

# Live

*Last summer, the Shambhala Institute for Authentic Leadership in Halifax hosted a conference under the broad theme of “organizational learning and change” at Mount Saint Vincent University. The event brought together A-list speakers and seminar leaders from academia, business, and non-profits. I checked it out.* **BY DAVID HOLT**

As I headed out along the Bedford Highway on my way to the conference, my taxi driver told me that he was from Kuwait. “It’s nice here,” he said. “In Kuwait City it can be 55 degrees Celsius. We have these big air conditioners, but they break down.”

The first seminar, by Otto Scharmer, was titled “Illuminating the Blind Spot of Leadership.” It is what we don’t see that holds us back, he said. How can we see farther and deeper? The key to moving ahead lies within our own experience, yet often we don’t know how to access our own experience. That’s where we’ll find the answers.

Scharmer is a management professor at MIT who also teaches at the Fujitsu Global Knowledge Institute in Tokyo and the Helsinki School of Economics. He consults with large corporations (“the usual suspects”) and governments. His research is based on interviews with top business people, scientists, and artists—leaders in many fields, people who are shaping our future. How do they do it? he wonders.

**Dr. Otto Scharmer earned his stripes at the fall of the Berlin Wall.**



A key role of leadership is to help an organization let go of old ways—even successful ones—so new ones can emerge

# and let die

What do they have in common?

Tall and thin, Scharmer has a professorial delivery, but he's not just a theoretician. He was a social activist who helped bridge the two cultures during the reunification of Germany—a man on the front lines. He interrupted his slide show, the theory, to tell a story.

One day when Scharmer was 16 and living in the 300-year-old family farmhouse outside of Hamburg, he came home from school to see the house burning to the ground. Watching the fire, he realized that so much of his identity was connected to his possessions that were going up in smoke. "Time seemed to slow down," he said. "Part of myself was gone, but I realized that what I owned had weighed me down. The part of me that remained was connected to the future. I felt elevated to another level of clarity. I felt a sense of energy and direction—a sense of letting go. Watching the fire was life's gift to me."

Then Scharmer showed a

clip from the film *The Legend of Bagger Vance*.

The caddy was coaching his golfer through a difficult shot. His opponent was the golfing genius Bobby Jones. The golfer asked the caddy what Jones's secret was. Watch how Jones focuses his attention on the target and on his field of view, said the caddy. All distractions disappeared for a brief moment of concentration. He let his mind find the perfect shot. The golfer emulated Jones, going into "the zone." He blasted his ball down the middle of the fairway. The clip ended. The lights came on.

"No matter what your challenge," said Scharmer, "you have to focus on the field, get out of your own way, and let the perfect shot find you." The story and the film clip brought the seminar down to earth. We saw Scharmer and the golfer accessing their experience. Scharmer's talk was built around a U-shaped flow chart showing nine steps that take an individual or an organization from one system to another. It is the job of a leader to sense when change is needed and to

lead a group through a journey into a new future.

Emphasizing that the main role of a leader is to help an organization let go of a past that is no longer relevant, Scharmer pointed out that the Indo-European root word for "to lead" is "cross the threshold" and also "to die" or "to let die." A leader allows the old ways to die so the new ways can emerge. As human beings we are reluctant to do this; the process is not easy or straightforward.

The conventional view of organizational learning is a simple prescription: a blend of observing, planning, and acting. In Scharmer's model, the trick is to tune into a deeper knowing that allows you to learn from the future as it emerges. This is vital to all entrepreneurial and creative work. The leader helps the group focus its "intention"; only then can it attract the right collaborators. A leader also helps the group focus its attention. Leaders shape the "fields of collective attention." This shared



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## Table talk

During the conference I had lunch with Art Kleiner. From the dining hall we looked out over the treetops to the deep blue of Bedford Basin. Author of *The Age of Heretics* and former editor of the *Whole Earth Catalog*, Kleiner is working on a new book called *The Core Group*. It's about how organizations are driven by people's perceptions of what a core group composed of, for example, senior executives wants. The problem is, even if the core group is on the right track, everyone else's perceptions of what they want tends to be off the mark, so the company drifts. Kleiner also leads scenario-planning exercises for large organizations, where a group examines hypothetical scenarios about the future.

This is Kleiner's take on Stewart Brand, the founder of the *Whole Earth Catalog*: "He taught me to see beyond the differences. He worked with scientists, business people, artists, hippies, everyone." Kleiner makes a lot of money as a consultant to large companies and does a lot of work for free for non-profits. About Atlantic Canada, Kleiner said: "People at this conference associate Nova Scotia with a progressive view of business enterprise. Nova Scotia was once the edge of several continents. It is now a gateway to a continent. At this event we have Europeans, Africans, and South Americans."

Kleiner shared more of his views with me. On leadership: "The development of a leader, an organization, and an economy are all wrapped up together." On scenario planning: "It allows managers to explore ways the future can unfold. Business people find it hard to get into it. You need to be open to possibilities." On the importance of imagination: "Business is the exercise of the imagination in the service of profit."

Here are some other scenarios from Kleiner to think about: The financial-services business would be remiss if it thought there was no possibility of a sustained recession. Then the question is, What kind of recession might it be? What if other countries take up the Bush doctrine of preemptive strikes to solve their problems? What if wealthy Americans begin to descend on Nova Scotia, seeking a safe haven from terrorism and uncertainty?

For this seminar we sat at tables in groups of four. The seminar leaders spoke briefly, then engaged the audience. Several times we got up and changed tables. We moved, changed perspective, did the legwork. Here are some highlights:

*"I noticed in this one large organization that the creative people were allowed to take the time to do a lot of reflection because it was clear they added to the bottom line."*

— Frances Baldwin, principal in Atlanta-based marketing firm DBH and consultant on organizational development

*"Ed Shine of MIT used to walk around and just ask people what they did. They were surprised. We have these large organizations, and nobody really understands what the other people do. We don't know what we know."*

— Peter Senge, MIT professor, consultant to global organizations, co-author of *The Fifth Discipline*

*"I instituted a learning day, where the executive team spends a day reflecting on the previous month. No one wanted to do it at first, so I had to impose it. Now they insist on it. It creates energy. It increases the bottom line. I can't explain it to head office, but we do it anyway."*

— Yvon Bastien, GM, Sanofi-Synthelabo Canada Inc.

*"Do we need a crisis to force us to reflect?"*

— From a female participant, who explained how she changed after her husband was severely injured

*"Riders do something called 'collecting,' a pause where a horse knows it is to expect a new direction."*

— Susan Skjei, principal, SaneSystems of Longmont, Colo.

*"I went to a Quaker meeting once. Almost nothing was said. They believe you shouldn't speak unless what you have to say is more powerful than silence."*

— David Lord, convention planner, Lexington, Ky.

## Leadership

focus will create a paradoxical blend of determination and openness to whatever may come next.

What the leader does comes from whom the leader is. Scharmer quoted Bill O'Brien, the former CEO of Hanover Insurance: "The success of an intervention depends on the interior condition of the intervener." Systems collapse when leaders aren't able to redirect an organization's attention toward changing circumstances. In such times people are usually desperate to show that the old ways are still working. One example of this is the collapse of East Germany, when "Potemkin images"—the facades of fake factories—were presented to President Honecker in an effort to portray an illusory prosperity. Another example is collapsing American companies whose employees try to create an image they think the CEO wants to see, such as the "aggressive accounting" done at Enron. According to Scharmer, when your system collapses:

- You aren't seeing what is going on in the world.
- You aren't seeing what you do; there is no reliable feedback mechanism.
- There is no capacity for sensing, reflecting, and dialogue.
- You don't see how the organization is evolving.
- You aren't seeing the "evolving whole." (Enron was exploiting its customers, which contributed to the energy crisis in California that in turn helped bring down the company.)
- There is no strategic mechanism to create prototypes of new solutions.
- There is no infrastructure to focus on real performance.

"To see a changing reality and stay with it is difficult," said Scharmer. "Seeing means movement, changing your perspective to see the context. A leader can't have someone else do all of the legwork. The leader has to perform the movement or he can't see the whole."

For example, in the 1970s a team from a U.S. car manufacturer went to Japan to observe a factory operating under the new robot-based, just-in-time system. "There was no inventory, no dirt on the factory floor," said Scharmer. "The Americans refused to believe they were watching a real operation. They thought the Japanese were trying

to trick them." They were unable to suspend their old habits of judgment and report objectively to their leaders, who didn't get the real story. American carmakers fell behind.

There are two ways to see the future clearly. First, ask simple questions: What is happening? What is different from before? Then be ready to receive the answers. Bagger Vance couldn't help his golfer until he was ready to learn. Second, as circumstances change, a true leader guides an organization through a nine-step process that involves acting, thinking, feeling, and willing. It allows an old way to die so a new way can emerge. Here are the nine steps:

1. Typically, the first response to a challenge is to "download" your old experience onto the new situation and to judge it from the old viewpoint.
2. The next step is to suspend judgment and see the situation from an outside perspective.
3. Next you must redirect your attention and sense the situation from the whole.
4. This leads you to let go of your preconceptions.
5. This step, which Scharmer calls "presencing," allows you to start to build anew. Armed with new information and new ways of seeing, you access your deeper self and your will and ask two simple but basic questions: Who is my self? What is my work?
6. This opens you up to "letting come," the opposite of letting go.
7. "Crystallize from the future field." An analogy: the golfer who looks down the course, frees his mind from distractions, and allows the perfect shot to enter his mind—a process that is as much feeling as thinking.
8. Create a prototype that allows you to test a new concept.
9. Finally, the new practices are embodied in a new system.

The greater the challenge, the more difficult it is for the group to follow all of the steps with the right "intention" (the proper goals) and the right "attention" to changing circumstances. Hence the fall of the world's greatest empires and most powerful companies.

After the seminar, I spoke with Scharmer. I asked



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## Leadership

him if the Americans embraced his model when they invaded Iraq, which could eventually lead to a Palestinian state and peace in the Middle East. No, said Scharmer, they were just downloading their old way of thinking about the situation. "It is the subtle things that are the power of leadership, David," he told me. "The subtle things."

### PRIVATE CONVERSATION

Between sessions I chatted with communications expert David Hawkins of Moncton, N.B. "I am in recovery from 26 years in the advertising business," he said. "I had a major burnout when I was 27. Since then I have been OK, but this conference helps give you perspective."

Hawkins has his own ideas about success: "There are two essentials. The first is thinking, 'We can do that.' The second is asking, 'How do we get started?' That is how the Irvings and the McCains began and how they still operate. That is the most powerful thinking in the world, but anyone can do it." Hawkins suggested that I attend one of the

sessions on meditation. Then he took out his cell phone. "I have nine messages," he said.

### UPSTAIRS AT THE CASINO

I drove across the harbour with Andrew Safer, a Halifax writer and communications consultant who is doing PR for the conference. A member of the Shambhala Buddhist community, he moved here from Boulder, Colo. With Miles Davis's "Kind of Blue" on the sound system, the rush-hour traffic didn't seem so bad. We slipped into the casino and walked past the slots—a form of meditation. Upstairs was a seminar on how to foster a culture of leadership in Nova Scotia, sponsored by NovaKnowledge, the Shambhala Institute, and the United Way of Halifax Region. Here are some excerpts from the session:

- Joanne Linzey, United Way of Halifax Region: "The not-for-profit sector creates innovation and helps build the civil society. Everyone has something to offer. We ask how to increase the

capacity of people and communities to care for themselves. We have group sessions where we discuss our values and mission and how to translate them into action. When you get in trouble, go back to your values. Share leadership. Let people's qualities surface."

- Tanya Shaw-Weeks, Unique Solutions: "Ever since I started out in business at 19 I have been lucky to have had a lot of mentors."
- Michael Chender, Shambhala Institute: "In our view, authentic leadership is based on five basic values: releasing inherent capacity; a personal journey; allowing creative ambiguity (the ability to hold conflicting views); stewardship; and building an extraordinary society. We have an extraordinary society in Nova Scotia. I know. I'm a 'come from away' who has lived here for 14 years and travelled a lot. We have shared values here."

Peter Senge wrapped up the interactive seminar. A professor at MIT and a consultant to global organizations, he is the author of *The Fifth Discipline*,

# 2004

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## Progress



which is considered to be one of the best management books of its time. He concentrated on what the younger people in the room were saying. "What opportunities are there for young people to move into leadership positions?" he asked. "Key leaders will be young people. In traditional societies, young people are accepted as adults at the age of 12 to 14. They have a lot to offer. We need to get adults to shut up so they can listen to their children. Be honest with them." Senge also shared the following insight:

- "We can only see our commonality through difference—the commonality we feel when we are allowed to be truly ourselves. How do you create space in a room for people to be who they truly are?"
- "People struggling to become leaders are often masking a struggle to become who they truly are."
- "The key to change is the art of bringing people together to share ideas and to ask, 'How can we get started?'"

- "There is no grand plan to create a sustainable society. Two keys will be to rethink education and to find new ways to convene."
- "I learned the term 'home blindness' in South Africa. It means you think other places are better, other people are better. There is some of that here."
- "Atlantic Canada has the potential to create a model society. You have the autonomy here."

After the seminar I spoke with Senge. Some of his strongest skills are elemental. He drew out the audience. He's a great listener. He can bring together people and help them share experiences and ideas. "With its hierarchical structures, assembly lines, and view of man as a machine, the Industrial Revolution destroyed our natural ability to get together in groups," he told me. "I'm convinced that future historians will see the Industrial Revolution as a bubble in human history. A key driver of the Industrial Revolution was a lack of capital. There is lots of financial

capital today. Now the challenge is to discover how to use human capital."

Human capital is the magic ingredient. The stock market goes up and down but the people remain, waiting to discover who they are, looking for leadership, and at the same time seeking to discover their own leadership qualities. The place where this can happen the most, and the most naturally, wins. Maybe it will be Atlantic Canada, Senge suggested.

My taxi driver home was a young Russian. On the car radio we listened to the son of Julius and Ethel Rosenberg, who were executed in the U.S. for spying for the Soviets. The driver and I talked about Lenin, so influential for a time, now a blip in history. It was the blind spot of the old aristocracy that allowed him to come to power, and the blind spot of the Communist dictatorship that led to the eventual crumbling of that regime.

Like the man from Kuwait, the driver felt at home in Halifax. In his cab he covered a lot of ground. These young cabbies, they are worldly wise. ☐

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