



LEADING FROM THE FUTURE: A NEW SOCIAL TECHNOLOGY FOR OUR TIMES

BY OTTO SCHARMER

We live in a time of massive institutional failure, collectively creating results that nobody wants. Climate change. AIDS. Hunger. Poverty. Violence. Terrorism. Destruction of communities, nature, life—the foundations of our social, economic, ecological, and spiritual well-being. This time calls for a new consciousness and a new collective leadership capacity to meet challenges in a more conscious, intentional, and strategic way. The development of such a capacity will allow us to create a future of greater possibility.

Why do our attempts to deal with the challenges of our time so often fail? Why are we stuck in so many quagmires today? The cause of our collective failure is that we are blind to the deeper dimension of leadership and transformational change. This “blind spot” exists not only in our collective leadership but also in our everyday social interactions. We are blind to the source dimension from which effective leadership and social action come into being.

We know a great deal about what leaders do and how they do it. But we know very little about the inner place, the source from which they operate.

TEAM TIP

Otto contends that “connecting to one’s best future possibility and creating powerful breakthrough ideas requires learning to access the intelligence of the heart and the hand—not just the intelligence of the head.” One way to do so is by journaling. For a journaling exercise, go to www.ottoscharmer.com and click on “Tools.”

Successful leadership depends on the quality of attention and intention that the leader brings to any situation. Two leaders in the same circumstances doing the same thing can bring about completely different outcomes, depending on the inner place from which each operates (see “Three Perspectives on the Leader’s Work”).

Slowing Down to Understand

At its core, leadership is about shaping and shifting how individuals and groups attend to and subsequently respond to a situation. The trouble is that most leaders are unable to recognize, let alone change, the structural habits of attention used in their organizations.

Learning to recognize the habits of attention in any particular business culture requires, among other things, a particular kind of listening. Over more than a decade of observing people’s interactions in organizations, I have noted four different types of listening.

Listening 1: Downloading. “Yeah, I know that already.” I call this type of listening “downloading”—listening by reconfirming habitual judgments. When you are in a situation where everything that happens confirms what you already know, you are listening by downloading.

Listening 2: Factual. “Ooh, look at that!” This type of listening is factual or object-focused: listening by paying attention to facts and to novel or disconfirming data. You switch off your inner voice of judgment and listen to the voices right in front of you. You focus on what differs from what you already know. Factual listening is the basic mode of good science. You let the data talk to you. You ask questions,

THREE PERSPECTIVES ON THE LEADER’S WORK

RESULTS

What



PROCESS

How



SOURCE

Who

Blind spot: Inner place from which we operate

The source dimension of leadership is often invisible and functions as a “blind spot” in the process of social reality formation and transformational change.

and you pay careful attention to the responses you get.

Listening 3: Empathic. “Oh, yes, I know exactly how you feel.” This deeper level of listening is empathic listening. When we are engaged in real dialogue and paying careful attention, we can become aware of a profound shift in the place from which our listening originates. We move from staring at the objective world of things, figures, and facts (the “it-world”) to listening to the story of a living and evolving self (the “you-world”). Sometimes, when we say “I know how you feel,” our emphasis is on a kind of mental or abstract knowing. But to really *feel* how another feels, we have to have an open heart. Only an open heart gives us the empathic capacity to connect *directly* with another person *from within*. When that happens, we feel a profound switch as we enter a new territory in the relationship; we forget

about our own agenda and begin to see how the world appears through someone else's eyes.

Listening 4: Generative. "I can't express what I experience in words. My whole being has slowed down. I feel more quiet and present and more my real self. I am connected to something larger than myself." This type of listening moves beyond the current field and connects us to an even deeper realm of emergence. I call this level of listening "generative listening," or listening from the emerging field of future possibility. This level of listening requires us to access not only our open heart, but also our open *will*—our capacity to connect to the highest future possibility that can emerge. We no longer look for something outside. We no longer empathize with someone in front of us. We are in an altered state. "Communion" or "grace" is maybe the word that comes closest to the texture of this experience.

When you operate from Listening 1 (downloading), the conversation *reconfirms* what you already knew. You reconfirm your habits of thought: "There he goes again!" When you operate from Listening 2 (factual listening), you *disconfirm* what you already know and notice what is new out there: "Boy, this looks so different today!" When you choose to operate from Listening 3 (empathic listening), your perspective is *redirected* to seeing the situation through the eyes of another: "Boy, yes, now I really understand how you feel about it. I can sense it now too." And finally, when you choose to operate from Listening 4 (generative listening), you realize that by the end of the conversation, you are no longer the same person you were when it began. You have gone through a subtle but profound change that has connected you to a deeper source of knowing, including the knowledge of your best future possibility and self.

Deep Attention and Awareness

Deep states of attention and awareness are well known by top athletes in sports. For example, Bill Russell, the

STRUCTURES OF ATTENTION				
Field	Micro	Meso	Macro	Mundo ECOSYSTEM
Structure of Attention	THINKING (individual)	CONVERSING (group)	STRUCTURING (institutions)	COORDINATING (global systems)
Field 1: Operating from the old me-world	Listening 1: Downloading habits of thought	Downloading: Talking nice, politeness, rule-reenacting	Centralized: Machine bureaucracy	Hierarchy: Central plan
Field 2: Operating from the current it-world	Listening 2: Factual, object-focused	Debate: Talking tough rule-revealing	Decentralized: Divisionalized	Market: Competition
Field 3: Operating from the current you-world	Listening 3: Empathic listening	Dialogue: Inquiry rule-reflecting	Networked: Relational	Dialogue: Mutual adjustment
Field 4: Operating from the highest future possibility that is wanting to emerge	Listening 4: Generative listening	Presencing: Collective creativity, flow rule-generating	Ecosystem: Ba	Collective Presence: Seeing from the emerging Whole

In order to respond to the major challenges of our time, we need to extend our ways of operating from Fields 1 or 2 to Fields 3 or 4 across all system levels.

key player on the most successful basketball team ever (the Boston Celtics, who won 11 championships in 13 years), described his experience of moving from regular to peak performance. He talked about experiencing a slowing down of time, a widening of space, a panoramic type of perception, and a collapse of boundaries between people, even between people on opposing teams (see "Structures of Attention," movement from Fields 1–2 to Fields 3–4). While top athletes and championship teams around the world have begun to work with refined techniques of moving to peak performance, where the experience Russell describes is more likely to happen, business leaders operate largely without these techniques—or indeed, without any awareness that such techniques exist.

To be effective leaders, we must first understand the field, or inner space, from which we are operating. Theory U identifies four such "field structures of attention," which result in four different ways of operating. These differing structures affect not only the way we listen, but also how group

members communicate with one another, and how institutions form their geometries of power.

The four columns of "Structures of Attention" depict four fundamental meta-processes of the social field that people usually take for granted:

- thinking (individual)
- conversing (group)
- structuring (institutions)
- ecosystem coordination (global systems)

Albert Einstein famously noted that problems cannot be resolved by the same level of consciousness that created them. If we address our 21st-century challenges with reactive mindsets that mostly reflect the realities of the 19th and 20th centuries (Field 1 and Field 2), we will increase frustration, cynicism, and anger. Across all four meta-processes, we see the need to learn to respond from a deeply generative source (Field 4).

The U: One Process, Five Movements

In order to move from a reactive Field 1 or 2 to a generative Field 3 or 4 response, we must embark on a

journey. In an interview project on profound innovation and change that included 150 practitioners and thought leaders, I heard many practitioners describe the various core elements of this journey. One person who did so in particularly accessible words is Brian Arthur, the founding head of the economics group at the Santa Fe Institute. When Joseph Jaworski and I visited him, he explained to us that there are two fundamentally different sources of cognition.

One is the application of existing frameworks (downloading) and the other accessing one's inner knowing. All true innovation in science, business, and society is based on the latter, not on the everyday downloading type of cognition. So we asked him, "How do you do that?" In his response he walked us through a sequence of three core movements.

The first movement he called "observe, observe, observe." It means to stop downloading and start listening. It means to stop our habitual ways of operating and immerse ourselves in the places of most potential, the places that matter most to the situation we are dealing with.

The second movement Brian Arthur referred to as "retreat and reflect: allow the inner knowing to emerge." Go to the inner place of stillness where

knowing comes to the surface. We listen to everything we learned during the "observe" phase, and we attend to what wants to emerge. We pay particular attention to our own role and journey.

The third movement, according to Brian Arthur, is about "acting in an instant." This means to prototype the new in order to explore the future by doing. To create a little landing strip of the future that allows for hands-on testing and experimentation.

I have come to refer to this sequence as the *U process*, because it can be depicted and understood as a U-shaped journey. In practical contexts, the U-shaped journey usually requires two additional movements: an initial phase of building common ground (co-initiating) and a concluding phase that focuses on reviewing, sustaining, and advancing the practical results (co-evolving) (see "The U").

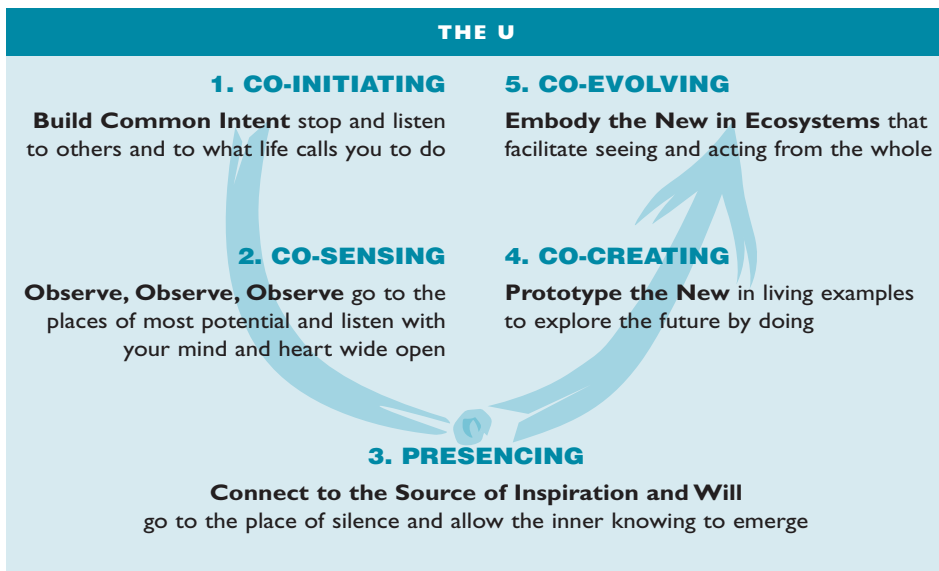
1. Co-initiating: Build common intent. Stop and listen to others and to what life calls you to do. At the beginning of each project, one or a few key individuals gather together with the intention of making a difference in a situation that really matters to them and to their communities. As they coalesce into a core group, they maintain a common intention around their purpose, the people they want to involve, and the

process they want to use. The context that allows such a core group to form is a process of deep listening—listening to what life calls you and others to do.

2. Co-sensing: Observe, observe, observe. Go to the places of most potential and listen with your mind and heart wide open. The limiting factor of transformational change is not a lack of vision or ideas, but an inability to sense—that is, to see deeply, sharply, and collectively. When the members of a group see together with depth and clarity, they become aware of their own collective potential—almost as if a new, collective organ of sight was opening up.

When it comes to organizing knowledge management, strategy, innovation, and learning, we outsource the legwork to experts, consultants, and teachers to tell us how the world works. For simple problems, this may be an appropriate approach. But if you are in the business of innovation, then this way of operating is utterly dysfunctional. The last thing that any real innovator would outsource is perception. When innovating, we must go places ourselves, talk with people, and stay in touch with issues as they evolve. Without a direct link to the context of a situation, we cannot learn to see and act effectively. When this kind of deep seeing—"sensing"—happens collectively and across boundaries, the group as a whole can see the emerging opportunities and the key systemic forces at issue.

3. Presencing: Connect to the source of inspiration and common will. Go to the place of silence and allow the inner knowing to emerge. At the bottom of the U, individuals or groups on the U journey come to a threshold that requires a "letting go" of everything that is not essential. At the same time that we drop the non-essential aspects of the self ("letting go"), we also open ourselves to new aspects of our highest possible future self ("letting come"). The essence of presencing is the experience of the coming in of the new and the transformation of the old. Once a group crosses this threshold, nothing remains the same. Individual members and the group as a whole begin to



In order to move from Field 1 or 2 to Field 3 or 4 ways of operating, we need to move first into intimate connection with the world and to a place of inner knowing that emerges from within, followed by bringing forth the new, which entails discovering the future by doing.

operate with a heightened level of energy and sense of future possibility. Often they then begin to function as an intentional vehicle for the future that they feel wants to emerge.

4. Co-creating: Prototype the new in living examples to explore the future by doing. I often work with people trained as engineers, scientists, managers, and economists (as I was). But when it comes to innovation, we all received the wrong education. In all our training and schooling, one important skill was missing: the art and practice of prototyping. That's what you learn when you become a designer. What designers learn is the opposite of what the rest of us are socialized and habituated to do.

When I was a doctoral student in Germany, a design professor at the Berlin Academy of Arts, Nick Roericht, invited me to co-teach a workshop with him. The night before the workshop, I was invited to meet with Roericht and his inner circle at his loft apartment. I was eager to meet the group and to see how a famous designer had furnished his Berlin loft. When I arrived, I was shocked. The loft was spacious, beautiful—but virtually empty. In a very small corner kitchen stood a sink, an espresso machine, a few cups, and a quasi kitchen table. But no drawers. No dishwasher. No table in the main room. No chairs. No sofa. Nothing except a few cushions to sit on.

I later learned that the empty loft reflected his approach to prototyping. For example, when he developed a prototype interior design for the dean's office at his school, he took out all of the furniture and then watched what happened there. Roericht and his students then furnished it according to the dean's actual needs—the meetings he conducted and so forth—supplying needed objects and furnishings in real time. Thus, prototyping demands that first you empty out all the stuff (“let go”). Then you determine what you really need (“let come”) and provide prototype solutions for those real needs in real time. You observe and adapt based on what happens next.

So the prototype is not the stage that comes after the analysis. The prototype is part of the sensing and discovery

process in which we explore the future by doing rather than by thinking and reflecting. This is such a simple point—but I have found that the innovation processes of many organizations are stalled right there, in the old analytical method of “analysis paralysis.”

The co-creation movement of the U journey results in a set of small living examples that explore the future

Very often, what you think you will create at the beginning of the U process is quite different from what eventually emerges.

by doing. It also results in a vibrant and rapidly widening network of change-makers who leverage their learning across prototypes and who help each other deal with whatever innovation challenges they face.

5. Co-evolving: Embody the new in ecosystems that facilitate seeing and acting from the whole. Once we have developed a few prototypes and microcosms of the new, the next step is to review what has been learned—what's working and what isn't—and then decide which prototypes might have the highest impact on the system or situation at hand. Coming up with a sound assessment at this stage often requires the involvement of stakeholders from other institutions and sectors. Very often, what you think you will create at the beginning of the U process is quite different from what eventually emerges.

The co-evolving movement results in an innovation ecosystem that connects high-leverage prototype initiatives with the institutions and players that can help take it to the next level of piloting and scaling.

The five movements of the U apply both to the macro level of innovation projects and change architectures and to the meso and micro levels of group conversation or one-on-one interactions. In martial arts, you go through the U in a fraction of a second. When applied to larger innovation projects, the

U process unfolds over longer periods of time and in different forms.

Seven Leadership Capacities

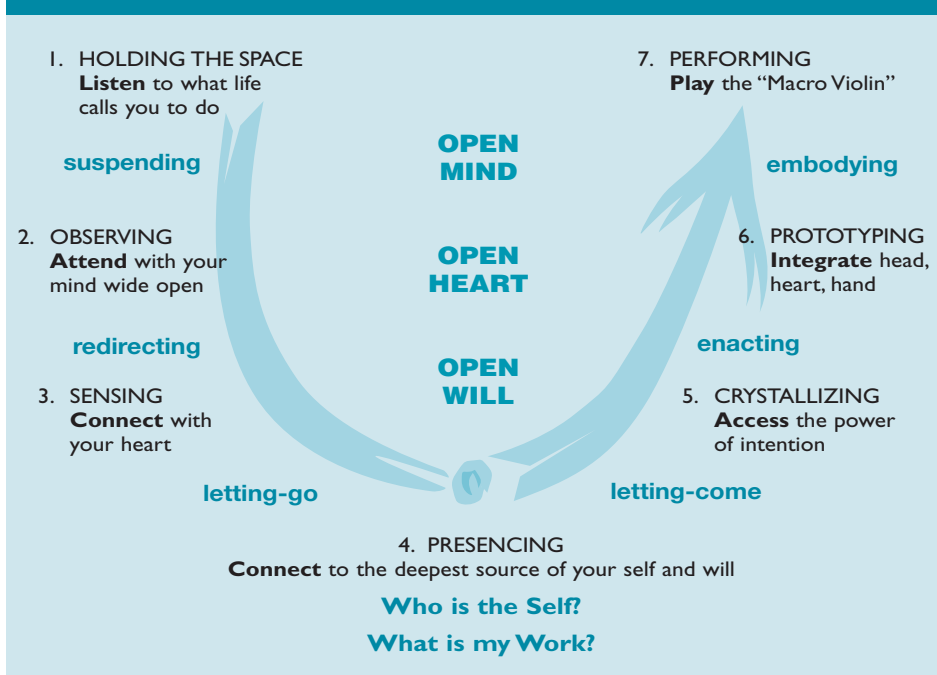
The U process feels familiar to people who use creativity in their professional work. They say, “Sure. I know this way of operating from my own peak performance experiences.” But then when you ask, “How does work look in your current institutional context,” they roll their eyes and say, “It looks more like this downloading thing.”

Why is that? Why is the U the road less traveled in institutions? Because it requires an inner journey and hard work. The ability to move through the U as a team or an organization or a system requires a new social technology (see “A New Social Technology”). The social technology of *presencing* is based on seven essential leadership capacities that a core group must cultivate. Without the cultivation of these capacities, the process described above (five movements) won't deliver the desired results.

1. Holding the Space: Listen to What Life Calls You to Do. “The key principle of all community organizing is this,” L.A. Agenda's Anthony Thigpen once told me. “You never hand over the completed cake. Instead, you invite people into your kitchen to collectively bake the cake.” The trouble with this principle is that most meetings in most organizations work the other way around. You only call a meeting once you have completed the cake and you want to cut it and serve it.

To start with the desire for a cake rather than with the completed cake requires a leader to create or “hold a space” that invites others in. The key to holding a space is listening: to yourself (to what life calls you to do), to the others (particularly others who may be related to that call), and to that which emerges from the collective that you convene. It also requires keeping your attention focused on the highest future possibility of the group. Finally, it requires you to be intentionally incomplete, to hand over the recipe, cooking tools, and ingredients rather than the finished cake. Yes, you can talk about why this is a particularly good recipe, you can add some ingredients, and you can help mix the batter, too. You can

A NEW SOCIAL TECHNOLOGY



The ability to move through a U process as a team, an organization, or a system requires a new social technology, presencing, an inner journey and intimate connection that helps to bring forth the world anew.

even go first if you want to. But you must intentionally leave a lot of open space for others to contribute.

2. Observing: Attend with Your Mind Wide Open. The second capacity in the U process is to observe with an open mind by suspending your voice of judgment (VOJ). Suspending your Voj means shutting down (or embracing and changing) the habit of judging based on past experience in order to open up a new space of inquiry and wonder. Without suspending that Voj, attempts to get inside the places of most potential will be futile.

3. Sensing: Connect with Your Heart. The third capacity in the U process is to connect to the deeper forces of change through opening your heart. This is the essence of what moving down the left side of the U is all about—facilitating an opening process. The process involves the tuning of three instruments: the open mind, the open heart, and the open will. While the open mind is familiar to most of us, the other two capacities draw us into less familiar territory.

To awaken this other capacity in

people, teams, and organizations, I have found it productive to have people work on real projects in real contexts that they care about and to support them with methods and tools that cultivate the open heart. The mind works like a parachute, as the old saying goes—it only functions when open. The same applies to the intelligence of the heart. It only becomes available to us when we cultivate our capacity to appreciate and love. In the words of biologist Humberto Maturana, “Love is the only emotion that enhances our intelligence.”

4. Presencing: Connect to the Deepest Source of Your Self and Will. The fourth capacity in the U process is connecting to the deepest source of your self and will. While an open heart allows us to see a situation from the whole, the open will enables us to begin to act from the emerging whole.

Danish sculptor and management consultant Erik Lemcke described to me his experience of this process: “After having worked with a particular sculpture for some time, there comes a certain moment when things are changing. When this moment of change comes, it is no longer me, alone, who is creating. I

feel connected to something far deeper and my hands are cocreating with this power. . . . I then intuitively know what I must do. My hands know if I must add or remove something. My hands know how the form should manifest. In one way, it is easy to create with this guidance. In those moments I have a strong feeling of gratitude and humility.”

5. Crystallizing: Access the Power of Intention. The back-stories of successful and inspiring projects, regardless of size, often have a similar story line—a very small group of key persons commits itself to the purpose and outcomes of the project. That committed core group and its intention then goes out into the world and creates an energy field that begins to attract people, opportunities, and resources that make things happen. Then momentum builds. The core group functions as a vehicle for the whole to manifest.

In an interview, Nick Hanauer, the founder of half a dozen highly successful companies, told Joseph Jaworski and me: “One of my favorite sayings, attributed to Margaret Mead, has always been ‘Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.’ I totally believe it. You could do almost anything with just five people. With only one person, it’s hard—but when you put that one person with four or five more, you have a force to contend with. All of a sudden, you have enough momentum to make almost anything that’s immanent or within reach actually real.”

6. Prototyping: Integrating Head, Heart, and Hand. The sixth capacity in the U process is the prototyping skill of integrating head, heart, and hand. When helping a golfer who has lost his swing, the master coach in the novel and film “The Legend of Bagger Vance” advises, “Seek it with your hands—don’t think about it, feel it. The wisdom in your hands is greater than the wisdom of your head will ever be.”

That piece of advice articulates a key principle about how to operate on the right side of the U. Moving down the left side of the U is about opening up and dealing with the resistance of

thought, emotion, and will; moving up the right side is about intentionally reintegrating the intelligence of the head, the heart, and the hand in the context of practical applications.

Just as the inner enemies on the way down the U represent the VOJ (voice of judgment), the VOC (voice of cynicism), and the VOF (voice of fear), the enemies on the way up are the three old methods of operating: executing without improvisation and mindfulness (reactive action); endless reflection without a will to act (analysis paralysis); and talking without a connection to source and action (blah-blah-blah). These three enemies share the same structural feature. Instead of balancing the intelligence of the head, heart, and hand, one of the three dominates—the will in mindless action, the head in endless reflection, the heart in endless networking. In short, connecting to one's best future possibility and creating powerful breakthrough ideas requires learning to access the intelligence of the heart and the hand—not just the intelligence of the head.

7. Performing: Playing the Macro Violin.

The seventh capacity in the U process is learning to play the “macro violin.” When I asked him to describe presencing-type moments from his music experience, the violinist Miha Pogacnik told me about his first concert in Chartres. “I felt that the cathedral almost kicked me out. ‘Get out with you!’ she said. For I was young and I tried to perform as I always did: by just playing my violin. But then I realized that in Chartres you actually cannot play your small violin, but you have to play the ‘macro violin.’ The small violin is the instrument that is in your hands. The macro-violin is the whole cathedral that surrounds you. The cathedral of Chartres is built entirely according to musical principles. Playing the macro violin requires you to listen and to play from another place, from the periphery. You have to move your listening and playing from within to beyond yourself.”

Most systems, organizations, and societies today lack the two essentials that enable us to play the macro violin: (1) leaders who convene the right sets

of players (frontline people who are connected with one another through the same value chain), and (2) a social technology that allows a multi-stakeholder gathering to shift from debating

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to co-creating the new. Still, there are many examples of how this capacity to act and operate from the larger whole can work. One is in disaster response. When a disaster occurs, other mechanisms (like hierarchy) don't exist or aren't sufficient to deal with the situation (like markets or networked negotiation). In these situations, we see the emergence of a fourth mechanism of

coordinating—seeing and acting from the presence of the whole.

In summary, the seven Theory U leadership capacities are the enabling conditions that must be in place for the U process and its moments to work. In the absence of these seven leadership capacities, the U process cannot be realized. ■

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This article is adapted from the executive summary of *Theory U: Leading from the Future as It Emerges*. To view the entire summary, go to http://www.ottoscharmer.com/PDFs/Theory_U_Exec_Summary.pdf.

NEXT STEPS

In the last chapter of his book, *Theory U: Leading from the Future as It Emerges*, Otto Scharmer outlines 24 principles and practices for putting the U Process into action. He organizes these based on the five movements of the process, along with a series of “root principles.” The first movement is “Co-Initiating—Listen to Others and to What Life Calls You to Do.” Otto offers the following practices to take this first step:

1. **Attend: Listen to what life calls you to do.** Take four minutes each evening and review the day as if you are looking at yourself from outside. Pay attention to how you interacted with others and what other people wanted you to do or suggested that you do. Do this nonjudgmentally. Over time, you will develop an internal observer that allows you to look at yourself from someone else's point of view.
2. **Connect: Listen to and dialogue with interesting players in the field.** The most important practice at this stage is listening. The other key practice has to do with perseverance—not giving up in the time between perceiving an idea and finally moving it into action.
3. **Co-initiate a diverse core group that inspires a common intention.**
Checklist for sparking common intention among diverse core players:
 - Look for participants with an intention to serve the evolution of the whole.
 - Trust your “heart's intelligence” when connecting to people or exploring possibilities that may seem unrelated to the strategic issue at hand.
 - Try to connect with people's highest future sense of purpose.
 - When convening a core group meeting, include executive sponsors and key decision makers who have a deep professional and personal interest in exploring the opportunity. Include activists; people with little or no voice in the current system; and key knowledge suppliers to help build a support team and infrastructure.
 - Shape the time, place, and context to convene this group of people for co-inspiring the way forward.