. Thirty years ago, the Soviet Union was the West's nemesis, now militant Islam. Forty years ago, Vietnam and racial equality were the dominant issues of our time. Now we have an African-American President, and Howard Schultz wants Starbucks in Vietnam. Fifty years ago, President Kennedy was challenging the nation to go to the Moon within the decade. Today, the government is putting space exploration on the back burner as space travel is becoming privatized.
Could we have imagined these changes? Possibly. We’d probably not be able to see how they’d happen. That is the curious thing about visions and visioning. We can imagine the end, but not the means. The pathway to the future goes through today and tomorrow. Yet, we are captives of our past thinking and experiences. They are the measure of what is possible and what can be done.

**The End and the Beginning**

I have been reflecting, in particular, on these thoughts over the past several months. I’ve tried to step back without prejudice and identify what I see without reducing it down to a few simple categories. What I do see are the markers of change in three broad areas.

For one it is the **The Beginning of the End**, for another **The End of the Beginning**, and for another, surprisingly, **The Beginning of a long delayed Beginning**.

Some of this reflection was prompted by a conversation about a project event to take place later this year. It was a discussion about how businesses function. The contrast was between a focus of work as a set of tasks to be done and the importance of human interaction in meeting organizational goals. I realized coming out of that conversation that this project, for me, represented a turning point in human and organizational development. It provided a picture of the past and the future. The past as the Industrial model of business organization and the future of organizations as **communities of leaders**. That last phrase was what I envisioned a decade and a half ago when I began my consulting business. Only now, after all these years, do I see that simple idea beginning to have relevance for the way we live, work, organize and lead organizations.

What I see is:

**The Beginning of the End of the Progressive ideal.**

**The End of the Beginning of the Capitalist model.**

**The Emergence of freedom and democracy on a global scale.**

The first two, Progressivism and Capitalism, along with modern Science, are the principal products of the age of Enlightenment.

**The Progressive ideal** believed, and still does by many of its advocates, that through government control of science and industry a free, equitable and peaceful world could be achieved. Conceived during the 19th century as a belief that society could be perfected, and as a counter-balance to the
industrialization taking place in Europe and the United States, it was a utopian belief in a well-order, controlled, uniform world.

The Capitalist model was born in a belief that each individual should be free to pursue their own economic welfare, and not be forced by government rules or economic servitude to do that which they choose not to do. It was the ideology that provided the basis of the industrialization out which has come prosperity for more people in history and the rise of the modern middle class.

Both the Progressive ideal and the Capitalist model have brought great benefits and liabilities to society. They form the two sides of virtually every divisive issue confronting the world today. They are quite similar, yet in very different ways. Both are organized around the control of power and wealth. Both have been institutionalized in the large, hierarchical organizations in Washington and on Wall Street, and in similar institutions throughout the world.

Over the past decade, the Progressive ideal and the Capitalist model have begun to show their age. The assumptions that underlie these ideologies are being challenged by forces of change that are beyond their control. Because the control of global forces of change is problematic and less realistic.

A principal assumption of the Enlightenment is that we can know what we need to know by analytical decision making. In other words, by identifying the parts of a situation, we understand it, and therefore can design a strategic mechanism for controlling the outcome. This analytical process works very well in the realm of the natural sciences, less so in the realm of the social sciences. To paraphrase novelist Walker Percy, "Science can tell us how the brain functions, but not about the functioning of the mind."

At the beginning of this essay, I wrote of what I was seeing The Beginning of The End of the Progressive ideal and The End of the Beginning of the Capitalist model. Neither of these observations are political statements. I am not a Democrat, nor a Republican. I am not a Progressive or a Libertarian. I find none of the current choices of political affiliation representative of my own perspective and values. I speak as an outlier, not an antagonist.

I see these ideological movements as products of a different time in history. The assumptions and the way of thinking that brought these ideologies into prominence are now receding in appropriateness. The conditions that gave rise to these ideas over the past three hundred years are now giving way to new conditions. If progressivism and capitalism are to survive, then their proponents must change.

Emergent connection
These ideologies born in the age of Enlightenment share a reductive approach to knowledge. In other words, we gain knowledge and understanding by breaking things into parts. The assumption is that things are collections of discrete parts. Yet, we know that in the natural sciences, the mixing of different chemical elements creates something new and different that cannot exist in any other way. Water being the most obvious example.

However, in the social realm, there is a shift toward emergent knowledge as the basis for understanding what is. The emergent perspective sees connections and wholes rather than just parts. In a network of relationships, the value isn't one person, but rather the connections that one person has to other persons.

Think of it as the difference between those radio ads selling lists of sales leads, and knowing the person who has a relationship with 100 of those buyers. The former is a list of contacts, of names and addresses. It is a parts list. The other is a picture of a network of connections that one person has. This second picture is the picture of the future, for it is a picture of relationships.

We see emerging forces all around us. Again, this is not a political statement, but an observation. One difference between the Tea Party demonstrations and the Union demonstrations of the past year is the difference between an emergent organization and a traditional hierarchical one. The Tea Party organization is intentionally decentralized in local communities. Unions are designed as centralized concentrations of power. One body speaking for a host of organizations.

The difference here is between a centralized and decentralized organizational structure, like that described in Ori Brafman and Rod Beckstrom’s book, The Starfish and The Spider. The centralized structure (the spider) is vulnerable at the top. Take down the leader, and the organization suffers significant loss of prestige and power. The decentralized system (the starfish) is not vulnerable at the top, because there is none. In a decentralized system, no one expression controls the fortunes of the whole. The centralized is the industrialized model, and the decentralized, an emergent one. The system that the Progressive ideal and the Capitalist model share is one of centralization. Operating separate from both are independents and small business entrepreneurs. The difference is between a hierarchy of control and a network of collaborative relationships.
The recent rebellions in the Middle East are also examples of this emergent model. The use of cell phone and internet technology to connect people in agile, less structured ways make these rebellions possible, not necessarily successful, but possible. Their desire is for a freedom that they see provided and secured by democracy. When thousands of demonstrators fill the streets of Cairo seeking the end of a repressive regime, their impact is far greater than their numbers. We see a visual counterpoint of the difference between being a nation of free people and one living under an authoritarian government.

Even as the Progressive ideal and the Capitalist model decline, the impetus towards freedom and democracy grows. I heard recently that there are now more nations with democratic governments than at any time in history. Democracy that grows from a grassroots base is an emergent model. The impact is greater than the sum of its individual parts. In an emergent context, one person’s actions can serve as a catalyst for thousands more. For example, the recent uprising in Tunisia was started when a street merchant Mohamed Bouazizi set himself on fire to protest the abusive treatment by police of his vegetable cart business (http://on.wsj.com/ebvtCh).

The Network is Emergent

In business, the emergent model has relevance. When a business perceives itself to be a structure of parts, processes and outcomes, following upon the centralized industrial model, then it has a much more difficult time seeing the value that exists in the relational connections that exist both between people and within the structure itself. It is why so many businesses become siloed and turf battles ensue.

However, when a business sees itself as a network of interactive individuals, then the whole is greater than the sum of its parts. The result is higher levels of communication, collaboration and coordination.

While the Progressive ideal and the Capitalist model are products of the age of Enlightenment, emergence, freedom and democracy are even older ideas finding new ground and relevance. In the traditional business organization, their relevance can be seen in two ways.
First, in the freedom of the individual to take responsibility through their own initiative. This perspective harkens back to the ancient Greek democracies where Greek farmers and small business owners participated in the governance and protection of their city-state. For businesses to replicate such an ethos requires a shift in perspective from employees as functionaries of the tasks of the company to a recognition of the potential contribution that each person offers. It is in this sense that each person leads out of their own personal initiative to give their best to the company.

Second, in the emergence of businesses as human communities of shared responsibility. The traditional approach has been to break down the organizational structures into discrete parts of tasks and responsibilities, and to staff to that conception of the organization. This traditional hierarchical approach worked in simpler times when businesses were less global, more homogeneous, and employees less well trained, and had the technology to advance their contributions beyond their individual position in the company.

Today, the environment of business has changed, as the context becomes more complex and change accelerates. Agility and responsiveness are not embedded in structure, but in human choice and in relationships that amplify those shared choices to make a difference. It is the freedom to take initiative to act in concert with others that creates the conditions of successfully managing the challenging environment of business today. The result of a greater emphasis on relationship, interaction and personal initiative is a shift in culture. One only has to select any page in the Zappos.com Culture Book (http://www.zapposinsights.com/main/) to see the influence of genuine community upon the attitudes and behaviors of the company's workforce.

The Keys to Change

I began this post by saying that we rarely see the end of something coming or the beginning of something new. What I offer here has been germinating in my mind for the past three years. It is still not yet fully formed, and may never be. Yet, I am convinced that the changes that I see happening mean that there is no going back to the halcyon days of the 1990's or even the 1950's. Business organizations will not long succeed as mechanistic structures of human parts. Rather they must emerge into being communities of leaders, where individual initiative, community and freedom are fundamental aspects of the company's culture.

The keys to the future, in my mind, are fairly simple.

1. Leadership starts with individual employees' own personal initiative to make a difference. Create space and grant permission for individual
employees to take initiative to create new ways of working, new collaborative partnerships and solve problems before that reach a crisis level.

2. **Relationships are central to every organizational endeavor.** Create space for relationships to grow, and the fruit will be better communication, more collaboration between people and groups, and a more efficient coordination of the work of the organization.

3. **Open the organization to new ideas about its mission.** Identify the values that give purpose and meaning to the company’s mission. Organize around those values that unite people around a common purpose that give them the motivation to want to communicate better, collaborate more, and coordinate their work with others. Openness is a form of freedom that releases the hidden and constrained potential that exists within every company.

We are now at the End of an era that is unprecedented in human history. The next era is Beginning, and each of us has the privilege and the opportunity to share in its development. It requires adapting to new ideas, new ways of thinking, living and working. I welcome the change that is emerging, because I find hope that a better world can be gained through its development.
THE END AND THE BEGINNING REDUX - Leading Questions
November 29, 2011

In March of 2011, I wrote a post called The End and The Beginning. Here's an excerpt.

What I see is:

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*The End of the Beginning of the Capitalist model.*

*The Emergence of freedom and democracy on a global scale.*

The first two, Progressivism and Capitalism, along with modern Science, are the principal products of the age of Enlightenment.

*The Progressive ideal* believed, and still does by many of its advocates, that through government control of science and industry a free, equitable and peaceful world could be achieved. Conceived during the 19th century as a belief that society could be perfected, and as a counter-balance to the industrialization taking place in Europe and the United States, it was an utopian belief in a well-order, controlled, uniform world.

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Over the past decade, the Progressive ideal and the Capitalist model have begun to show their age. The assumptions that underlie these ideologies are being challenged by forces of change that are beyond their control. Because the control of global forces of change is problematic and less realistic.

I wrote this before the Occupy Wall Street movement began.
I have thought for a long time that there was an evolutionary cycle of institutional decline taking place. Some of this change was the result of outdated organizational and leadership philosophies, and some of it the emergence of technologies that provide for a more boundary-less environment for communication and collaboration.

This change is an organic process that will ultimately transform or replace most organizations. While I still believe this to be true, I also see that there is a revolutionary cycle of institutional destruction taking place as well.


If both are right, then what we are seeing is the rise of political violence on a broader scale in America than we have seen since the late 1960’s / early 1970’s. I see parallels from my youth in this generation of young people who rush to join the protests, without really knowing what they hope to change. Their frustration is shared broadly.

A few times over the past few months, I have heard business people in differing contexts say something like, "I’m not making any investments in equipment, no acquisitions of companies, and no hiring until after next year’s election." The reason, instability, a lack of clarity about the rules. In effect, they don't know how their investments will be taxed. As a result, they are forced to sit and wait, contributing to a further erosion of jobs and economic sustainability for families and communities.

This fits with the trends picture presented by Charles Hugh Smith in his post The Future of Jobs (http://www.zerohedge.com/news/guest-post-future-jobs). Look closely at the 5Ds at the end of this list.

Most cultural and economic trend changes begin on the margin and then spread slowly to the core, triggering waves of wider recognition along the way. Thus some of these long-wave trends may not yet be visible to the mainstream, and may remain on the margins for many years. Others are so mature that they may be primed for reversal.

The key here is to be aware of each of these, think on which are most likely to impact your current profession and how, and estimate when that impact is likely to be expressed so that you can position yourself wisely in advance:
1. **Automation** enabled by the Web...

2. The **cost structure** of the US economy—the system-wide cost of housing, food, energy, transport, education, health care, finance, debt, government, and defense/national security—is high and rising, even as productivity is lagging. ...

3. The **stress of operating a small business** in a stagnant, over-indebted, high-cost basis economy is high, and owners find relief only by opting out and closing their doors. ...

4. The Central State has been co-opted or captured by **concentrations of private wealth and power** to limit competition and divert the nation’s surplus to Elites within the key industries of finance, health care, education, government, and national security. ....

5. **Financialization of the economy** has incentivized unproductive speculation and malinvestment at the expense of productive investment. ...

6. The U.S. economy has bifurcated into a **two-tiered regulatory structure**. Politically powerful industries such as finance, education, health care, oil/natural gas, and defense benefit from either loophole-riddled regulation or regulation that effectively erects walls that limit smaller competitors from challenging the dominant players. ...

7. Selective globalization and political protection has created a **two-tiered labor market** in the US. ...

8. Financialization and the two-tiered labor market have led to a **two-tiered wealth structure** in which the top 10%’s share of the nation’s wealth has outstripped not just the stagnant income and wealth of the lower 90%, but of productivity, the ultimate driver of national wealth.

9. ... Looking farther out, there are emerging trends I call “the five Ds:” **definancialization, delegitimization, deglobalization, decentralization** and deceleration. ... 

10. **Definancialization.** Resistance to the political dominance of banks and Wall Street is rising, and the financial industry that thrived for the past three decades may contract to a much smaller footprint in the economy.

11. **Delegitimization.** The politically protected industries of government, education, health care, and national security are increasingly viewed as needlessly costly, top-heavy, inefficient, or failing. Supporting them with ever-increasing debt is widely viewed as irresponsible. Cultural faith in large-scale institutions as “solutions” is eroding, as is the confidence that a four-year college education is a key to financial security.

12. **Deglobalization.** Though it appears that globalization reigns supreme, we can anticipate protectionism will increasingly be viewed as a just and practical bulwark against high unemployment and withering domestic industries. We can also anticipate global supply chains being disrupted by political turmoil or dislocations in the global energy supply chain;
domestic suppliers will be increasingly valued as more trustworthy and secure than distant suppliers.

13. **Decentralization.** As faith in Federal and State policy erodes, local community institutions and enterprise will increasingly be viewed as more effective, responsive, adaptable, and less dysfunctional and parasitic than Federal and State institutions.

14. **Deceleration.** As debt and financialization cease being drivers of the economy and begin contracting, the entire economy will decelerate as over-indebtedness, systemic friction, institutional resistance to contraction (“the ratchet effect”), and political disunity are “sticky” and contentious.

So, a picture emerges that promises the economic and political environment to be more unstable and volatile over the coming year. I believe this requires us to make a change in our perspective about the way we view the evolutionary changes that are working in tandem and at time against the revolutionary changes of the past few months.

**Understanding the Transition**

Many of the people I am with on a daily basis feel a strong ambiguity towards institutions, like government, business and religion. Many of these institutions are failing, declining, or evaporating before our eyes. I don't need to go into the reasons why. It really doesn't matter that much because to a great degree, it is a function of the transition from one era to the next. I don't believe we can stop those changes. Our course of action is to be different. Here are some of the ways we can adapt to this changing social landscape.

1. **Develop Parallel Structures** that provide a buffer against the disintegration of legacy institutions. Creating parallel and redundant structures provides a greater margin of security against the shifts that are taking place. The thinking process behind this is to define the four Connecting Ideas of Mission, Values, Vision and Impact for your organization, and then answer, *How do we create the structures that can fulfill the potential that resides in this ideas?*

2. **Develop Networks of Trust** that provide a community of collaborators who stand with one another as economic conditions worsen. If society moves towards a more anarchic, violent place, then having a network of trust is essential for security and safety.

3. **Develop a Long View / Big Picture** that projects out how new ways of working can become sustainable. Right now, using traditional planning methods, it is very difficult to create a long range plan for development. Yet, without some clarity about the Big Picture, we are at the mercy of the current fashionable idea. Build a Long View / Big Picture around the *Values* that are
most important to you and to those who are in your network of relationships. Strong values lived out in our relationships are an essential strength for being more adaptable in the face of revolutionary change.

4. **Develop an Independent, Adaptable Mind** that is able to discern the Big Picture in the moment of decision. Don’t let someone else tell you what to think. Think for yourself. Do your own research. Read broadly. Think critically, with a view to understanding context, trends and what the Big Picture is. Engage in conversation, ask questions, change your mind, and build a network of people who are just as independently like minded.

5. **Develop the Character of Resiliency** that refuses to quit or fail, but continues to adapt and learn. This resiliency comes from an inner strength of courage and confidence that we can go through any difficult situation and remain true to ourselves. To be resilient requires us to see ourselves as more than the victim of current circumstances, but able to adapt and change to create the structures and relationships needed to advance forward.

6. **Develop Traditions that Celebrate Values** that unite people together as communities of shared mission and responsibility. Of the four Connecting Ideas, **Values** is the only one that does not change. Our values are the glue that holds us together in times of crisis and stress. It is the core strength of every lasting institution. Those people and institutions that are able to change are the ones whose values are greater than its organizational structure.

7. **Develop the Leadership of Personal Initiative** in every social and organizational setting you touch. The attitudes and behaviors of entitlement and dependence, which have been nurtured by the institutions that are declining will not sustain society in the future. The freedom of the individual is the freedom to lead through their own personal initiative. The key is understanding that this initiative is the leadership of the future, as person who are free to act, join with others to create the parallel structures that are needed to replace the structures in decline.

**The End and The Beginning Redux**

I’m still convinced that we are witnessing the decline of Progressivism as a viable system for society. I’m also convinced that Capitalism as it has developed in the late 20th / early 21st century is not sustainable. I am more convinced than ever that individual freedom and the liberty of democracy are the trends that will carry us through the violence of the next generation. I say so because the era that is passing away before us will not go quietly. But go away, it will. That too I am firmly convinced.
You know what peripheral vision is. It is what you see out of the sides of your eyes. You see things that if you look straight at it, you wouldn’t see it. You wouldn’t because the details obscure a larger vision.

The same idea can be applied to our hearing and our thinking.

Peripheral hearing is paying attention to what we hear, not listening for something specific. It is listening with wisdom and openness. It means laying aside our filters to hear what we miss by only looking for what we expect.

Peripheral thinking is what we miss when our thought process follows the same path every time. For many people, they might call this innovative thinking. For me, I see it as broadening or opening ourselves to areas of thought that are outside of our normal field of interest. My post, The Picture of the Future in a Box, is an example of learning about something that is totally outside my normal experience, and seeing in it connections to my understanding of the world that make sense.

Peripheral vision, hearing and thought expands our perception of the world. When we only focus on what we know, we lose that peripheral perspective. It is easy then to think that the past is a good indicator of the future.

In the post The End and the Beginning, I began with…

What if our past experience instead of illuminating the future, obscures it? What if the way we have always approached a problem, or the conduct of a single day, or the organization of our work makes it more likely that we end up not accomplishing what we envision?

Let me over simplify what it means to bring the past into the future. I do so, not because it is simple, only to make a point.

Two Ways the Past Enters the Future
What I observe in people is that the past provides an experience of validation, or affirmation, or a sense of stability and continuity. It seems comfortable and secure because it has already been experienced.

This attitude and behavior is often viewed as traditionalism. Meaning, the traditions of the past are the basis of how we interpret what the future should be.

We can hear this in the criticism by some people I know of social media platforms like Facebook or Twitter which seem to trivialize human relationships. I am sure that many relationships formed through social media means are superficial. But, so are many that are in our normal day-to-day interactions. The technology isn't trivial or superficial. People are.

There is also a tendency in this type of traditionalism toward homogeneity, where like joins with like, and a community is formed around common ideas and experiences to the exclusion of those which are different. This is how a community can become narrow, closed and parochial.

When the past is all we know, and we expect tomorrow to be like yesterday, then we begin to look only for those ideas and experiences which validate our perception of the past. Those that don't are resisted, or worse attacked as a threat to what is true or right. This closed mindedness is part of the source of the divisiveness that we see in society today.

Traditionalism works within the limited parameters of a closed system or community. It may work until change threatens to disrupt its equilibrium. This traditionalism is not limited by philosophic outlook. It is a product of human attitude and behavior. It happens when a group or community become protective of their traditions rather than adaptive with them.

This is the second way that the past can be brought into the future. We do so through might be called living traditions, which are experienced through open awareness and adaptation.

The past has value for the future, but only in context.

For example, many of the towns around where I live were developed around a manufacturing business. Over the years, more and more of these plants have closed as textile and furniture manufacturing moved overseas. These towns diminished in size and economic vitality as a result. The traditions of these towns made it hard for many to realize that there are opportunities that may exist if they were to open themselves to a new way of understanding the assets of their local community. To do so meant that they would have to change.
Two decades ago, while serving in a small college in Appalachia, a summer on-campus enrichment program was started that was designed for eighth grade children from the coal fields. It had a great response because parents of these children understood that the well-paying jobs in the mines would not be there for their children in the future. They understood, were aware, that their children needed a better education than what they received if they were going to make it in the world.

What their children learned at home was the value of family and hard work. And they brought that into their experience at the college.

This is also true for many of those who served in the Armed Forces in World War II, who returned home and took advantage of the G.I. Bill to earn a college degree in order to provide a more financially stable lifestyle for their families.

What they brought into the future from the past were values that gave them the ability to shift and change and adapt to changing circumstances. Values of openness, inquiry, situational awareness and a willingness to try new things.

The future just doesn't happen. It is the product of decisions that are in reaction and in response to changes in society.

Traditionalism holds to a form of the past that is embedded in institutions and social forms that are not allowed to change. They are symbolic of the past, but often have lost the vitality that the values underlying those traditions once had.

This was true of the textile mill owners for whom I once did a project. The company had not changed how it was organized and functioned in 60 years. There was a form of tradition that was predictable and comfortable, and was not suited to the marketplace. Finally, a member of the family brought some awareness to the rest of the family, and change began to happen. Unfortunately, it was too little too late. The company closed and opportunity with it.

Traditional values can seek ways to adapt to changing circumstances. Living values bring a vitality to any situation. They are ones that provide strength and direction for how to manage change. These values are what unite people together to make the hard decisions, and take committed action. It isn't just passion or commitment that matters. It isn't just tradition. It is the importance of values whose clarity is realized in an open awareness that enables leaders, their organizations and communities to adapt to the constant changing circumstances of their life and work situation.
The past that is brought into the future is not a relic of a by-gone era, but the motivation and heart that inspired others in the past to create the traditions that today still matter. If your organization is floundering, drifting, or has no clear sense of its future. Begin by reflecting on the values of the past, and ask how can we live this values out today in the work that we do.

See the past as a set of living traditions, is to see with your peripheral vision of the mind that enables us to project the best of the past into the future.
A generation ago the saying "The Future is Now!" celebrated the presentness of a hope in the future. It foresaw the acceleration of change that compresses our experience of time.

I used to see this frequently in planning projects. The five year plans we’d create, often would take only 18 to 24 months to complete. The sense of time that people had was off kilter. Much more could be done than they imagined. The limiting factor? Seeing beyond the present. Or, to put it another way, being able to identify a future that was truly tangible, beyond the aspirations of today, in which they could root their present actions.

Through these experiences, I often saw its contrasting attitude, not the inability to truly grasp the future, but rather resistance to it. I would hear, "What’s wrong with the way we’ve always done things?"

The traditions and cultural forms, as I wrote about in Bringing the Past into Future, replaced the values that were their inspiration. Instead of a vision of the future, a nostalgia for the golden days of the past provided motivation of resistance to the future rather than engagement.

Whether it is nostalgia for the past, or a shallow adherence to current organizational fads, the lack of a tangible vision of the future makes it difficult for people and their organizations to develop the adaptive skills needed in an environment of accelerating change.

Resistance to the Future

A resistance to the future is based in part on the lack of personal confidence to venture into the unknown of the future. It is easier to stay with what is comfortable and known of past ways of doing things. It is also in part how we approach the future, or how we bring our past experience to the task of envisioning the future. It is worth restating what I wrote in The End and the Beginning.

What if our past experience instead of illuminating the future, obscures it? What if the way we have always approached a problem, or the conduct of a single day, or the organization of our work makes it more likely that we end up not accomplishing what we envision?
If resistance to the future is part confidence, part approach, it’s also part, the lack of skills in managing change or in knowing how to adapt.

**Adapting to the Future already in the Present**

To adapt is to change on the fly. It isn’t a linear process. It is an emergent process. Each adaptive moment moves into a new context of change. It isn't staying in one place and defending the palace against the barbarian hordes of change. It is rather like being in conversation with different aspects of the future, very quickly and progressively.

For example, you walk into a room and within two minutes have a twenty second conversation with a 90 year German World War II veteran, a 10 year old girl from St. Louis in a soccer uniform, a thirty five year old couple from Miami with twin 6 year old boys, the 65 year old Japanese CEO of a global communications business, a 16 year old social entrepreneur from Sri Lanka and your great grandmother. Each encounter requires you to shift your attention from one person to the next. And if each relationship was intended to go somewhere, then within those twenty seconds, you’d have to quickly be engaged in whom they were, find common ground and define a shared responsibility for the relationship.

Sounds daunting. But that is what adapting means. The needed skills are a quiet personal confidence that enables you to be the same person with each of those listed in the example, and a tangible vision of the future that provides a conceptual context for the relationship.

This sort of adaptation goes hand in hand with innovation. It is a learned skill, not a personality trait.

See Social Creatives’ Six Habits of Highly Effective Social Entrepreneurs (http://socialcreatives.org/6habits/) as a model for creating a tangible future in the present.

Those who are involve in technological innovation work in an arena where adaptation is central to their experience of bringing the future into the present. See my post about 3D printing and watch Tony Atala’s TED video on regenerative medicine.

These examples may suggest that these are for extraordinary people in unique places. Yes and No. In one sense this is true. They are extraordinary people, but only because the learned to become extraordinary. They developed the confidence and the capacity to adapt. In another sense, they are no different than you or I. They are just further down the path toward the future than most of us. This is one of the core values behind the children and youth social
entrepreneur site, RandomKid: The Power of ANYone, (Disclaimer: I chair the board of RandomKid.org).

Creating a Vision of a Tangible Future

Ask this question of yourself and your organization.

Are you best days / years ahead of you or behind you?

How you answer that question will determine how you relate to the future.

A tangible future can be difficult to imagine because the past is actually not very tangible either. It is an amalgam of memories and impressions attached to random situations, people and objects that represent to us what we selectively remember our past to be. One person remembers a conversation one way, and another a different way.

Our remembrance of the past changes day to day. It is constantly shifting. We can remember a traumatic situation that leads us to view the future with bitterness and cynicism. Then, encounter someone whose perspective sheds light on our experience so that we see it differently. In the space of a few moments, our feelings that our best years are behind us shift to hope and optimism about the future. All of sudden a tangible future begins to form in our minds.

What has taken place within us? What is the source of this change? It isn’t simply the influence of someone’s different perspective.

What we’ve experience is the Future being brought into the Present. All of a sudden, with a flash insight, we see something in the future which is real. It is tangible. We feel we can reach out and grasp it. We want it. Our sense of purpose and self-confidence in a moment has changed. We are different. We have adapted to a new context, a context where the future is here now.

The Future Begins with an Idea

This question about the relation of time to our lives is one that I’ve reflected upon for a long time. The relation of the past to the future and of the future to the present exists in time. It also exists outside of time. What we remember about the past that we wish to be a part of our future are conceptions of the way we want our life and work to be.

At the most fundamental level, we are talking about ideas.
Several years ago, I conducted a project with a mid-size corporation to develop a values statement for the company. The planning team was a mixture of mid-level managers, Union leadership and a senior vice president. One of the refrains we heard from the group was, "We want to get back to a time when the company was more like a family." Over the years, things had changed. The company had gone through a scandal with some top executives. Perception by some was that the company's best years were in the past.

Here's a situation where a remembrance of the past influences people's expectations of the future. For this team, being a family meant something. The question was what does this mean. For not every employee has a positive experience of being a family. As we went through our process, four ideas came to the front that provided a way to understand the past in order to create the future that they desired.

Those ideas were Respect, Trust, Integrity and Pride.

It would have been easy to take those words and turn them into slogans for an internal marketing campaign. The result would not have been a tangible future of respect, trust, integrity and pride in practice, but continued cynicism about the role of leadership in the company.

But that is not what happened. The company instituted a program of culture building around these ideas.

The first step was to introduce the values to the whole company through small gatherings of employees where they would participate in a discussion of the values and their historic place in the company.

Next, leadership training was instituted for middle managers so that they could implement or "operationalize" the values within their work areas. The purpose was to make the values of respect, trust, integrity and pride live in the functioning of each department. In effect, the process was equipping new leaders to solve problems and resolve issues before that became too big.

Today, the company is recognized as one of the nation's most trustworthy companies.

I share this story to emphasis a point about what it means to bring the future into the present.

For many organizations the past is represented by traditions and cultural forms. A cultural form could be any practice that is regularly done in which the original rationale has been lost. The future for those companies consists, in
many respects, as an attempt to preserve those traditions and cultural forms into the future.

The alternative is to recognize that behind every tradition or cultural practice is a value that matters or at one time used to matter to people and their organization.

Another key to understanding for how to bring the future into the present is to understand where our values fit in.

Let me be clear about this. I’m not talking about those values that are divisively used to distinguish one organization or association from another. Those values of the negative other have no place in creating a positive, tangible, sustainable future. They are representative of past traditions and cultural forms that have lost their meaning. I say this primarily in anticipation of the distasteful unpleasantness that is about to descend upon our country called a Presidential election.

A tangible future is one where values matter in practice, not just in theory. So, if respect, trust, integrity and pride matter, then they matter in practice. If customers matter, then they matter in practice, not just in advertising copy. If innovation and impact matter, then the organization will adapt to make it possible for those values to make a difference in the future.

In order to understand how a value matters, ask this question.

If this value was functioning at its highest capacity, if it was reaching and sustaining its potential, then what would, 1) it look like if we were to shoot a video of its performance, and, 2) be the change we would see as a result?

Impact or difference is change. If something changes, it can be measured in some way. What is it that is changing when this value is a living practice in your organization? Can you identify at what level it is operating today? Can you see things to change so that it can grow a little bit more today, tomorrow, next week? If you can, then you are seeing a tangible future being brought into the present.

If you can answer this, then you can envision the future. If you can envision the future in a tangible way, then you can identify what must change to make it happen. This is how the future is brought into the present.

This is true not just about values, but especially of each of the Connecting Ideas - Mission or Purpose, Values, Vision and Impact. Make them tangible for today, then you can see how they will be in the future.
When you do, what happens is that old traditions and cultural forms that no longer are empowered by their original values can be discarded, and new ones formed.

This means that you have reached a definitive transition point in your life and work. A clear point of change that either leads towards decline or advancement. When you do, it is important that you discard dead traditions and cultural forms in a way that becomes a tangible moment of remembrance in the future. As you do, the values that guide you forward will find new traditions and cultural forms to serve as their vehicle for their practice.

Remember, those traditions and culture forms are nothing more than tools for making our values tangible in our daily life and work. Develop new tools, hold true to your values.

Three Things We Want Now and in the Future

I've written before about my observation that people want three things in their life. They want it to be Personally Meaningful, Socially Fulfilling and Make a Difference that Matters. Ask yourself today the following questions.

1. Where do I find meaning in my life and work? What are the values that matter to me most in what I seek to do each day? What activities do I regularly do that support what is meaningful to me?

2. Who are the people that matter most to me? How am I fulfilled by being with them? What are the values that matter to us? How do we practice them together? What are the traditions and cultural forms that we use to celebrate the values we share with one another?

3. What do I do that I feel makes the greatest difference to people? Where do I see my actions creating change? If I was to continue to develop the confidence and skills to make this difference, what do I see myself doing in the future that is different from today? Am I at a transition point in my life and work as it relates to the impact that I am having?

What then is the tangible future that you can begin to create today?

The Future is Now. The future is an idea, a tangible idea that provides for us a point on the horizon to lead us forward. Our idea is a value or values that define for us meaning, fulfillment and the difference we can make. When our idea becomes clear then we know what we must do. And a tangible future becomes a reality that we can reach.
Thirty years or so ago, historian James MacGregor Burns published a classic text, simply titled *Leadership*. It was the first book on leadership that I ever read, and it has stuck with me ever since. The reason is a simple comparison that has taken on greater meaning as time has passed. The idea that Burns described in the book was the difference between leadership as a transaction between people, and leadership as transformation. It was this latter notion that he advocated as the way to understand the nature of leadership.

Burns’ idea carried such authority that the whole notion of transaction as the core activity between people in business has been lost. Now it is common for people to talk about how their products transform the experience of their customer. Transformation, which is another word for change, has become a standard upon which we measure businesses, and especially leaders. This is a very good thing.

While we can affirm that this shift of perception has occurred, it doesn't mean that we understand its implications fully. For it may well be that transformation is just another term for transaction. I know you are wondering why this matters. It does seem to be a bit pedantic, but I believe there is something worth discovering about the difference between transaction and transformation.

In simple terms, a transaction is an exchange between two parties. In contrast, transformation points to something changing. Let me describe this in terms of something that I experience every day.

As a consultant, coach and trainer, it would be easy to create a formula that applies to everyone and every organization. All you need to do is buy the formula. That is the transaction. You buy the product, and our exchange is done.

However, it I take a transformational approach, I'm not selling a formula that you buy from me. Instead, you are buying something else. You are buying the results or impact of the transaction. The transaction takes place, and it leads to something else. That something else is a change.

A transaction therefore is a lower level activity compared to transformation. This is an important point. There are activities that we do that are of less significance and complexity than others. Those other higher level activities are actually a combination of many lower level ones, like a commercial transaction.
What are these higher level activities that are transformational, rather than simply transactional?

Let's look at this from an organizational perspective. Here's a personal example of mine.

I chair a committee of a regional organization that serves local chapters. Our committee is also a work team that is planning an event. The event is a day-long workshop with a presenter from out of town. There is no audience that will automatically show up. We have to recruit them. We discovered from past experience that a "transactional" approach doesn't work. Our first attempt at holding the event was cancelled in part because only three people signed up. By transactional, I mean, treating the event as only an activity that provides them expert information. We had to offer more. Not more information, but something different, something transformational.

A transformational approach requires a different mindset. It is a more complex approach. It functions at a higher level of organization. The popular term for this is emergent.

Emergent gets a lot of use. It is sometimes use as a word for new or for revealing new aspects of something. The way I use is it something different. Sociologist Christian Smith provides a helpful, though rather academic, description of what it means for something to be emergent.

*Emergence refers to the process of constituting a new entity with its own particular characteristics through the interactive combination of other, different entities that are necessary to create the new entity but that do not contain the characteristics present in the new entity.*

*Emergence involves the following: First, two or more entities that exist at a “lower” level interact or combine. Second, that interaction or combination serves as the basis of some new, real entity that has existence at a “higher” level. Third, the existence of the new higher-level entity is fully dependent upon the two or more lower-level entities interacting or combining, as they could not exist without doing so. Fourth, the new higher-level entity nevertheless possesses characteristic qualities (e.g. structures, qualities, capacities, textures, mechanisms) that cannot be reduced to those of the lower-level entities that gave rise to the new entity possessing them. When these four things happen, emergence has happened. The whole is more than the sum of its parts.*

Let me take these four contributing factors to something becoming emergent and show how they are functioning in my illustration above.

First, our event is designed for individuals who have a particular interest in our topic. What we did was shift our emphasis from here's an informative workshop to here's a gathering of people who are dealing with the same issues in their local chapter, which meets the second criteria. Part of our purpose is the third criteria, which is to bring people together so that they form supportive relationships that transcend, yet support, their local individuality. We want to create an atmosphere where there is ongoing interaction after our event. Fourth, in effect, we want to create a movement that transforms each local chapter so that as an association we are more than just people who occasionally gather (transaction-level) but are creating a community of support and interaction that is transformational.

If we apply this idea to organizations, then, I believe, we will see that much of what we understand about organizations is at the transactional level, a lower-level of order than what is needed.

A business organized around transaction sees only the activities or tasks that people do. A person is hired. They are assigned work. They do their work. The transaction is complete.

The problem with this simple understanding of organizations is that it doesn't factor in the ambiguity and complexity that inhabits all of life. A change in the environment or with technology or policies and regulations, and the organization experiences disruption.

I saw this in a hosiery mill where I once worked on a project. There were seventeen steps in the process of making a pair of socks. Because each stage was its own discrete activity, disconnected from all the others, it took six weeks from weaving to shipping to manufacture a pair of socks. The company decided to integrate the system, and the transformation reduced the time to six days.

For an organization to shift from a transactional orientation to a transformational one requires it to move from an understanding of business as a structure of processes to a culture that creates a product. This culture, I'm suggesting, is what theorists call an "emergent reality." It is so because the whole is greater than the sum of its parts.

What is it that business misses that keeps them from this transformation? Partly it has to do with values.
Every company has an espoused set of values. They are printed on cards, posters and are part of the boilerplate language of advertising. You can hear it. "The most trusted name in ...." This use of values is strictly transactional. It is just an exchange of a word or two to convey a meaning. It is this approach that makes it possible for a company to say it believes in one thing and act in its opposite. Their values are not their culture. They are jingles for sales transactions.

When values transcend the transactional, they create a culture that unites and transform the company into something different. I've written about my experience with Dayton Power & Light where a project to develop a values statement transcended the card upon which is printed to begin the transformation of the company. For the past two years, they have been recognized by Forbes magazine as one of the 100 Most Trustworthy Companies in America.

**How do you create an emergent organizational culture?**

First, you have to distinguish the difference between a company's organizational structure and its culture. The structure can be reduced down to each individual position, task, department and objective. The culture permeates the whole of the business from the CEO down to the janitor. It is not reducible. It is whole. This means that if the company's values are trust and fairness, then those values are the basis of how each person functions from the CEO down to the janitor. There are not one set of values for one level of the structure, and a different set for another level. Culture is whole throughout.

This is why so many companies are having difficulty adapting to a changed global economic climate. Some people within the company benefit, while others don't. This is a product of structural design, not cultural development.

Second, there is culture in every organization. It can be whole, yet broken or deficient. The question, then, is focus in addition on cultural change leading to long term cultural development.

An example is the company where the founder is still in charge, and has never let anyone make a final decision. So the company is full of passive followers, not people who know how to take individual initiative when needed. The value of that company is diminished because without the lone decision-maker the culture is not sustainable.

Third, there are multiple cultures within every company or social environment. In some cases we may call them silos. These cultures compete for turf and resources. Their individual self-interest is greater than their collective
interest in the welfare of the company. As a result, the whole is not greater than the sum of its parts.

The challenge for leaders is to lead from a values perspective that unites those disconnected cultures to join in become one. You cannot attack the micro-cultures. You must identify within each of these cultures the values that are worth affirming and spread of them in a manner that demonstrates their connection to the values of the whole.

Fourth, you have to quantify how the values of a culture are measured and managed with personnel. My colleague Bill Kelley has shown me how "values can be a condition of employment." Similar in idea to the idea that values must be "operationalized." The deeper you go in understanding the importance of your values to the success of your company, the more those values will shape the culture of the company.

Fifth, culture is a human, social, relationship phenomenon. It is about how a company becomes a community. For some businesses, their culture is shaped by the notion of being a family, where caring is an important aspect of their relationships with one another. For others it is fun, like at Zappos. In others, it is innovation, or excellence, or trustworthiness. Whatever the culture is, it is reflected in the relationships and social environment of the organization.

Sixth, a culture is based upon shared ideas. Principally, values, but not exclusively. When I refer to Connecting Ideas, I am referring to ideas that are the foundation of an organizational culture. A company's mission; it's values; a vision for the future; and, a clearly defined understanding of the impact that the company is to have provide a way for people to connect together and share a common interest in the success of their collaborative efforts. These ideas are not just tactical points to use in a process. They are the glue which brings together people to make a difference together that is more than what they can do individually.

In effect, the connecting power of these ideas is the transformative agent for change in an organization. They must connect. They must matter beyond their inspiration power. They must guide decisions, define performance and create a culture that is whole and emergent.

There is much to say about this increasingly important aspect of leadership. In my next post, I'll write about the place of trust in this context. And later a post on my conversation with Bill Kelley about how values can be deployed as a condition of employment.
Organizational culture is an important driver of any business. But culture is often seen as some vague organizational presence, typically personalized in the senior leader or owner. Culture is much more.

For example, take a person. Hair, skin color, gender, height, shape, family lineage, geographic location and many other facets of a person are the things that distinguish us. But our hair, or lack of it, does not define us a whole person. It is all these things and more. The whole of a person is very similar to what we think of as the culture of an organization or a town.

The culture of an organization therefore is something whole and complete, always shifting and changing as the context and the people within the organization change. Changes that are happening on a global scale are requiring us to pay more attention to precisely what is the culture of our businesses.

The shift that is taking place in organizational cultures is not incremental, but transformational. The mechanistic culture of the Industrial Age, think Henry Ford, defined the culture of most businesses over the past century. Today a more organic culture based on human interaction is emerging.

Australian Futurist Ross Dawson sees this Transformation of Business being driven by the following developments.

Flexible organizational structures

Distributed innovation

Tapping talent

Dynamic strategy

Scalable relationships

Governance for transformation

What drives these drivers? People, and the changes that they bring to their work in organizations.

A New Kind of Culture
Zappos.com is known for being a unique place to work. Its organizational culture stands out as distinctive. It is one of many businesses that have figured out how to engage its employees so that they want to give their best to their work.

Read the latest edition of their culture book (free for the asking at Zapposinsights.com), and page after page are brief stories by employees of their love and commitment to Zappos. Is Zappos the answer to the question about what the culture of work will look like in the future? No more so than any other business is the answer for every other business. Zappos does provide an indicator of the kind of cultural change that is possible.

In the 2010 Zappos Culture book, CEO Tony Hsieh explains the Zappos culture.

“For us, our #1 priority is company culture. Our belief is that if we get the culture right, most of the other stuff - like delivering great customer service, or building a long-term enduring brand and business - will happen naturally on its own. ... So what is Zappos culture? To me, the Zappos culture embodies many different elements. It’s about always looking for new ways to WOW everyone we come in contact with. It’s about building relationships where we treat each other like family. It’s about teamwork and having fun and not taking ourselves too seriously. It’s about growth, both personal and professional. It’s about achieving the impossible with fewer people. It’s about openness, taking risks, and not being afraid to make mistakes. But most of all, it’s about having faith that if we do the right thing, then in the long run we will succeed and build something great.”

Tony Hsieh understands what Daniel Pink, in his book Drive: The Surprising Truth About What Motivates Us, describes. Pink sees that people today are not motivated to excellence in their life or work by fear of punishment or just by financial rewards. Instead three personal factors - autonomy, mastery and purpose - are the key motivators.

Two Levers of Culture

At a deeper level, organizational culture is a values structure, especially those focused on purpose and mission, and respect, trust, openness and mutual reciprocity.

We can describe this human centered system by identifying two levers. These levers provide energy and strength to the system. One is self-leadership. The other is the functioning of the organization as a Community of Leaders.

Self-Leadership
The old industrial model of leadership was built around the idea that leaders control and the rest follow. That worked when followers lacked education and training, and business systems were relatively simple and predictable. Today, nothing is simple, and the complexity of organizational systems is such that talent has become an important differentiator between businesses. Talented people need development and the right culture to be able to reach their potential.

These changes also mean that each employee has greater responsibility for their work than ever before. That responsibility is carried out through their own personal initiative.

**Personal initiative is the origin of all leadership.** Without it, nothing begins or is sustained. In the past, this initiative came from a small, select group of people in positions of leadership. Now, leadership is less a role and more the way a person conducts themselves within the culture of the company.

**Personal initiative is product of self-leadership.** It comes from the individual him or herself. It is that expression of inner motivation that turns a person who is only there to do the job assigned into a person who is a creator and contributor to the developing success of the company.

**Where does this drive for personal initiative that is leadership come from?**

It begins with values. Not generic ones that appear on rest room walls with not so subtle reminders to do your best. Rather these values are personal ones that transcend the individual and form a basis for collaboration. These are the kind of values that are expressed by Zappos employee Darrin S. in the 2010 Zappos Culture book.

One of the best bits of advice I've ever received was, "Surround yourself with people that make you want to be your best self."

**My Interpretation of "best self" is this:**

- Purpose greater than one's own personal interests.

- Fear of stagnation

- Relentless quest for the truth in decision making.

- A thrill for the unknown when the right answer is difficult to determine.

- Trust in the effort of others.
- Genuine desire to watch others succeed.

Zappos has a high concentration of people with these values and the Zappos Culture is a product of these people.

People like Darren are self-motivated to lead from their individual place within the company's structure. They look for ways to contribute, to innovate, and to create an impact that matters. Grow up a company filled with people like Darren and the company is transformed into a culture of committed contributors.

Community of Leaders

Two experiences inform my understanding of the phrase "community of leaders."

One was a project where issues that began at the lower level of the company's structure would get passed up the line until it reached the head of the business unit. Instead of the issue being a dispute between two people or the performance of one person, as the issue was passed on, it changed into being a dispute between the union and the company. It was a culture problem. Managers and supervisors avoided taking responsibility because of a culture of mistrust.

The second experience was the tour of a local hospital where we had the opportunity to meet and dialog with department heads and floor leaders. My opinion of the organization changed as I found middle-tier leaders who not only had a tactical and technical grasp of their specific area of responsibility, but also had a strategic grasp of the region's healthcare issues with an understanding of how the hospital was positioned to meet them.

A Community of Leaders is a way to describe an organizational culture where self-leadership is wide spread. It is more than just a collection of self-led people. It is an emergent culture where the whole is greater than the sum of its parts. The key change is relational and social.

As I describe above, a culture that avoids responsibility is not a culture where the relationships function well. Lack of respect and trust in any social system is sclerotic, creating an environment that is rigid, unresponsive and unable to adapt.

How many times have I been in a planning meeting with an organization and the group is pushing for greater accountability, not greater trust. In effect, they are looking for scapegoats to blame poor performance on. It is a symptom of a failing culture. If people are not willing to take initiative, to build open,
respectful relationships, then something is wrong. I know this is the norm in many, many organizations. Conduct anonymous surveys of employees, and you’ll hear it. The social/relational dimension of an organization is not a second level area of leadership, it is the connectional, the ligament, the glue of the system.

A Community of Leaders is an organization whose self-led members contribute through the leadership of their own personal initiative to build relationships of respect and trust. In order to see this, we have to think a bit differently about how an organization can be a community.

There is the formal structure of departments, business units and process. And then there is the informal structure of relationship. It is this latter structure that needs development in most organizations. It is developed by creating a culture of respect and trust.

What can an executive leader of a company do to create a community of leadership culture?

First, YOU cannot create it. WE have to create it.

It cannot be controlled or mandated. It must be permitted to happen. There must be openness and freedom for people to take initiative to create the social environment that allows them to show up like Darren S. of Zappos to be their best every day. All you can do is support and facilitate, and most important join them as a co-participant.

Second, you have to understand what people want.

1. People want their lives and work to be Personally Meaningful. In other words, there are ideas, values, a sense of purpose or personal calling that they want to express in the way they spend every day. Work is personal, and becomes professional as it defines and guides their relationship to the company. The more a person’s core values are in synch with his or her work and aligned with the company’s mission, the more significant the workplace becomes as place to invest oneself in high endeavors and excellence in performance.

2. People want their lives and work to be Socially Fulfilling. They want their relationships to be whole and healthy, for respect, trust and openness to be
valued and practiced in the workplace. This is more than just about the functioning of a project team or a business unit. There is unfulfilled desire that informs the cynicism and fear that is prevalent in so many organizations. It is a belief that better work results from relationships of trust and respect.

3. People also want their lives and work to make a difference that matters. This desire is more than just to being successful or having a fun. People want to see the product of their effort at work creating a lasting benefit for their customers and clients. The sense of accomplishment that comes when one’s mission or their company’s mission is fulfilled through their contributions is what I identify in people. To make a difference that matters is to create change.

Third, you have to be an example. If you are, then people will follow you. Deeds are much more important than words. If you are starting from square one, then let me suggest you take on developing the five actions of gratitude as a discipline of relationship building within your company.

The five actions of gratitude are five strategic actions that elevates the collaborative work as an organizational asset.

The five actions of gratitude are:

Say Thanks in gratitude to those who make a difference that matters in your life and work.

Give Back in service to those who make a difference that matters.

Make Welcome in open hospitality, inviting people to take personal initiative to make a difference that matters.

Honor Others in respect and recognition, as the foundation of healthy relationships.

Create Goodness through one’s own personal initiative to make a difference that matters in life and work.

What I have found is that the greatest change happens within us. The world’s needs are not as insurmountable as our own fear and reticence to change. It may be part ego, but what I find more often is that it is our lack of confidence in being able to succeed.

To take these three steps:

1. Letting go to let a community of leadership culture to develop,
2. Facilitating the development of a corporate culture which allows for people to find their life and work to be *Personally Meaningful*, *Socially Fulfilling* and *To Make a Difference That Matters*, and,

3. Making the Five Actions of Gratitude the basis of your personal and professional relationships,

will initiate a process of personal change that creates the opportunity for others to join you. As a result a cultural change will take place that will release the unrealized potential that resides in every company.

People are the levers of strength and change in organizations. Encourage their self-leadership and the result is a community of leaders. This is the future, possibly the only future that we have.
To create order is to create a structure for control. To release control creates a opening for initiative and collaboration. This is the transition point that modern organizations are passing through from hierarchy to the network.

If you know me, you know that meeting people from diverse walks of life is a passion for me. I find people infinitely interesting, their background, their thinking, how they found themselves doing what they do, their hopes and dreams, and their perception of their strengths and potential.

There is a reality that I see in many of them that is equally interesting. Many of them are unfulfilled in their life and work. It isn’t that they don’t have a passion for something, or don’t know enough about themselves to know what their strengths and gifts are. No, it is that most have never found themselves in either the social or organizational setting where they could flourish as human beings.

As I write this I’m mentally scrolling through the places where I live and work. I’m thinking about the people whom I’ve met and known over the years. Thinking about common characteristics that distinguish them and united them together.

What are the common characteristics of non-fulfillment and of life fulfillment.

Here are three.
Do you have a purpose, a mission, or a calling? Can you define this as something more than what you do as an activity, and more as something you create and achieve?

Do you have a supportive, encouraging, open and honest network of family and friends? Are there people who understand you, who stand by through thick and thin, who believe in you, your mission and the impact you want to achieve?

Does your workplace and homelife provide a context where your purpose and your relationships can flourish? Are you constrained by the structures that frame your life? Or, does the lack of order within your calling mean that there are opportunities that you fail to achieve?

My observation is that these characteristics are in descending order of occurrence. More people have a sense of purpose, fewer people have a truly healthy social network, and by a large margin, the fewest people work and live in social and organizational contexts where they can flourish.

The Circle of Impact

For a decade, I’ve been using this diagram as a conversation / thinking tool to help leaders and their organizations understand where the gaps are in their business. Here’s a simple description of what I see.
Leadership is a function that every person can perform to take "personal initiative to create impact."

I am not defining leadership as a role or an organizational position. Like many leadership theorists, I see these roles as management, rather than leadership.

Therefore, the *Three Dimensions of Leadership* that every leader must address are *Ideas, Relationships and Social & Organizational Structure*. Ideally, every person within an organization takes personal initiative through their ideas and relationships, within social and organizational structures to create impact. As a result, a company becomes a leader-filled organization, rather than one starved for leadership.

The four *Connecting Ideas of Purpose, Values, Vision and Impact* provide the glue, the ligaments and tendons that create the wholeness of an organization.

Each of the three leadership dimensions must be *aligned* with one or more of the Connecting Ideas. Here’s how.

The social and organizational structures are aligned with the organization’s purpose. If these structures aren’t, there is conflict and fragmentation.

The relationships within an organization are aligned with the values that create a common identity and character as a community of people.

However, it is not enough, to have values. Many organizations have a strong value system, but lack purpose. A community of people need a vision for how their purpose that makes a difference that matters. It must challenge them to grow, to remain open, and to inspire leadership initiative all with their community.

*The Connecting Ideas* permeate all aspects of an organization. Every person, every unit, office, group, committee, or board needs purpose that guides, values that unite, a vision that inspires, and an understanding of impact that defines the future of their organization.

**The Structure Dilemma**

Having been working with this perspective for over a decade, I’ve come to a challenging conclusion.

The problem in most organizations isn’t the attitudes and behaviors of people. The reality is that people are products of their environment, or the social and organization structure of your business dictates what attitudes and behaviors fit within that system.
Most organizations work from a hierarchical stance. There are bosses and managers who direct employees work. This industrial model of management worked well when the tasks of work were non-creative, repetitive and mechanical skills based. Today, we live in a world of creativity, information and the skills require are for human interaction, communication and collaboration. The old structure doesn't align well with this new reality.

As I wrote in *The End and The Beginning*, this shift from hierarchy is an epic one. As I said recently, "Imagine Proctor & Gamble without bosses and managers, just leaders."

The emerging structure for organizations is the network. Each person participates by their own initiative. Each person contributes through their own unique offering to the network.

I call this "leading by vacuum," which simply means that people do what they are gifted or able to do, which opens up the environment for people with different talents and skills to contribute.

In an hierarchical structure, the efficient ordering of the parts and their compliance are primary. This structure is highly susceptible to fragmentation, compartmentalization and corruption through concentrations of power.

In the network, personal initiative, collaboration and communication make human relationships central. This is an emergent reality, where the whole is greater than the sum of its parts. The power resides in the network and those who know how to engage more people to contribute. It is a leadership of facilitation and ingenuity, rather than control.

I first saw this reality in mid-1970's when I heard the Modern Jazz Quartet in concert. Sitting in a large concert hall with these quiet instruments I saw these four musicians communicating through them. Here is MJQ playing one of the signature tunes, Django. Watch for how their unspoken communication and timing work together.

http://www.youtube.com/watch?v=UmpLtYmSlvM&feature=player_embedded
Each person in the band is essential. Each person has their part to play. The impact is a sound which transcends one instrument, and blends the four into something evocative.

**The Quest for Wholeness**

If you know that your business or organization is fragmented, splintering apart, difficult to hold together, then what you are experiencing is the end of the viability of a traditional hierarchical structure. You feel it before you can truly see it. By feeling it, you know that others do too.

Bringing wholeness to your structure begins with the Connecting Ideas.

**Reaffirm your purpose.**

**Identify the values that build connections between people.**

**Create a vision that inspires personal initiative.**

**Define the difference you seek to create so that you and everyone else can be absolutely clear as to what your impact is.**

Begin this process in conversation. Use the Circle of Impact Conversation Guides. Hire me to come facilitate the conversation, if necessary. I’d welcome the opportunity to work with you and your leaders.

Creating a network business structure starts with establishing relationships of respect, trust and mutual reciprocity. Out of those healthy relationships, the network emerges to provide a platform for leadership initiative to create impact.

As the network grows, allow it to establish the organizational structural components that it needs. Remain open to change. Stay vigilant in affirming and acting on the Connecting Ideas.

The future is the network. And the future is now.

**Creating a Network of Relationships**

Here are some additional conversation guides that can help you understand how to create your own network of relationships.
How Social Networks Work.

1. Leaders who have relationships in a wider variety of social contexts have greater opportunities for impact.
2. One-to-One Relationships
3. A Cluster of Relationships
4. Expand Your Network of Relationships
5. Relationships with Network Hubs
6. Establish Relationships with People in Your Social Clusters
7. Reach out to People in Different Communities and Cultures
8. People naturally cluster together with people that they share common ideas, values, beliefs, and practices.
9. Networks of relationships develop around people who are knowledgeable or have a more extensive social network.
10. Leaders take initiative to expand their Network of Relationships.

How To Expand Your Social Network

1. We each live, work and play within a variety of social settings. There are boundaries that define inclusion and the common values that form the social bond of community.
2. To venture outside of that social setting requires initiative, curiosity, and an openness to new ideas and people.
3. Moving from one social setting into another requires crossing social boundaries. Crossing boundaries happens when common interests and values, and relationship connections are identified or by being physically present.
4. Introducing a social network to a new social setting expands the boundaries of that social setting.
5. Expanding a social network creates opportunities for inclusion and the enhancement of the meaning of shared values and common interests.
6. An expanded social network opens up opportunities for achieving impact through new social relationships.

Dr. Ed Brenegar - http://edbrenegar.typepad.com ed@edbrenegar.com 203-276-1000 Copyright©2010 Ed Brenegar
How Information Flows through a Social Network

Information flows ...

as an exchange of Ideas,
Stories or Data ...

... in informal conversation
and formal communication.

... through a Person of recognized
knowledge or influence ...

... within a Social Group ...

... through one-to-one personal
interaction ...

... through a Person with a large
network of relationships ...

Dr. Ed Brenguer — Circle of Impact Leadership Circle Services
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THREE TURNS - Leading Questions October 14, 2011

Near the end of my father's career, the company for whom he had worked for over 35 years, was purchased, and, not so slowly, its assets drawn off and exploited for use by the parent company.

I remember him telling me of the day he was on a recruiting trip in Pennsylvania, and received a phone call that the company was not going to make payroll that week. He returned home to help usher through the closing of the company and be the last executive remaining as he handled the outstanding employee medical and benefit claims against the company. He was of an age where he could retire. It was a sad day for him. He had worked for the company his entire career.

My dad's story is not unusual. It is symptomatic of the time we are living in. I thought of my father as I watched last year's under-appreciated film, The Company Men. It is a story of executives and their families coping with change as their corporation goes through a series of downsizes simply to raise the share price. Like my father's experience, the film illustrates a very common experience of change. Here's a clip of a meeting where decisions are being made as to who is to be let go.

<The Company Men - "Ethical Scrutiny" - http://youtu.be/UKCGydtlnzA>

This has become a very normal experience for people. Even with a nice severance package, the emotional trauma of being fired is something that doesn't quickly go away. What lies behind this approach to quantifying the value of a company is a way of thinking about organizations that I believe is ultimately destructive rather than a path to sustainability. The logical outcome from over a century of this way of thinking has been the narrowing of the value of a company to something short term and specifically related to its financial value.

Consider the executive's rationale for downsizing staff and eliminating a division of the company.


Listen to this exchange between Tommy Lee Jones and Craig T. Nelson's characters says.

N: "Stock is stalled and revenue is flat."

J: "Entire economy is flat. We are in the middle of a recession."
N: "I only closed two of the shipyards. Should have closed all three of them. Stock is in the toilet."

J: "Everybody's stock is in the toilet."

N: "Well, the stockholders would like to see their share value maximized."

J: "Heh, Heh, Heh, Well ... sell the Degas'. ... three thousand jobs?"

N: "Gene, we aren't some little shipyard any more. I'm not going to keep pouring money into a losing operation."

J: "We innovate, retool ..."

N: "American heavy manufacturing is dead. Steel, auto, shipbuilding ... the future is in healthcare infrastructure and power generation."

J: "I have to be involved in any decision that affects one of my divisions."

N: "You wouldn't have approved the cut. ... You'd go behind my back to the board again, right?"

J: "They were good people, Jim."

Both men are backed up against a wall. They are caught by a way of thinking about the value of companies that worked in times where growth was relatively assured. Now, the competition is tougher, more astute and far more flexible in their ability to adapt to changing circumstances.

Do you think they could have seen this coming? I'm not sure. It goes back to how to you determine the value of a company. I'm not talking about how Wall Street values it, but the people who are touched by the company in some manner. How do they value the company?

Can the value of a company be reduced to one thing, like the share price, or the charismatic leadership of the CEO or a design innovation? Or is the value embedded in the whole structure and context of the organization?

We are in a time of global transition in all aspects of life. Short-term, reductive, passive aggressive, reactive thinking is not going to lead us out of a recession into a new era of peace and prosperity. Instead, we need to realize that our approach is failing, and that we need a new way to think about how organizations function. It must start with the willingness to be different, to think differently, and invest in changes that provide for long term development.
The Context of Change

The ancient Greeks had a word for change which is *metanoia*. Literally, it means a change of mind, but it has come to mean something much larger and more comprehensive. Metanoia points to a change of orientation, perspective and direction. There is a sense in the meaning that the change of mind is accompanied by some regret. So the change, upon reflection, is a choice to follow a different path. People choosing to turn toward different values and new ways of expressing them. Metanoia is a change that embraces the whole person, the mind, feelings and will, and is expressed in action that is change.

This change of mind is an awareness that the path we have been on is no longer sustainable. As I wrote in my post, *The End and The Beginning*, this change marks an end of an era in several ways. The nature of this redirection means that the recent past is no longer an adequate guide for understanding what we must do in the future. As I began in that post,

*What if our past experience instead of illuminating the future, obscures it? What if the way we have always approached a problem, or the conduct of a single day, or the organization of our work makes it more likely that we end up not accomplishing what we envision?*

The continuity between the recent past and the near future has broken down. This is a turning point for us. The 20th century may provide our most immediate experiential memory, but for the purpose of understanding the future, it is now ancient history.

Reflect upon the attacks on 9/11, our response to them, and the global recession of past three years, and our response to it. Can you see how the tried-and-true methods of the last century have not worked. Neither peace nor prosperity are being restored, in fact, the world is less peaceful and prosperous than it was a decade ago. Terrorism maybe contained upon our shores, but it still festers in places of poverty throughout the world.

Fear, doubt and diminishment in the confidence in our leaders and institutions are increasing. Greater diversity, interconnectivity, and, yes, even greater business efficiencies, are not answering the question about what it is that we must do.

We are now at a crossroads that requires *metanoia*, a change that is comprehensive and whole. This change of mind requires us to begin to see businesses as a whole organizations, rather than as a collection of interchangeable, discardable, transferable, value-specific parts. The company in *The Company Men* was dying because it too, like my father’s company, was just a collection of assets to be exploited. There is no future in this way of
thinking. To have a future requires us to change our minds and see things differently.

Three Turns

To change our minds, we need to make Three Turns of perception, understanding and orientation.

The Moral Turn In the first clip <http://youtu.be/UKCGydtInzA> from The Company Men, above, Tommy Lee Jones' character raises questions about the selection of people to be let go. His response, that there is an ethical question involved, is met with a legalistic answer.

By reducing the decision to a question of share price and what is required under the law, the company is not just making a business decision, but also a moral choice.

What is a company that no longer manufactures its products? Is it now a money machine for its share holders as long as the money holds out?

The moral turn is first and foremost about the purpose or mission of the company.

Does a company whose actual purpose is share price encourage confidence and trust?

Does a company whose primary focus is share price understand its connection to the people who work in the business and the communities where they are physically located?

Is a company more than its financials?

Does a company have a responsibility that goes beyond its shareholders, and what is defined by what is strictly legal?

Every organization exists in a context that is greater than the sum of the parts of the organization. There is a culture that is physical, ideological, technological and social.

For example, what distinguishes an insurance company in London to one based in Sao Paulo or Detroit is geography and culture. Yes, they each offer insurance plans. Yes, they each have customers. Yes, they each generate revenue. The difference is the local context that helps to define the culture of the business.
As a result …

a company is not primarily its mission or purpose, but its values that are embedded in ideas and relationships within the context, culture and structure of the organization.

Values permeate the whole of the business, including those persons and organizations outside of the business who are influenced by it. Values inform its purpose, its vision of impact, its relationships with all those who are touched by the company, and how the company measures its impact.

The mission of a company is a product of its values.

When the purpose of the company is more than its financial value to shareholders, it is no longer, just a reservoir of assets to be exploited, but a context in which to create the future.

Recently I heard a presenter during in an organizational development workshop describe organizations that are mission driven as organizations on the rise. He used a diagram similar to this one that I use to describe organizations in transition.

When a company reaches a point of maturity or stabilization or equilibrium, the importance of its mission as a guide often fades. What follows is an increasing focus on its financial assets as its primary purpose. The presenter was convinced that once an organization shifts from a mission focus to a financial focus, it has entered a stage of decline. In effect, they no longer see how a company can grow, but rather be sold.

The moral turn that a company needs to make is to reaffirm its values and reestablish its mission as the driving force of the company as a whole.

The Social Turn When the value of a company is reduced to its share price, the company loses the value that exists within its social structure. Not every member of the organization benefits from a rise in the share price. As a result, the company fragments into internally competitive parts to see who will survive the company's disintegration.
For example, as a Boston Red Sox fan for over 45 years, I was particularly disappointed in their collapse this year. It was not that old patterns of attitudes and behaviors that had hampered the team in the past had returned. Rather, it was the squandering of the talent and potential that existed on paper, at least, at the beginning of the season.

By all appearances, the social environment of the team is the core reason for their decline. At the beginning of the season, they were the odds on favorite to win the World Series. Great pitching, the acquisition of two all-star hitters, and a coaching staff that had produced two World Series championships held great promise for the upcoming season. Yet all that collapsed into a mess in what appears to be based in a collective selfishness and lack of accountability for the team’s social environment and on field performance.

The Social Turn is the recovery of the human dimension in organizations. As human beings we are social beings through which our individuality develops. Much of the fragmentation of modern business organizations isolates individuals and business units into individualized roles that make collaborative teamwork more difficult. As a result, the connections that exist between people in the workplace are treated as having marginal value.

In The Company Men, when Ben Affleck is fired, the stated reason is that his position is redundant. In effect, the company was recouping a cost that it viewed was exceptional rather than necessary. The company also loses in this kind of fragmenting of the social structure of the business. Affleck’s character was not just a person in a cubicle, but was a connection point in a network of relationships that provided information and influence beyond the company. The value may be redundant, but it is a redundancy that creates strength and resilience, not weakness.

Social fragmentation is not just found in businesses, but in global society at large. Its destructiveness finds its way into companies and organizations, weakening their ability to marshal the talent that exists. The Social Turn is one that values relationships of honor, respect, humility, trust and mutual
reciprocity. These values function to create a social fabric that allows for diversity and interconnectivity that creates the sustainability that businesses and communities need.

**The Structural Turn** The industrial model of business was conceptualized around the idea that a business is filled with a few smart people and a lot of laborers. The world has changed, yet the structures of organizations have not. Still the structure is a hierarchy of decision-makers "leading" a larger number of decision-implementers.

This approach does not work as well as it once did. Here are just a few reasons.

1. Technology levels the information playing field.

2. Advances in public education, and the expansion of higher education has created a society of workers who are much better informed and equipped to do decision-making type work.

3. The complexity of working in a global environment of diverse cultures makes it more difficult for a few people to know everything they need to know about the issues that confront their business.

4. The skills required for leadership and management of business are much more accessible to far more people than every before.

5. Hierarchical structures are organized for control through compartmentalization and standardization.

The Structure Turn that is taking place elevates personal initiative, network collaboration, and adaptive learning as the keys to the organization and leadership of businesses.

Instead of a structure organized around compartmentalized roles and defined areas of responsibility, the emerging structure is an open environment where the skills and resources needed for the work of the business is acquired through a network relationship structure.

In this structure each person is responsible for the whole of the project, not just their segment. Each person can function in the role of leader, while not having a title as one.

In this networked structure, the premium skills are placed upon thinking skills that are both analytical and intuitive.

As I recently commented to Dana Leman of RandomKid,
"Imagine Proctor & Gamble without bosses and managers, and everyone is a leader."

Leadership ceases to be a title, and becomes a set of behaviors and attitudes that all share. For the character of this kind of leadership to take root, it requires changing the structure.

The Structural Turn is towards an organizational culture where people are free to create and contribute, to communicate, to initiate and to pitch in where they see a need. Instead of being doers of assigned responsibilities, they are facilitators and problem solvers. In many companies, this kind of structure is developing. However, it must happen at the senior level for the turn to be successful.

How would the company in The Company Men function differently if they operated under a network structure?

1. More people would be engaged in meaningful reflection about the challenges facing the company because they knew that had an actual stake in its success.

2. Innovation would be more prevalent as employees practiced a higher level of leadership initiative and problem solving.

3. New business applications through employee ingenuity would expand the number and range of revenue streams the company has.

4. The company would be unified behind its shared values and mission.

5. The company would be a more attractive place for the top talent to work.
6. The company could more easily adapt to financial downturns.

7. Communities would be vying for the opportunity for the company to create a local operation.

The central message of the Three Turns is for your mission to drive change in the company, centered around values that unite people to create a shared company culture of trust, personal initiative, and a desire to contribute to the company's success. When this happens, the turn from hierarchical structure to a network one can take place as a natural evolution of the company.
Engagement is the hot leadership strategy these days. On some subliminal level, we know what it means. But on a practical level, it is much more difficult to define. It is like so many ideas during this time of epic transition in society. Abstractions are easier to understand that actual actions.

I'm involved in a project with the Presbyterian Churches (PCUSA) in North Carolina to raise money for our ministries on college and university campuses. It is more than a fund raising project. It is an engagement one, as we engage all segments, levels and congregations of the North Carolina Presbyterian world to support our work with students, faculty and university administrators. As we have worked through the various strategies that we need to successfully meet our financial goals, we are at the same time affecting change in people's perceptions and actions. This is very much what engagement means in its current use.

Our engagement strategy is built around actions that we are asking people and their churches to take. In this sense engagement, isn't just marketing, but encouragement to action. The emphasis on action, rather engagement, is because engagement is an ambiguous term. It can mean only mental engagement. And ultimately that sort of engagement does not produce results. Actions builds confidence, and confidence builds strength. So the goal of any engagement process should be more people participating, action, doing, taking initiative in three specific areas that we have identified as critical to our success.

We are focused on three types of actions: Connection, Communication and Contribution. If we succeed in increasing the level of connection, communication and contribution, then our campaign will be successful. This is true for any organization.

The simple idea that lies behind connecting, communicating and contributing is the importance of personal initiative. If you want people to be engaged, then
they have to take initiative. When their initiative is focused on making connections with people, communicating their mission in terms of a story, and intentionally and strategically contributing by making a difference that matters, then engagement ceases to be a cool abstract business idea, and a living reality within your organization.

I cannot emphasize enough that the key is creating an environment where people feel free to take initiative to connect, communicate and contribute. If there is fear or too many boundaries to cross or obstacles to overcome, then they won't.

**What does it mean to Connect, Communicate and Contribute?**

Here's a starting point for each.

**Connection:**

We all move through our lives in relationships with others. Some people are family, others are friends, many are colleagues and the vast majority are people who are nameless faces that we pass by along our life's journey.

There are three keys to connection.

The first key is that through our connections we open ourselves up to a broader, more diverse context. The perspective we gain helps us to better understand who we are and how we fit in the social and organizational settings where we live and work.

The second key is our connecting strengthens community. When I introduce one person to another, the opportunities that can grow from that connection far outweigh the ones we have without those connections. Living in isolation, which is not the same as being an introvert, weakens the institutions that society depends upon for its strength.

The third key is that when we connect, we are placing ourselves in a relationship of potential mutuality of contribution. I can pinpoint people with whom I connect with around the world for whom our mutual support for one another is an important foundation strength for our lives. We don't connect just to receive something from someone, but also to give in mutual benefit.

**Communication:**
With the growth of social media, everyone is a communicator. However, what do we mean by communication?

The most common fallacy regarding communication is that it is about what I communicate to others. It is the old model of information distribution as communication.

The kind of communication that matters, that engages people to participate and contribute, is one that is more like a conversation. It is a two exchange, rather than simply a one-way download of my opinion.

The real purpose behind communication is to establish a connection that builds an environment of respect, trust, commitment, and contribution. This produces real conversations that matter. This is how communication becomes genuine engagement.

**Contribution:**

I have seen so many organizations during my professional career that were languishing because there was no spirit of contribution. By this I mean, the people who were the organization did not see themselves as the owners of its mission. They were employees hired to do a job.

A culture of contribution is built upon a foundation of appreciation and thanks.

Typically, people see thanks as a response to a gift of some kind. As a response, it is less an act of initiative, though deciding to write a note, rather than sending an email, is a greater act of initiative because the effort and cost are more.

The purpose here is to understand how increasing contributions by people is a form of engagement.
The Five Actions of Gratitude are acts of personal initiative. They are intentional and strategic. They are acts of mutuality that provide meaning and reality to the connections that we've made. Let's take a quick look at each to understand their function as sources of contribution. I've written more extensively about this under the title, The Stewardship of Gratitude.

**Say Thanks:** Too often saying thanks is a way we close a conversation. That is not what this is. Instead, we are expressing a perspective that identifies how the connection to someone, group or community has made a difference to them. Our giving of thanks contributes to the strengthening of the ties that bind a social or organizational setting together. I've heard it said that **Saying Thanks** is the "lubrication" that greases the wheels of society, making them run smoothly. This is part of its contribution.

**Give Back:** When we give back in service, we are giving, contributing to a person, an organization or a community that has given to us. This is the heart of what we know as volunteerism and philanthropy. For many people, this is where our most significant contributions are made.

**Make Welcome:** This act of hospitality, or Hostmanship as Jan Gunnarsson suggests, creates an environment of openness, inviting people to join as participants who give, create, contribute their gifts and talent. Openness and hostmanship are not automatic actions. They are intentional actions of initiative that create the opportunity for an organization to develop a culture of open contribution. Where there is openness to contribute, there is engagement.

**Honor Others:** When we practice honor, we elevate the human connection that exists in an organization or a community. I cannot think of an more important contribution than to create an environment where each person is honored with respect and thanks for the contributions that they make. Do this, and the motivation to contribute will grow.
Create Goodness: If we were to live to create goodness, we’d spend our days as contributors, and less as passive recipients of others creative goodness. My vision of this is to see an organization where every single employee take personal initiative to create goodness that makes a difference that matters. To do this means that we’d face all those obstacles and cultural barriers to engagement, and create a place where people can discover a fulfilling life of contribution as creators of goodness.

Strategic Connection, Communication and Contribution

These actions of personal initiative are not tactics for failing systems to buffer themselves against the harshness of a declining situation. Instead, these are strategies of change that help leaders and their organizations make the necessary transition from the organizational forms of the past into those that emerging. These are strategies of engagement because they create a different social environment for people.

At some fundamental level, we’d have to address the organization’s structure to determine to what extent it can support a growing environment of connection, communication and contribution. This is the most difficult question because are embedded forms that are resistant to change. They do not adapt well to creative forces from outside of their own control. Yet, the engagement are identifying with these three strategies is an intentional relinquishing of control so that people are free to create their own ways of contributing.

In this sense, leadership shifts from a control mandate to a facilitating, equipping and visioning one. Leaders create an environment of openness so that personal initiative can create new structures for contribution. As a result, leaders become the keep and nurturer of the values of the company. They are constantly reminding everyone of these values of personal initiative, creativity and contribution. They are protective of this openness that produces engagement.

The future belongs to those people who can create an organizational and community environment where personal initiative to connect, communication and contribute becomes the culture. When we do this, engagement transitions from being the hot topic of the moment to the reality that we find live with every day.
Three images of hierarchy.

A Hierarchy of Structure.

A Hierarchy of Relationship

A Hierarchy of Connection

A transition is taking place between these three hierarchies. Each hierarchy provides a kind of order that helps it meet its goals.

The dominant one for at least the last two millennia has been the hierarchy of structure. It is the model of virtually every organization from the Roman Empire to every corporation operating on the planet today. It is so accepted as the default way organizations are structured, that it is virtually impossible to think of them in any other way.

Hierarchy is the water to us who are the fish.

The hierarchy of relationship has popped out of the surface as the defacto structure of social media. A relational orientation challenges the principle of the hierarchy of structure by tearing down boundaries that exist in traditional corporate structures. This is a hierarchy of numbers though, not structure.

How many people are following you on Twitter? How many friends on Facebook? The number of people that follow you translates to influence. The more people you know, the greater your influence. At least is the claim. Frankly, I don't see it. There is a pretty shallow understanding of relationships operating here. But for those breaking out of the confines of structure, a structureless hierarchy of relationships is freedom, and welcome one.

While relationships matter, they don't matter if you can't get your thousand Facebook friends to do something. The notifications and requests I receive everyday from people following me on Twitter, wanting to connect on LinkedIn or be friends on Facebook tells me that the hierarchy of relationships isn't truly relational. Rather it is just the next generation, albeit in a more sophisticated
package, of traditional mass marketing. You still have to have a story and a product that is worth talking about.

As of today, I have 1087 Facebook friends. Most of them are just binary code signatures. Most I wouldn’t know, even if they walked up to me with a nametag on. The fact that Facebook and Google can suggest people to friend, places and businesses to frequent, by their knowledge of my linking and the kinds of things I search for online is just another way of understanding that this is really isn’t relational breakthrough. It is just the old numbers game in a new form.

Of course, it was necessary for the hierarchy of relationships to appear as a transition stage. It points to the changes that are happening as the old hierarchy of structure is replaced by the emerging hierarchy of connection.

**The Nature of Connection**

If you have read anything over the past decade about network theory, then you’ll understand that the connection between people creates an environment that the typical organizational structure cannot. It is a boundary-less environment, open to activities that mobilize the connections between people in ways that are hidden and resisted in the old hierarchies. The key difference between a connection between people and just an online relationship are the values the elevate the relationship to action. This is the nature of connection.

Here’s an example. Recently I was at a party of some friends with whom I had only known online. We live on different sides of the United States. At this party were people, with whom I had also had some online interaction through these friends. Each of these encounters with these fine people at the party were amazing conversations about things that mattered to us. This wasn’t just a social affair. A meet and great, and forget about it twenty minutes later. We connected on a personal level that mattered to us. These encounters happened because we sought them out. We were intentional in meeting one another in a way that established a real connection.

You know how it is at a party. Often it is just a bunch of narcissistic babbling trying to convinced the other person of your significance. Why don’t people understand that when they make the conversation just about them, that they come across as shallow, boring people. If they are truly significant people we’ll find out in more subtle ways as we explore our common interests.
There are two things to understand about the nature of connection.

First, it requires a person to be real. By that I simply mean someone who can enter into a relationship which is respectful, mutually beneficial and has the potential to grow and mature.

Second, it requires some common ground upon which the relationship can grow. This commonality must be significant enough to absorb the changes that happen in people as they grow.

An additional key is to realize that the core commonality are values, not activities. We may all love the Red Sox, but our different values about life and work may make it difficult for the relationship to grow beyond a narrow superficiality.

None of this is really calculated as important in either the hierarchy of structure or hierarchy of relationships. It gets in the way of the business purpose of corporate and social media structures.

Leadership and Connection

The old hierarchies were based on someone or group being in charge. They created order, delegated responsibilities, and managed processes. They were efficient. With the hierarchy of connection, we have something different emerging. Leadership isn't a position at the top. Instead, it is something each person in the circle practices and contributes.

Through their party, my friends brokered an opportunity for many of their friends to meet one another for the first time. Through these connections new leadership emerges for their businesses and community.

Leadership at its simplest is the personal initiative that makes a difference that matters.

The most significant initiative that you can take towards another person is to care about them. Treat them with dignity and respect, and act towards them with humility and integrity. Where these values exist within the hierarchies of structure and online relationships, you have leaders who are taking personal
initiative to make a difference in the lives of other people. They do so essentially off the clock and in spite of what is expected. These are the leaders with the greatest influence. In the future, they will be those who understand how to establish real connections between people, building networks of leadership who each are taking initiative to create change and have an impact. They will be making the difference that matters because they are establishing connections based on shared values that bind people together for the shared experience of leadership. This is the emerging age of connection. This is the future of organizations, communities and society.
One of the questions that I find continuing to dominate many of the conversations that I have with organizational leaders is the one related to how they should structure their business.

For example, yesterday in a conversation with a friend and client, we discussed the role of the administrative assistant in his business. Like many small businesses, this role has shifted from an essential one to a discretionary one. Many employment positions have gone away because the benefit does not match their cost.

The issue isn’t whether the tasks that these people do are not valuable. The issue is whether the role as defined is.

This is a picture of the shift being taken in many places from a traditional hierarchical business structure to one that I call a parallel one. This parallel structure is a network of relationships.
As you can see by this chart, there are some real differences between the traditional approach to organizing a business, and one built around relationships. This shift is hard for everyone who has spent their work life in a hierarchical structure.

In the traditional approach, a person is hired to fill a position. That position has a job description that outlines the specific tasks and responsibilities that they are to do. The employee's expectation is that is what their time at work will be like each day. Completing tasks that are assigned through the organizational design of the company. Responsibility is passed down to the employee, while authority is held at the top. This system worked well during an era of easy growth and social continuity. It does so because the ultimate purpose of the organization is institutional integrity.

In a network of relationships parallel structure, the job description is also relational. It means that the individual's character and engagement with people is part of what makes them a valued employee. Some may think this has always been true. And that is correct. These parallel structures of relationships have always formed with a specific need emerges. But they were seen as temporary or adhoc, not a permanent part of the organization's structure.

**What We Want**

The greatest business failure of the past thirty years has not been scandals or financial collapses. It is the failure of business to understand the value of their employees. This failure originates in the structure of businesses.

If employees are functionaries in an administrative, production system, then their value is diminished, by let say at least 30%, and in some cases twice that.

If the business is organized to create order, then employees are hired to comply with that order. Institutional integrity becomes the goal of the organization.

However, in a network of relationships model, people bring much more to their work. This is what the team building movement has been teaching us for a generation. How people related and work together is a key ingredient in an organization's success.

I suspect though that here again the value of the individual to company is still not perceived well.
If you were to sit down with every employee for coffee and talk about their lives, you find what I am finding that there are three things that they want. Everyone says them differently, but they can be summarized simply.

People want their lives and work to be *Personally Meaningful, Socially Fulfilling and Make a Difference that Matters.*

This is what we all want. We want the values that matter to us to be central in how we live. We want some kind of purpose for our lives. There needs to be a point to it.

We also want our relationships to be healthy and whole. We don't like conflict. We don't like to be manipulated, to be taken for granted, or to be used for someone's selfish purposes. We want to walk into work hopeful and excited about the opportunity to share my day with the people whom I work.

We want to feel at the end of the day that we did something that made a difference. Listen to what people say when they talk about a good day. One they accomplished something. They overcame a challenge or an obstacle and succeed at it. Second, they did something for someone else that was appreciated. It made a difference. There is real satisfaction is helping solve people's problems. That's what we want.

**The Circle of Impact Connection**

The lesson for me when I began to see this picture emerge is how congruent it was to the three dimensions of leadership that I had identified as the Circle of Impact.

The three dimensions that command every leader's attention are *Ideas, Relationships and Structure.* We tend to segment them apart thinking that it is easier that way. Instead it creates confusion. That is why the four *Connecting Ideas - Purpose or Mission, Values, Vision and Impact* - are essential tools for helping link together the three dimensions. And it begins by clarifying the *Connecting Ideas.*
The Circle of Impact applies to both kinds of structures, traditional and parallel, because this is a basic, fundamental understanding of all organizations, regardless of type. Every organization must address its ideology, its social context and how the business is structured to achieve impact. All of them. However, here’s the difference.

The parallel structure, described above, is a Network of Relationships. Just like in a traditional hierarchical setting, this organizational structure requires attention to the Connecting Ideas, relationships and the organization of their work.

Networks of Relationships are formed around a Shared Mission and Shared Responsibility, where leadership, authority and responsibility to contribute are shared.

From this perspective of Shared Leadership, the responsibility of the individual is to take initiative to create impact. This is the most basic contribution of the team member. And because the group is organized as a network of relationships, their collaboration and communication is an essential focus of their relationships.

Three Contributions

Most of us have experienced team work where there was a genuine experience of coming together as a group of shared purpose and contribution. And most likely, we see these experiences as the exceptions in our lives.

Let’s return to my conversation with my friend and client about the administrative staff person in his office.

How can this perspective about parallel structures, networks of relationships, shared mission, shared responsibility, shared leadership and impact fit into his traditional business structure?

It begins with recognizing the each individual has latent potential waiting to be released. Everyone of us wants to work in an environment that is personally meaningful, socially fulfilling and makes a difference that matters. If that is so, then the first step is figuring out how those three personal goals become the basis for the contributions of each person.

As a result, each person contributes that which is personally meaningful. Each person contributes in their interpersonal interaction that which is socially fulfilling. And each person contributes out of their own talent, expertise and character of personal initiative those actions that create the impact that makes a difference that matters.
For each person to do this means that the social structure of the business must change. And this shift is based on what each shares with the whole of the organization.

Here’s the insight that is a key understanding this organizational change. Because these networks of relationships are parallel structures, they can work along side of, and even within the traditional structures of hierarchy. In fact they always have. But rarely as a core strategy, but rather as a tactical approach to team work.

We can see this is the way business define positions of employment. Instead of focused on contribution, the emphasis has always been task oriented. As result, the value of the employee is not realized, and it makes the case for reductions in force must easier to make.

The future belongs to these parallel structures. Let networks of relationships form. Let them take collection initiative to make a difference that matters, that new vitally and impact will emerge.
NETWORKS IN TRANSITION - Leading Questions March 22, 2012

Networks are the new management mantra. The back story to this development is the increasing importance of healthy relationships for the sustainability of organizations. I've seen this coming since the mid-1970s with the realization that relationships are the vehicle through which life works.

The science of networks is growing in sophistication and practicality. It is truly amazing to see what the data on networks can reveal. That said, networks are not the end point. They are a transition point to something else.

The first transition

If you step out, look back, you'll see that for most of the past couple millennia, organizations have been structured as hierarchies. I've posted on this before.

This hierarchies look basically like this image. There is leadership, with a level of middle and supervisory management, followed by everyone else. This is an over simplification. The point though is that the structure was organized for order, efficiency, and bottom-up accountability.

This hierarchy has been the primary form of organizational structure since human beings began to organize themselves. Some form of this hierarchy will always exist. However, it will be different.

Into the context of organizations appears a new phenomenon called a network of relationships. This is a new form of human organization that exists as connections without a designated location for these relationships. These are
the kind of relationship that populate social media networks. They are virtual and intermittent, lacking comprehensiveness and continuity.

Prior to the advent of modern communication technology, the highest form of network was a local community of residents. This ancient form of the network was based on physical proximity. Think of an Amish barn raising where all of one’s neighbors come to your farm to construct a building that serves a family’s need for sustainability. Of course, no one talked about their local community as a network, but that is essentially what it was. The connections formed a tight bond of closeness that made it difficult for outsiders to join. Today, networks are the opposite, loose, open configurations where the social bond is in the moment.

Today, this network of relationships looks like this. It is not primarily based on living near one another, but rather being connected through common interests. The sophistication of these networks is enabled by the data mining that modern computer technology provides. Social media provides the most practical and universal means for these networks of relationships to develop.

These networks are driven by the science of connection and its viral nature. There are great possibilities for impact when a network is mobilized for a cause, when an influential hub (person) sneezes and the whole world catches a new pair of shoes, or when one person posts a video of some random guy dancing, and it is shared globally millions of times. This is the power that this form of network connection holds. This, however, is a feature of contemporary networks of relationships, and not the potential, ultimate end.
Two shifts

Networks are a basic infrastructure of the future of organizations. Where hierarchies are based upon position and role within an organization, networks are based upon who you know, and the ability to turn those connections into action.

To understand networks is to be aware of a couple shifts that have taken place over the past century.

The first shift is the elevation of the individual to a place of centrality in their own network of relationships. In this respect, being member of a community or an institution means less today than it did a generation ago. This individualism is a product of living in a society of choices made available to all who have the means as a consumers. Today's consumer mindset sees organizations and networks existing to meet my purposes and desires. It is social in a limited, not a comprehensive sense.

The result is that much of the emphasis on networks is focused on developing them for one's own purposes as a universal platform for marketing the individual to a world of individuals.

A second shift is the emergence of the network as a place of virtual habitation. We live online, and our relationships are online, and our identity is formed online, and our life is lived online. What the old hierarchies and old local communities offered was a physical place to live one's life and to develop the habits and practices that provided a basis for a sustainable society. There is a reason why cultures survived centuries, even millennia, without the modern technologies that we have today. These cultures of the past were communities rooted in a specific place, organized around specific traditions that helped people know how to live a life of contribution and meaning within that specific context. Many of the habits and practices that provided sustainability during the pre-modern era have eroded away as we taken up residence online. Today, everything can be done online, not requiring anything more than a wifi connection to be connected to a network of social profiles of people whom we only know as they choose to present themselves online.

The significance of this shift is seen in the difficulty that people who are not highly engaged in an online network of relationships find in dealing with people who are not used to face-to-face human contact. Frankly, they do not understand the patterns of interaction and communication that take place through social media platforms. As a result, they are missing the necessary capacity to be persons of influence who can make a difference on a global scale.
These two shifts inadequately address the fundamental desires that people have. Those desires are for our lives to be *Personally Meaningful, Socially Fulfilling and Make a Difference that Matters*. All of this can happen through our online network of relationships. To do so requires that they become more than simply a place where I daily project my personality into noise of the online social world.

**The Next Transition**

These changes are why I see our current fixation on networks of relationships as a transition point between the old hierarchical structures and what comes next. What comes next is a recognition that we are more than the constructed persona of our diverse social media profiles. We are real people who have lives apart from the online world.

The next iteration of the network is for them to become more communal. By this I mean that the relationships transcend the virtual to be transformational. For this to happen, there must be a personal stake in the relationship that moves beyond what I get from it. It goes to what I give to make it work. In this respect, the next transition is a return to the old communities of proximity where being a neighbor meant that we were actively engaged in the care and sustainability of our community of common welfare.
There is a sharedness of these communities of relationships as seen here. When I speak of "leading by vacuum," it is a way of talking about how we each bring our own gifts and talents to the network of relationships, and in so doing, the network transcends the virtual to become something greater.

In this scenario, the individualism of the network is transformed into a community of relationships who share a common purpose or goal for their relationships.

For example, the Flow Ventura Global Tribes Retreat brought together people from around the globe, most who had never physically been together before. We knew each other online. The event would never have occurred had the relationships been simply virtual and individual. Instead, over a period of time, our relationships came to increasingly matter more and more. We were more than virtual connections. We were friends whose daily interaction online mattered in how we live in the dispersed places where we reside. In other words, knowing one another online was insufficient for the sustaining of our relationships. We needed to be together in the same place, face-to-face, and side by side.

The retreat as a result was transformational for many of the participants. Many common points of interest explored in the conversations and presentations elevated the shared values that transformed our once virtual network of relationships into a community of friends whose relationships matter to one another.

**Facilitating The Transition from Network to Community**
For a network to transition into a genuine community requires leadership. It needs people who facilitate and coordinate the interaction that is needed to build a community of relationships. Conversations within these networks need to clarify the shared ideas of purpose and values that are a basis for a shared vision of impact, and a common commitment to share the responsibility for it. Each provides a way for the relationship to transcend superficial connection to one that is meaningful, fulfilling and makes a difference that matters.

This is the future that I see emerging. I see it as the logical evolution of networks of relationships to become more communal than social. That does not mean it will happen in every place. It does mean that it is possible. That it is a choice fueled by our desires for a certain kind of life that transcends the shallow superficiality of much of what we experience each day.
I began my post, *The End and the Beginning*, with this thought.

What if our past experience instead of illuminating the future, obscures it? What if the way we have always approached a problem, or the conduct of a single day, or the organization of our work makes it more likely that we end up not accomplishing what we envision?

I'd like to take this as a starting point for a question that has provoked me for some time.

What if the way we organize businesses, and the work done within them, obscures our ability to see ways to change them? What if the way we are organizationally structured means that we must wait until we reach a crisis point before we are willing to change?

**Broom Structure**

Think of the image of a broom. A long handle for control, and lots of long pieces of straw to do the work. Lose a few straws, no problem. Break the handle, leverage is gone, and the broom quickly becomes useless.

The problem with this metaphor of organization is that it provides no alternative for seeing how the work of the straw end of the broom can be accomplished without the long lever of a handle.

This is the problem that we have with our images of organizational structure. We see hierarchy because that is all we have ever seen. We see a boss on top, a bunch of middle managers, and the straw end of the broom, the workers down below.

We can even see a broken broom handle, a la Enron, and think, not that the system was broken, but that a few bad apples spoiled the rest in the barrel. (Sorry for mixing my metaphors.)
We are like fish who don't know what it means to be wet. The experience of water is so all encompassing, that it can not be objectified. Remove the fish from water, and they cannot survive. In a similar way, we think if the organizational structure we have now was to go away, even if inadequate, the business could not survive. That is how close we are to our structures.

**The Relationship Initiative**

I was with a group of people the other day, and they were talking about how their latest improvement efforts were focused on improving relationships and communication. I celebrate their efforts. They are on the right track. However, there are questions that come to mind.

What if how we are organized dictates how we are in our relationships?

How does one reorganize a hierarchically structured business to put relationships at a more central, integral place?

Is openness required for organizational relationships to work?

Is openness a product of the character and personality of the CEO or how the organization is structured to operate?

What if a company was organized with a focus on relationships? How could openness as a core value be operationalized throughout the company?

How would the business look different a year from now?

**A Circle of Impact Assessment**

When I identified the Circle of Impact model a number of years ago, my bias, frankly, was toward the relationship side of the diagram, and still is. I still see the relational dimension where the action is. Ideas don't do things. And structure is simply the context for the action that people in relationship take to achieve the impact of their mission or purpose as an organization.

As I applied this diagram in both personal and organizational contexts, it became apparent that organizational structure was the inhibiting factor. It not only inhibited better relationships, but also virtually every improvement initiative that was developed.
In talking with a wide spectrum of people over the years, I saw a host of problems. Here are some.

1. Such a lack of clarity about mission, that their organization had virtually no purpose other than the continued functioning of the organizational system.

2. A lack of accountability by the board for the executive.

3. A tendency to keep doing what they've always done because it is the only thing they knew how to do.

4. Really poor communication blamed on others because they didn't read the boring, overly vague information distributed as communication.

5. A lack of openness that gave employees permission to resolve problems as they occurred.

6. Leaders who were ill-prepared to lead, took criticism personally, and lacked the capacity to see how to change.

7. Leaders who lacked credibility with their staff because they were seen as incompetent, unethical and closed to personal accountability.

8. A lack of alignment between program and mission, between values and relationships, and between results and value to the customer.

9. A culture of fear that ran off the best employees.

10. A lack of understanding for measuring success. Success was measured by activity level and energy expended, not by the beneficial change that came to clients and customers.

I could go on.

Creating a Structure for Healthy Relationships

Healthy relationships are the long term key to creating a successful 21st century organization. But addressing the structural needs of the company is essential if relationships have a chance to grow.

As I have used The Five Actions of Gratitude with clients, I am coming to understand that these five actions are not a way for creating healthy relationships, but also a strategic tool for addressing the structural needs of an organization.
1. **Say Thanks in gratitude** is an action of collaboration because it recognizes the contributions of others in open, tangible ways.

2. **Give Back in service** shifts the relationship center from being about me to those who have contributed to my life and work. To create a culture of service changes the dynamics of how communication and collaboration are conducted. The result is a higher level of coordination between programs and departments as people recognize that “lending a hand” makes the system run smoother.

3. **Make Welcome in open hospitality** provides the essential foundation needed to develop the capacities and potential of employees as leaders. This is a very important point. *Openness and hospitality create a culture of trust and invitation to give, and to give as leaders.* The more I reflect on this one action, the more convinced I become that this is the key structural change that must happen. If the structure is broken, then start by opening up to people to seek ideas for improvement. There is no better source of insight and inspiration for this approach than Hostmanship by Swedish authors Jan Gunnarsson and Olle Blohm.

4. **Honor Others in appreciation of people** is the foundation of healthy, collaborative relationships in organizations. To honor is more than recognition, though important. It is a way to see the potential and talent in a person, and through a relationship of mutual support and encouragement create a culture of personal and professional growth.

5. **Create Goodness as a calling to make a difference that matters** is the foundation of a high performance organization centered in relationships. When an individual can see how their work is creating goodness, then the other four actions of gratitude taken on greater importance.
It isn’t enough to want better relationships. There must be tangible changes in organizational structure and process to create a relationship focused organization. More than anything, it starts with a commitment to openness as a guide to releasing the latent potential that exists in the people and their connections to one another within an organization. The Five Actions of Gratitude provide a simple, practical way to establish the relational rapport that is needed to redesign and adapt the organization’s structure to the new, more complex demands and opportunities of the 21st century.

Photo: © Some rights reserved by Schnittke

Over the past month, a group with whom I’m involved has been asking local leaders about the programs that we present to the community. These leadership development events are especially focused on personal leadership within the context of work and professional life. We’ve always seen our audience as the local business person who either has never attended a leadership conference, or the business owner who brings her staff to our event for a shared leadership experience.

One of the questions that have been asked of us concerns the Return on Investment (ROI) for attending one of our events. Here are some of my colleague’s thoughts.

... this is the times we have moved into.. ROI...people on all levels are stretched - for time, money and quality... they think before they spend now.. and what they are thinking about it is now I have to make a choice.. if I do this I can't do that... and that speaks to the decision going to the highest point of value... I have to sell ROI to get the gig ... they want to know "what is going to be different" after this event.. Tall order... but still have to address it...

I think we need to consider that the whole ROI question could be a red herring. Not that ROI is not important or should not be measured, but it reminds me of the companies who are scaling back on corporate wellness programs because they haven't figured out how to measure ROI.

Honestly, you CAN'T accurately measure the ROI of the programs we present. In fact, you can't measure it ANY time exactly. The reason is that there are SO MANY additional factors within the organization and out that could radically affect such measurements. Yet, the corporate CEO, business owner/leader wants to SEE the value and benefits.

Bottom line...people are spooked at all levels of life. Uncertainty in the future is at an all time high. We don't have the answers, but we can stimulate great questions and help people deal with their uncertainty in a positive fashion. If we don't inspire people to develop their creativity, think of themselves as solutions providers instead of employees...we are not creating value ... However, I believe we are doing this. We just have to be creative in positioning this message. The ultimate ROI is to help people feel as if they can leverage their uncertainty into unparalleled opportunity.

I agree with my colleagues about these issues. We live in a much more complex, demanding world. Every decision brings a level of scrutiny that is
unprecedented. As a result, I’ve come to the conclusion that we need to think differently about ROI.

There are two aspects of ROI that are worth considering. One is the standard question of the meaning of investment and its return. The other is deeper question related to employees and their value.

**What do we mean by ROI?**

ROI is a concept for measuring value. It is primarily a cost-benefit measurement. If I spend this money on this event, will it return a value equivalent or greater to its cost?

This is a trap that many businesses find themselves in. It is a trap because the cost / benefit ratio is not an adequate measure of value.

Watch this video by Dr. Eliyahu Goldratt that provides perspective on the trap that many businesses are caught in.

http://www.dailymotion.com/video/xi9tjx_goldratt-lectures-thinking-globally_news

When cost is a primary measure of value it is impossible to understand the potential that resides in the business. Potential requires investment for it to be discovered, developed and fulfilled.

This especially applies to the highest cost within a business, employees.

Here is one of those points of transition that is important for us to recognize. The shift is from one conception of what a business is to a new conception.

**A shift in values and approach.**

The 20th century marked the height of the application of the industrial model in business. Employees were viewed as parts of a production system. The ROI / cost-benefit method of thinking meant that those jobs were allocated to where costs were low and production levels could be maintained. As a result, corporate businesses became huge successes by this way of thinking. That was then, this is now.

Today, as globalization flattens the business landscape, these decisions are not as simple as they once were. Factor in an accelerating and disruptive rate of social, economic and political change, and the environment for business from the largest company to the local mom and pop convenience store is filled with uncertainty.
The old way of understanding a business was to see it as a mechanical system of business and production processes, with people as the most expensive parts of the machine. A new way to understand the nature of a business is as a community of people committed to a shared mission for impact.

The old way of doing things, the person was defined by the job. In the new way, the person is defined by their potential contribution. With the former, the perspective was reductionist and limited. With a different approach, the system is open to change through the contributions of each person. The system opens up avenues for discovering the value that is latent in products and processes. The old system assumed that we know all that we need to know. The new approach assumes that we must discover what we don’t know, and then build from that perspective.

A better understanding of ROI asks what kind of investment we need to make to fully realize the value of the staff that we have.

The change in perspective here is not just about employees. It is about the business itself. Is the business about what it produces or is it about the impact that its products and services have upon its market?

With a cost orientation, the production system is the focal point of the business. With a view to optimizing (a Goldratt term) the system, the shift can be made to the benefit or impact of the products or services of the company. It is ironic that the question about the Return on Investment in people leads to the same question applied to the company as a whole.

What is the Return that a client or customer should expect from the company’s products and services?

My point here is that our conception of ROI is based upon an understanding of what a business is that is more all encompassing than what we initially recognize. If our conception puts us in the trap of not being able to see the potential that resides dormant, waiting to be released, then we need to think more deeply than simply about what ROI means. We need to look at what is the purpose or mission of our business and what role do our employees have in its fulfillment.

Taking ROI one step further

One of my colleagues commented in our discussion,

…What we CAN demonstrate clearly is that the organizations that invest more heavily in their people through training and events are the CEOs who are most
successful -- from Southwest Airlines to Starbucks to Lockheed Martin, Google, ...

Yes. This is clear, in that we all understand that there is value in investing in people. What isn’t clear is the answer to the question, “What should be the outcome in investing in people?”

Our conception of ROI is rooted in 20th century thinking. It is a transaction based model that defines the value of people as costs within a production system. (I am somewhat overstating the point, because not every business owner sees employees in this way. They recognize that their staff is people with families, mortgages to pay, and who the ones who make the business function are.)

This transactional perspective fails to understand that the transformation of any organization comes through the people who work and volunteer within it. The agility and adaptability that businesses need today does not come by executive fiat. It comes by having employees who are passionately engaged as leaders in the company’s mission. As a result, executive leadership must shift from a control stance to the practice of developing and facilitating employee leadership.

To embrace this change of mind requires us to also make the shift from a mechanistic understanding of business to something akin to the business conceived as a community of leaders joined together to create impact. In this sense, the company is a society of change agents whose purpose is to have as great a positive impact upon clients and customers as possible. It is an approach centered upon realizing the full potential of people as the business’ strongest, most valuable assets, not as costly machine components.

**What does it mean for employees to lead?**

First, they are seen as people with potential that is unrealized and undeveloped. This is the talent question that businesses are beginning to invest significant resources in.

Second, employee leadership rises from their own, individual, personal initiative to make the difference that the company’s mission promises. These employees are engaged in taking action to make their company better.

Third, their leadership is both collaborative and individual. This understanding of leadership isn’t an encouragement for every employee to do their own thing based on their own interests. This is leadership that recognizes that how people work together is a key dimension of organizational success, and of increasing importance.
One way of distinguishing the difference between employee leadership and executive leadership is the difference between tactical and strategic leadership. If the business owner spends her or his time putting out fires, addressing customer issues, resolving employee issues, then the system is designed for the executive leader to control all aspects of the business. Today, this is not realistic.

Instead, by developing the leadership capacity of people, employees learn that they have the prerogative to resolve issues before they become problems. They learn that they can take care of customers, vendors and other employees in a way that builds long term sustainable relationships of mutual benefit.

A company that supports the personal initiative of their employees is one that has opened up the possibilities and opportunities that were hidden before. People are the agents of transformation through their individual initiative and shared responsibility for the company. Employees are assets waiting to be utilized for the benefit of the company.

**Redefined ROI as Return on Initiative.**

The measure of initiative is the change that makes a difference that comes from the leadership of people. This kind of leadership transcends the restrictions of cost/benefit decision-making by elevating a culture of shared responsibility. It means that employees are not measured simply as costs on a balance sheet, but rather as agents of positive, sustainable change.

**What does it take to create a culture where employees are equipped and motivated to take leadership initiative?**

Here are four steps.

The first, the owner or chief executive has to release control, and allow for employee initiative to take place. The future success of a company will be determined by how well the organization can become a community of leaders. It starts with the person at the top being willing to share leadership.

This is not an easy step because every inclination bred into the bones of a senior executive is the fear of losing control and failing. Often, only after realizing that over-control is the surest route to failure that openness to a more open, collaborative leadership structure can develop.

The second step is to begin to invest in specific ways to help employees realize their leadership potential. This is not training in executive leadership. This is training in personal leadership that is reflected in their performance, attitudes, behaviors and relationships within the company. With this training, the
company transitions from a mechanism of business process into a community of leaders who take initiative to develop those processes for impact.

Let them lead, and it may turn out that eight leaders can do more than a dozen people who are just time-servers as employees. Let them lead, and your company becomes a magnet for people who want to work in an environment where leadership initiative is welcomed. But to let them lead, they must be equipped to do so.

The third step is to allow for the structure of the organization to adapt to a new leadership approach. Too often I've seen great ideas fail to return on their promised benefit because the environment is not suited to them. For employees to lead requires change in how the business functions. If there is genuine openness to change, then the right changes will be made.

The fourth step is to recognize that values are the heart of this kind of leadership. These are values that provide the foundation for the company's purpose or mission, its vision for success and how it defines the impact that it is to have on its community of constituents. Values are the unchanging foundation that unites a community of leaders together.

The pejorative attitude that values are a secondary importance as "soft-skills" simply reveals the mechanical perspective that has been the dominant philosophy of business for the past century. An emphasis on the importance and application of values creates a shift in culture that opens the company up to fresh ideas and new opportunities. It allows for relationships to form that are based in respect, trust and mutuality.

Each of these steps needs to be implemented for each supports the other as change brings strength and growth.

**Shifting from a Return on Investment mindset to a Return on Initiative one.**

This change of mind is like the difference between a journey measured by a credit card statement and one measured by the pictures, videos and stories of the trip. One is like a list of activities and the other a biography of a person's life. Invest in the person, and their life and work become more integrated, providing a stronger basis for leadership.

The most important question that must answered before any of the above can be fully understood is **what is the potential that each staff person has?**

Do you know what that might be?

Do you have any way of understanding what potential looks like?
Then you can ask the question what does it take to develop their potential? It is part training, part creating the right social atmosphere, and part a redesign of how the organization functions.

The beauty of this new approach to being a business is that it is no longer all up to the senior leadership. As this approach produces its promised impact, more and more of the staff will be making contributions that move the company into a new way of operating. Then your Return on Investment in them will be measured in the company's Return on their Initiative in leading.

Last week I sent birthday greetings to a woman in Israel, whom I’ve not meet face to face, yet with whom I have talked on Skype and emailed over the past year.

A year and a half ago, I initiated and then coordinated an online conversation about morale in the workplace that included 36 different people from 12 different countries on four continents. The result was the ebook -Managing morale in a time of change - that was edited by a woman in England.

Weekly, I engage in online conversations with people from around the world whom I have also never seen face-to-face, yet with whom I feel a close friendship as colleagues.

These few illustrations, along with many more, could lead someone to the conclusion that we live in a global community. In one sense that would be correct in the sense that it is possible to have relationships with people across the globe. In another, often missed or ignored sense, these globally connected relationships are not global. Instead, I see these relationships as not unlike those where there is a close physical proximity.

The Rise of the Local?

What we are experiencing is the rise of the local that can be characterized in both a geographic and a relational sense.

Roberto Verganti, Professor of Management of Innovation at Politecnico di Milano, in his fascinating book, Design Driven Innovation, makes the following observation.

The design discourse is both local and global. On the one hand, the local density of the network is essential, because interactions based on tacit knowledge benefit from geographic proximity. On the other hand, interactions among interpreters worldwide allow them to enlarge the quantity and variety of their insights and provide a global perspective on the evolution of meanings.
Verganti is speaking about how product design processes are conducted. The key word in the paragraph is "interactions." It is what distinguishes the *local* from the *global*.

All "interactions" are potentially local, especially when there is a clear purpose. *Local*, therefore, is more than "close proximity" and is about about "shared values and outcomes."

**If we define local in this way, then what does global mean?**

It appears to me that global is often a code word for *centralized* or *one size fits all.*

Years ago, one of the American car companies marketed what they called their "world car." It was a phrase euphemistically used to describe a car that they could market everywhere, in any country, on any continent. In reality it was a car that they saw as *one size fits all.*

This was a "global" approach that was not based on interaction or the recognition of local distinctives, but rather a singular strategy that was intended to work everywhere.

A "global" approach is a mindset that can even function in what we'd consider a "local" context.

For example, a family has three children. A "global" approach to their development is to see that all of them learning Spanish and attending either their father’s or their mother’s college or university, and returning home to work in the same career’s as their parents.

*A global approach, therefore, is more formulaic, describing a general or generic path that is intended to fit most every circumstance. In this sense, it is a lowest common denominator approach to interaction. One message for everyone regardless of who they are.*

A "local" approach would see each child as a unique human being with specific needs and potential, and making their own choices about their education and their career in consult with their parents. As a result, one child may need to learn Swahili in route to becoming a teacher or aid worker in Kenya. Another may earn a two year degree in mechanics in order to work in a motorcycle shop. And the third child learns Mandarin on her way to earning a Ph.D. in economics in for a career as business consultant with an international investment banking firm.
There is a tension between "local interaction" and a "global one-size-fits-all" approach. It is partly an issue of personal responsibility and individual freedom, and partly an issue of how does a global society make decisions that impact billions of people?

A local approach is based upon individuals making decisions that take into consideration their family members and neighbors, even if their neighbors are people on another continent. It is based on relationships, shared values, responsibility and outcomes.

A global approach assumes that this is not feasible, and that a central decision making body should make these decisions. In effect, it distrusts interaction and collaborative solution making. This has been the course of most societies for the past two centuries regardless of whether they are politically democratic, socialist or developing.

The ascendency of the local challenges an elitist global approach to decision making.

This distinction between local and global leadership is most significantly being played out in local communities.

Over the past year or so, I’ve been following developments in a city far from where I live, as its city administration sought to apply a "globalized" solution to the problem of city revenue. The solution would have had an adverse impact upon local business, and led to more "centralized" control by city government over businesses and private property. Based on my observations as an interested outsider, these "global" solutions were really a way for a small group of citizens and city administrators to gain power and control over the economic assets of the community.

A contingent of local citizens organized and through their "localized interactions" working within the system of local government, exerted influence upon the city to change some of these decisions that were having an adverse impact upon local businesses.

As an outside observer in conversation with some of the citizens involved, I saw the power that "local interactions" have in a "globalized context." They have a capacity to transcend the artificial barriers that traditional social and organizational structures provide. Those boundaries represent the effect of past decisions upon a community. As new pockets of local influence grow and
gain importance, the community's ability to adapt to the changing social and economic realities grow as well.

Legacy structures like these tend to be hierarchical and ordered for control of the system, rather than for interaction and initiative by members. We don't tend to think of global approaches as representative of the old industrial model, but that is precisely what they are. It is an organizational design that assumes that a few persons closely linked together, who hold power on behalf of the larger community will make decisions that are beneficial to the whole community.

The Local is the Future because the Future is the Interactive.

The future of organizations and communities is in the interaction that takes place in relationships. This is already happening, and has been for some time. And where there are legacy hierarchical structures, localized interactions are happening. In many cases these interactions transcend the boundaries of the organization as they created collaborative groups whose focus is on the shared values and outcomes that have drawn them together.

One example of how "local interactions" are not limited to "social or organizational proximity" is found in the impact of author and entrepreneur Seth Godin.

Several years ago, Seth started the online social network Tribiibes as a vehicle for his book Tribes to find an audience that would be engaged not only with the ideas in the book, but also as way for people learn how to develop and lead their own tribes. This successful social network, with close to 15,000 members, is a platform for a wide range of activities that are bringing people from across the globe together to create value in their local arenas.

The Morale ebook, mentioned above, is the product of this interaction in the Tribiibes network. There are, now, ebooks being produced on a regular basis through the localized interaction of the Tribiibes global community that are available to the general public at Shippity (http://shippity.com/).

In addition, a global gathering of local meetings are regularly taking place that bring people together who have been inspired by Seth Godin's book, Linchpin. As of the time of this writing, over the past nine months, there have been 1,575 Linchpin gatherings, involving 8,269 people in 102 countries.

As one of the organizers of these local gatherings, this globally dispersed gathering for local interaction has a thematic continuity of shared values and outcomes that are a guide to the future of localize interaction in organizations and communities.
Local Interaction on a Global Scale Makes The Difference That Matters

*Local interaction* makes a difference because it where collaborative work takes place. The Local is based on individual initiative rather than quiescent compliance. It is a more agile, adaptive, responsible approach because it is a way those who are most impacted by circumstances are able to address issues under which they have control.

The challenge for global structures is to establish the credibility that provides a basis for their interaction with locally interactive collaborative groups. Both need one another. One as its reach goes beyond the local into a collaborative environment with other local groups, and the other as it shifts from a compliance / control orientation to a facilitator, sustainer role.

Wherever you are in relationship with people, you are a local group whose potential is far greater than the sum total of members in your group. The question for local groups is whether they can see beyond their own self interest to embrace a set of values and outcomes on a global scale.
My previous post - The Ascendency of the Local - was a big picture look at the difference between local interaction and global approaches. It is a view of the trends impacting our lives and work as we move toward the future. I want to take this down to a more practical level.

Here’s where I want to start.

Every individual has the capacity to lead. We lead when we act from our point of view, values and commitments. We do this within the context of our life and work. We do this when we look at our local community and see needs.

Where I live in Western North Carolina, a group of people at the church our family attends became concerned about homeless people in our downtown community not having a place to get in out of the cold on Saturday afternoons during the winter. For some reason all the shelters and ministries that serve them during the week close that one afternoon a week. These individuals made an appeal to the leadership of our church, and within two weeks, had a program started that is now in its third winter season.

This is an example of leadership because a few people took initiative to address a local need. Through their interaction a proposal was presented that resulted in action to address the need.

This picture of leadership through local interaction can be understood through these four steps:


Remember those four words. Everything happens through them. Let’s explore them.

Ideas come from our engagement with the world around us.

It may be a situation where people are in need or an emotional desire we have, or some notion we pick up for a book or the newspaper. The ideas that connect with us are related to other ideas, like our purpose in life or the mission of our business or values that give our life and work meaning, or a vision for a better world. These are all ideas that are ways we try to make sense of the world we are a part of it. At some point, it all comes together in a singular idea that impassions us for action.
**Initiative** is the beginning of all leadership.

Without it nothing happens. Lots of people have ideas, but many are never acted on them. When an idea is compelling enough, we take action. The action may be to research it further, or have a conversation or to ask for permission or clarification, or go do it. Initiative is some action that starts the process of leadership. The most significant, sustainable and impactful initiatives are those that are connected to the values that we have in life.

**Interaction** is where action and progress take place.

There are very, very few instances in human history where human interaction was not involved. I’ve yet to identify one. This means that our individualism never functions in isolation from our relationships. The life and work we create is always within a context of interaction. It may be verbal. Or it could be a response to some incident or person in the past. When we begin to interact, we open ourselves up to new ideas, and new paths towards seeing our idea take root and find its impact.

**Impact** is a way we can talk about the results of our ideas, initiative and interactions.

What we seek through those aspects of our life and work is change. Not random, discontinuous, purposeless change, but meaningful change that makes a difference that matters.

Let me return to my earlier example to flesh this out a bit.

Through an idea, individual initiative, and collaborative interaction, a Saturday afternoon program called Saturday Sanctuary began in the winter of 2009. What began as a program for our church’s members to serve now has people from across our community serving our downtown neighbors. New people are joining every month.

Today, ideas for how to serve our guests still emerge from the interaction that we have with them. At one point, someone to the initiative to show up with a hot meal for the 50-70 people who regular come. I know I was glad to be there the day Andy showed up with Buffalo wings he had grilled at home. Christmas day, which falls on a Saturday this year, will be a time of feasting as all sorts of food will be served to the 300 people we expect to come.

In your local community, there are people today who are taking initiative to make a difference. They may be helping the poor and homeless, or working to alleviate poverty, or trying to provide affordable housing, mentor in middle
school kids in math or improving the downtown environment for residents, businesses and guests.

Take initiative to interact with them. Work beside them. Learn how to start and lead a project. Make a difference that matters where it is already happening. As you do, a discovery will begin to happen.

*First is that you have ideas that matter.*

Your perspective has value and is worth sharing.

*Second is that there are many ways for you to take initiative to make a difference that matters.*

You don’t have to take on a leadership role to be a leader. All it requires is for you to act upon the ideas and desires that you have for people and your community.

*Third, you’ll also discover that your circle of interaction grows.*

If you really let yourself go, you’ll find that your local community is global. You’ll meet people, and find ways to engage with people so that together you’ll make a difference that matters. You’ll discover that someone in France or Omaha has dealt with the same issue, and your interaction provides you a way to understand what you need to do.

*Fourth, you’ll discover that you are a person of impact.*

I’ve learned that people measure their life experience in three ways. They want it to be *Personally Meaningful* because it is connected to the ideas and value that matter to them. They want it to be *Socially Fulfilling* because relationships matter. And, they want to *Make a Difference that Matters*. When we take initiative to act upon the ideas that we have through our interactions with others, we discover that our life and work makes a difference in ways we could never imagine.

This picture is what *local interaction* implies. It isn’t just talk, but action. This is what genuine leadership looks like.