

The Leadership Loop™

A Framework for Wisely Navigating Our Times

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How should we describe the time in which we live? The context in which leaders must function? And the future into which we are heading?

Four phrases capture a great deal of the answer to these questions:

- › Ever-increasing complexity
- › Never-ending flux
- › Persistent ambiguity
- › Inevitable unpredictability

These four interrelated features of our age have been growing in prevalence for the last couple of decades, although too many leaders have been either slow to adapt, uncertain of how to respond, or living in denial. COVID-19, by magnifying their collective impact, has made it impossible to ignore their presence. And it has made it even more urgent that leaders find a way to navigate our times.

These realities pose great challenges for us as leaders and for our organizations. But the nature of our current reality also presents great opportunities — if leaders are able to navigate these times with deep insight. If they become what we call, FutureWise.

We can define wisdom as “the skillful application of intelligence, knowledge, imagination, compassion, humility, and courage in pursuit of achieving worthwhile aims.”

To be wise is to be able to engage with situations and people in ways that promote positive outcomes for all concerned. It is to be able to adapt to uncertain circumstances and novel situations by seeking and seeing the possibilities, without ignoring or minimizing the challenges or potential harms—and acting in ways that enhance the chances of realizing the possibilities. Wisdom is demonstrated by acknowledging one’s limitations and foibles, and bringing others in to share their insights, ideas, talents, and knowledge when facing complex, ambiguous, uncertain situations. Being wise means acting courageously to do what you believe is right and good even when others don’t, but doing so in a way that increases the likelihood that others will join with you.

FutureWise Leadership™ is the development and use of such wisdom when leading. And it is crucial for navigating our current time and for shaping our collective future.

THE BEGINNING OF WISDOM

While wisdom is ultimately manifested through our decisions and actions, it begins with the quality of our perceptions. The degree to which our understanding and interpretation of events and people around us are flawed, limited, or distorted will, of necessity, negatively impact our ability to exercise wisdom.

Brain science is revealing how what we see—both literally and conceptually—is constructed by the beliefs, assumptions, mental models, and experiences that we use to filter data and sensory information. We don't simply apprehend reality; we construct a perception of reality based on our mental frameworks. To quote one of today's top neuroscientists, Lisa Feldman Barrett:

"...your day-to-day experience is a carefully controlled hallucination, constrained by the world and your body but ultimately constructed by your brain. It's not the kind of hallucination that sends you to the hospital. It's an everyday kind of hallucination that creates all your experiences and guides all your actions. It's the normal way that your brain gives meaning to your sense data, and you're almost always unaware that it's happening."

Lisa Barrett Feldman, 7½ Lessons About the Brain.

Anais Nin put this somewhat more poetically when she wrote, "We do not see things as they are; we see things as *we* are."

Because our brains construct our perception of reality based on the mental models, beliefs, assumptions, and past experience we carry, one way we can foster greater wisdom is to find and use cognitive frameworks that are better attuned to our complex times and shifting circumstances with which to view the world, our organizations, and those we lead. Essentially, in order to expand our potential for leadership, we need to upgrade our mental "lenses" so that we have a greater capacity and capability to make sense of the present, imagine the possibilities that exist in light of that, and then act wisely as we seek to shape a positive future for all.

THE LEADERSHIP LOOP™

One crucial lens to upgrade involves our fundamental understanding of organizations themselves. How might we better conceive of what an organization is and how it operates in the world?

Our answer to that question is what we call, *The Leadership Loop*.

During the last several years we have been teaching senior leaders in numerous organizations how to use the Loop to see more clearly: (1) two key facets of the *context* in which their organizations now exist, (2) the dynamic nature of the organization as a system of information and energy, (3) two

key elements that greatly impact the flow of that information and energy, and (4) how the *internal capacities and capabilities* of a leader impacts their ability to influence, shape, and lead their organizations.

Let's take a closer look at these four aspects depicted by the Loop.

The Context of Today's Organizations

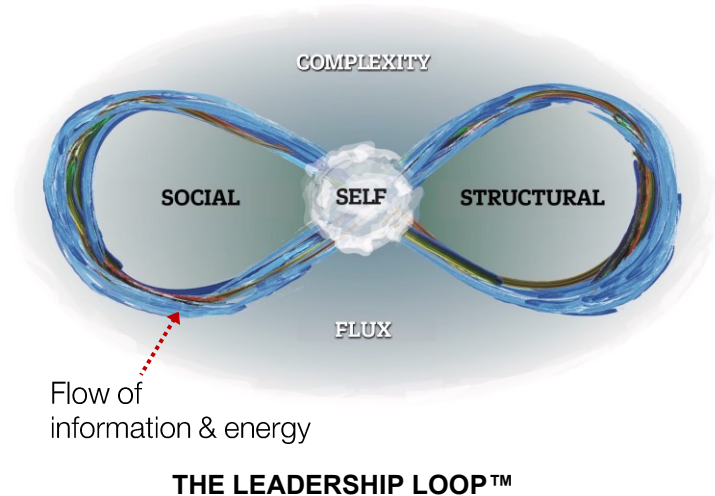
The background of the Leadership Loop contains two words that summarize much of the broad **context** in which organizations exist and operate today: **flux** and **complexity**.

Complexity describes the vast web of relationships that exist both within and around today's organizations, and which create highly complex social and structural systems. Complexity is a fundamental lens through which we are able to view our teams, departments, units, and the whole organization. To be

clear, as we use the term, complex is not a synonym for complicated. Complicated and complex systems are quite distinct. In a complicated system, while there may be many parts, with sufficient expertise and knowledge the root cause(s) of a problem can be discerned. Complicated systems are predictable. An automobile is a classic example of a complicated system. So too are the many technologies we now rely on, such as Zoom or Microsoft Teams.

In contrast, in a complex system, it is usually impossible to discern fully cause-and-effect relationships and to fully predict the outcome of particular decisions or actions. In complex systems experimentation is needed when we seek to alter the system, allowing solutions to problems, or new forms and structures, to emerge, rather than be imposed. For example, our responses to the lockdowns that occurred in March and April 2020 required us all to experiment with how to continue to work safely and productively in the presence of a deadly novel coronavirus. Over a short period of time, through such experimentation, most organizations found ways that worked. Leadership in complex systems requires us to let go of the illusions of control, predictability, and permanence.

The second aspect of today's context is *flux*. This refers to the ever-changing, dynamic nature of today's world. We use the term flux instead of change because change implies moving from one state to another. Flux, on the other hand, implies that there never is a steady state into which something changes. Rather, there is continual and often unpredictable movement. While there may be periods of relative calm, they are both fewer and less extended than in times past. Leaders need



to both accept and remember that the attempt to create lasting structures, processes, and practices is doomed to fail. Instead, they need to develop mindsets, approaches, and skills that will help them navigate a world that is continuously shifting and inherently unpredictable.

The two conditions of complexity and flux are intertwined and account for much of the challenge that leaders face today in helping their organizations achieve their goals and aspirations. A key component of the work we do is to equip leaders, and those who support them, with frameworks, ways of thinking and being, and practical tools to help them lead well under conditions of flux and complexity. We help them become FutureWise.

The Nature of Organizations

If the context of today's organizations is one of complexity and flux, how might we reconceive **the nature of an organization itself** in a way that is more useful and conducive to these conditions? This is a second key component depicted by our Leadership Loop graphic.

Traditionally, we have tended to think of an organization in fairly static terms such as organizational design, departmental functions, individual roles, work processes, and policies. Such a view does contain important facets of what constitutes an organization (as we shall see), but our experience suggests that the Leadership Loop provides a more useful lens for today's complex world.

If we strip an organization down to its essence, what we arrive at is nothing more than the continuous flow of **information** and **energy** that together create a dynamic system that is particular to that organization. Return for a moment to the previous page and have another look at the Leadership Loop image. There you will see that we represent this flow of information and energy as an infinity loop.

In organizations, *information* includes formal and informal communication, intentional and accidental, whether it be through the organization's intranet site, emails, casual conversations over lunch, or team meetings. The *energy* in an organization largely refers to the actions and efforts by the people of the organization, both as individuals and in groups. These two aspects are continually interacting with each other in the life of the organization. Hence, the use of an infinity loop to represent this dynamic.

An organization *is* the system created by flow of information and energy.

The upshot of understanding an organization in this manner is this:

The quality, fluidity, adaptability, and resiliency of the flow of information and energy determines how effectively an organization engages with and impacts our complex and continually shifting world.

For many leaders this way of thinking about an organization represents a fundamental shift in how to (1) make sense of what is going on in their organization, (2) imagine how they might shift the

dynamic of information and energy, and (3) how they can act to shape a positive future within the organization and for all its external stakeholders.

Social and Structural Elements in the Loop

If you return to the Loop graphic for a moment, you will note that inside the two sides of the infinity loop are the words Social and Structural. These two sides represent two interacting aspects of any organization or group—social elements and structural elements. The information and energy that makes up the organizations constantly flows through both sides of the LOOP. These elements are both shaping the flow and being shaped by this flow.

The *social elements* of an organization include such things as:

- › interpersonal relationships
- › team dynamics
- › the social climate of a group
- › organizational culture
- › political maneuvering
- › informal conversations

The *structural elements* include things like:

- › organizational design
- › individual roles and responsibilities
- › departments and units
- › policies and procedures
- › schedules
- › technologies
- › buildings and other physical structures

Social and Structural elements are constantly interacting with and influencing each other. For example, anyone who has ever had to work in a physical setting (a structural element) that complicates getting work done knows that it can cause stress that starts showing up in conflicts within the team doing the work (a social element). Or consider a second example of someone who has developed relationships with a wide variety of individuals in the organization outside their group (a social element) who often has access to important information that might otherwise get lost in the structure of departmental silos.

One final example, in our current set of circumstances, we are all too aware of the impact on our social interactions with colleagues, direct reports, and others in our organizations of relying on platforms such as Zoom, Microsoft Teams, or Webex. While these technologies (a structural element) have enabled many organizations to continue their work with a geographically dispersed staff, few would disagree that they often have a somewhat negative impact on the quality of interactions (a social element).

These examples demonstrate how the Structural influences the Social, and the Social influences the Structural.

The takeaway from this part of the Leadership Loop is this:

*If we want to shift the flow of information and energy in the organization (or a subsystem within it), we must attend to **both** sides of the LOOP simultaneously.*

Moreover, recall that we must attend to the impact of the larger context on the energy and information flow that constitutes an organizational system. Given that this context is characterized by complexity and flux, and that every organization is open to information and energy flowing between its loop and the larger context, the Leadership Loop vividly captures the essential complexity and fluidity of any organizational system. This lens on an organizational system requires capacities and capabilities in a leader that are different from the past — and hence necessitates also a different way of developing leaders. And those implications lead us to consider the fourth concept depicted by the Loop graphic, the place of the Leader themselves in the midst of all this.

The Leader in the Midst of the Loop

The leader (represented in our diagram by the word SELF) sits at the nexus of the social and structural elements, seeking to influence both, even while being impacted by both. For instance, negative social dynamics in a team can easily cause stress and frustration for the leader, which could be expressed through outbursts of anger or moving to a more autocratic style, further exacerbating the negative climate. In this case, the Loop is influencing the leader. Conversely, a leader may be able to influence the negative social dynamics of the team by channeling his/her frustration and stress into coaching individual team members to be better able to resolve conflicts. The leader is now influencing the Loop.

There are two key implications of the fact that leaders sit at the centre of the Loop:

1. The most effective leaders are skilled at working both sides of the Loop (even while we tend to have one side to which we naturally gravitate).
2. The critical component of becoming a stronger leader is to grow the SELF. The larger the SELF, the greater a person has the capacity to perceive and influence both the social and structural elements.

What does that mean exactly? It means exploring, clarifying, challenging, shifting, or deepening such things as your:

- › underlying assumptions and beliefs
- › motives and intentions
- › mindset
- › mental models
- › character
- › emotional intelligence
- › personal strengths

VIEWING LIFE AND LEADERSHIP THROUGH THE LOOP

The Leadership Loop is a lens that leaders (and others) can employ to make better sense of their context, their organizations, other groups to which they belong, and how they themselves are functioning in the midst of these. Internalizing the Loop so that it becomes an instinctive means through which you view life and leadership will help you deepen the wisdom that is vital for navigating our times, and thus act more effectively to help shape a positive future for all.

The present moment stands in need of leaders who can lead wisely.

We face immediate challenges to our collective well-being, and to the planet itself. Several threats loom on the horizon and require action *now* if we are to mitigate their harm in the future. Other problems and perils will arise unpredictably, and we will need to respond effectively in the moment.

And yet there is tremendous potential for us to shape a positive future for all by engaging and releasing the energy, creativity, innovativeness, and collaborative spirit of the people who surround us and whom we lead.

If we can live and lead with great wisdom.

Want more info on our FutureWise Leadership developmental program?

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<https://www.futurewiseleadership.com/>