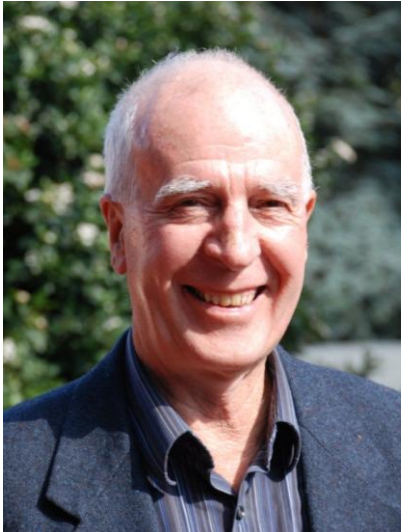


New coaches needed: evidence of vertical learning required

Sol Davidson



There must have been thousands, if not tens of thousands, of MBA graduates occupying senior positions in the governance structures of the major financial institutions, throughout the USA and Europe, making millions of decisions over the past twenty or so years. So how is it that our financial and economic system is now in such a fragile and parlous state?

My contention is that many of these executives and leaders are operating at an early developmental stage that has limited capacity to cope with the high levels of complexity, instability and uncertainty that characterise today's world. What's needed is Post Conventional Leadership. But are coaches and mentors, themselves, sufficiently developed to support such leaders?

Keywords

Post Conventional Leadership, complexity, ambiguity, VUCA, stages of transformational leadership, financial crisis, meaning making, Spiritual Intelligence

The starting point

When pondering the theme of this quarter's e-O&P publication, my thoughts meandered back to a Coaching Symposium I attended a couple of years ago titled "Key Themes Underpinning Effective Practice". Here, I was delighted to find that the first topic was "Leaders and Leadership Development". This was to be presented by two senior lecturers from a UK based MBA programme. They introduced their talk as being mainly about "Decision Making and Risk Taking under Conditions of Uncertainty". "This should be interesting", I thought, given that the leaders of our US and European financial systems seem to have done rather poorly in handling risk and uncertainty over the last twenty years or so. However I was disappointed to find that the presentation differed little from the coverage of the topic I received in the MBA programme I undertook at the University of NSW in Australia some 45 years ago.

Compelled by disappointment, I asked the question

"How is it that the US and European Financial and Economic system is now in such a fragile and parlous state? There must have been thousands, if not tens of thousands, of MBA graduates occupying senior positions in the governance structures of the major financial institutions, throughout the USA and Europe, making millions of decisions over the past twenty years or so. So what has led us to this place?"

The answer provided was that modern technology is now so fast and essentially out of control that it is almost impossible to contain. The few who do understand it have served a narrow and sectional set of interests which has led to the imbalance, dysfunction and fragile state of the Western world's financial and economic systems.

I felt like further asking at the time, but didn't:

"How is it that [Fred Goodwin](#), granted an honorary fellowship at the London Business School alongside many other tertiary institutional awards, went on to create the disastrous situation as CEO with the Royal Bank of Scotland? And how is it that Bob Diamond, who evidently [topped his MBA class](#) at the University of Connecticut, ended up having to leave his post as CEO with Barclays in less than ideal circumstances?"

There was little or no discussion of the wider issues of culture, values, ethics and morals, or the role of personality type and levels of consciousness that in my opinion have created the essentially Extractive, as distinct from Generative, moral and social fabric within which the ICT and finance specialists and various other decision makers have played out their games these past twenty years or so.

So we might shift the question and ask

"What role might the thousands of coaches who were working in Financial Services have played in the 15 – 20 years leading up to 2008? What leadership approaches were we supporting throughout this time? Were we making things better, making things worse, or making no difference at all?"

Pondering what legitimacy I can claim for writing on this topic, I realise that my own journey into coaching might be a good place to start.

Early encounters with leadership

Back to 1942 Hobart, Tasmania and twenty years or so growing up in an idyllic and geographically beautiful isle with little heavy industry and a lifestyle that enabled a deep sense of connection to nature. In 1964 I graduated in Chemical Engineering and shortly after left for the big wide world and a job at a large petrochemical site on the shores of Botany Bay. At that time the plant was under pressure to improve productivity substantially. This it did but, in the process, a cost cutting decision ended up doing severe damage to the ecology of Botany Bay. At the time I was horrified that the leadership of the plant could make decisions that were so environmentally damaging. I argued against this action, but my views were seen as unhelpful and naïve and shortly afterwards I resigned.

I took a job in Government, working in a national project to improve productivity in public services and ended up seven years later on the margins of a corrupt and desperate political situation wherein "mafia" money was being laundered through government projects. I found this rather stressful and undertook a programme in Transcendental Meditation with the Maharishi Yogi (of Beatles renown) who was visiting Australia at the time, little realising the effect this would have on me in later life. To some extent this meditation helped me cope with the vagaries and uncertainties of working in an increasingly covert and politically corrupt system.

However, when the Australian Federal Police Commissioner who had commenced an inquiry into “mafia” money laundering was shot dead outside his front gate as he went to work one Monday morning, I decided enough was enough, and quit corporate life. Having built a 15 metre yacht in my backyard over the previous four years (as one does in Australia!), I set sail for distant shores, spending five years with my family on board and a further five running yacht charters in the Caribbean.



Launch day from the front garden in Adelaide, South Australia, 1980



Off Union Island, the Caribbean, 1986

New encounters

Whilst chartering in the Caribbean, we had a guest who liked the boat and our company and returned for three consecutive years. At the end of her third year she offered me a job as a coach working in the USA if ever I wished to come back to *terra firma*. At the time, and this was the late 80s, I said “Hang about a bit, I don’t play football” to which she replied “No this isn’t about football. It’s a continuation of the type of work I understand you were doing in Australia, but one-on-one, and I’m looking for staff with experience in the world of politics and power and the harsher realities of that world”. To cut a long story short, I joined her in Pennsylvania two years later.

On my first day in the office I was going through the client list and discovered Bill and Hillary Clintons’ names on the list. At that time they were being accused of fraudulent land deals in the Southern States. I sat at the desk, head in my hands, and thought “What have I done? I ran away from Australia to escape all this and have ended up right slap bang in the middle of it again!” After suppressing my immediate desire to run, I took a deep breath and started to wonder if there was a bigger picture in play here, and if this experience might be part of an unfolding journey that I needed to pay attention to. I’m pleased to report that twenty four years later I have remained in the coaching profession and still enjoy the learning and the gifts that coaching can bring to both client and coach.

A map to continue the journey

One particular map or model of leadership I have found helpful in coaching leaders is outlined by David Rooke and Bill Torbert and published in the Harvard Business Review, April 2005, titled the “[Seven Transformations of Leadership](#)”, which received an award for the most innovative of the year. I found this model and way of thinking about the various stages of leadership development very helpful, especially as for the first time in my life I was able to make meaning of, and bring a deep underlying coherence, to the unexpected vagaries, disillusionments and discontinuities of my own life to that point. I have also found that this model has significantly helped a number of my clients undergo significant personal transformations, leading them to new and more effective ways of leading and becoming ‘New Leaders’.

In essence the model suggests there are Developmental Stages of Meaning Making which determine a leader’s capacity to respond to increasing levels of uncertainty and complexity and to do so in creative and life giving ways that provide the possibility of new types of leadership. The model was derived from the original research of Jane Loevinger, Bill Torbert, and Susanne Cook-Greuter. Loevinger developed a measure of ego development named the Washington University Sentence Completion Test. The WUSCT was later amended and subjected to field research by Bill Torbert (1987) and Susanne Cook-Greuter (2004).

These Developmental Stages were then adapted by Torbert & Rooke and described as shown in the table below:

The seven leadership stages

Leadership Stage	Characteristics	Strengths
Determined by level of meaning making		
Opportunist 3% of population Conventional	<i>Takes advantage of the situation. Wins any way possible.</i> Self-oriented; manipulative;	Good in emergencies and unexpected opportunities.
Diplomat 11% of population Conventional	<i>Avoids conflict.</i> Rarely rocks the boat.	Good at bringing and keeping people together.
Technical Expert 37% of population Conventional	<i>Rules by logic and expertise.</i> There is an answer and if I don't have it someone else will.	Good problem solver, especially in challenging technical situations.
Achiever 30% of population Conventional	Effectively achieves goals. Can handle complicated but not complex.	If you want something done give it to this person. Action and goal oriented.
Individualist 11% of population Post Conventional	<i>Heightened awareness of the complexity and systemic nature of situations.</i> Increasing awareness of self as an integral part of the system and role in creating the system as it is. Starting to reconcile humility with power and mutual learning.	Can be effective in new initiatives and change roles. Brings a fresh perspective (not always welcome to people at Conventional Stages).
Strategist 5% of population Post Conventional	Conscious of own transformational process. Can lead effectively through the power of mutual inquiry, and not knowing in the face of uncertainty.	Effective in major change roles
Magician / Ironist 2% of population Post Conventional	<i>Initiates whole system and social transformations.</i>	Good at leading whole system transformations.

Adapted from Torbert & Rooke (2005). "The Seven Transformations of Leadership"

Recent research on these leadership stages has further revealed that organisations attempting to transform themselves require the presence of leaders who profile at the Post Conventional stages within their governance structures. The research has gone so far as to predict that organisations will not be successful in change or transformation projects if only the earlier Conventional Stages are available in the governance structures. Perhaps the distribution of profiles - i.e. 82% Conventional and 18% Post Conventional - goes some way to explaining the unexpectedly disappointing results of many corporate transformation projects. (Blanchard 2010)

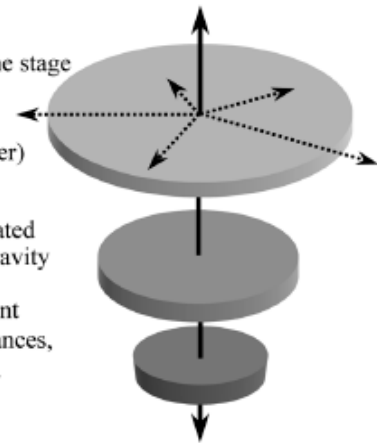
An important feature of the Leadership Stages Model is that to move from an earlier stage to a later stage requires a distinction between horizontal and vertical learning, as shown in Figure 1.

Figure 1 Lateral or horizontal growth and vertical transformation

Horizontal = expansion at same stage
(developing new skills, adding information & knowledge, transfer from one area to another)

Up = Transformation, vertical development, new more integrated perspective, higher center of gravity

Down = temporary or permanent regression due to life circumstances, environment, stress and illness.



Source: Cook Greuter, S.R. (2004). Making the Case for a Developmental Perspective
Industrial

My disappointment with the 'Key Themes Symposium' presentation on Leaders and Leadership Development outlined earlier in this paper was that it appeared to cover material on the horizontal plane, with little or no evidence of vertical development by the business school sponsoring their lecturers over the last forty five years.

A further question arising from this distinction between vertical and horizontal learning is:

"To what extent do we as coaches make this horizontal / vertical distinction in marketing ourselves, our contracting processes and our work with clients?"

In my experience of contracting for coaching work over the last twenty years or so, I have found that the majority of clients have been seeking more and more refined approaches to horizontal development in an effort to further develop the fundamentally Extractive 'plan, predict, control' paradigm that still underpins most organisations. In the absence of the Leadership Stages model, they have been unable to see how their existing levels of meaning making limit them to the world of horizontal development. This denies them the possibility of vertical development that would allow the changes and transformations they say they want to make. I am, however, becoming aware that over the last three to four years there appears to be an increasing openness to vertical learning. Could this be driven by the significant and increasing number of institutional failures that are an ongoing feature of our daily news?

Navigating into the future

All good maps and models are useful devices to at least work out where you are before heading somewhere else. I have found the Leadership Stages map useful for triggering vertical development, particularly for asking clients "Do you want to navigate this issue at the Conventional or the Post Conventional level?"

I have also found that Mindfulness and Meditation (e.g. de Vries 2014) can support vertical development, as these disciplines help an individual find a centred and reflective place from which they can see more clearly and reflect more objectively on their current mindsets and levels of meaning making in action. As de Vries says in his book, "Good leadership coaches take people where they want to go. Great coaches however will take them to undiscovered shores". (p21 Mindful Leadership Coaching).

I have been particularly pleased to note that Harvard Business School have commenced a “Mindfulness for Leaders” programme, and I am left wondering what might have happened to the Royal Bank of Scotland if Fred Goodwin had undertaken such a Mindfulness Programme.

Further developments in the connections between mindfulness and leadership development are occurring under the heading of Spiritual Intelligence defined as the “Capacity to act with Wisdom and Compassion no matter what the circumstances” (Mackey & Wigglesworth, 2012: SQ21). Some very interesting research recently published by Cindy Wigglesworth shows a very clear and significant correlation between Spiritual Intelligence (as measured with her SQi indicator) and the Leadership Stages of Meaning Making model outlined above.

Reflecting back on the title of this paper (*New coaches needed: evidence of vertical development required*), my view is that the Leadership Stages model provides one map (and I’m sure there are many others) for helping us coaches find and support the emergence of New Leaders who are able to lead in creative and adaptive ways inside the financial, economic, ecological and political challenges of an increasingly VUCA (Volatile, Unpredictable, Complex and Ambiguous) world. It is my contention that these new leaders may well benefit from a development process that supports them in moving vertically towards an ability to operate at the Post Conventional levels.

A challenge for coaches

The framework does suggest a challenge for coaches wishing to support and develop New Leaders at the Post Conventional stages: a coach needs to be at least one stage higher in their own development in order to coach others to the next stage. For example, a coach would need to be at Individualist / Strategist level to coach a client from an Achiever to Individualist level, and so on. In support of this thinking I am aware that a recommendation has recently been made in the UK’s senior civil services leadership programme to find and provide access to Post Conventional coaches.

I would like to conclude with the challenge to us as coaches:

“Are we up for the job of supporting and coaching these New Leaders as we face the very real and increasingly visible challenges of the 21st Century, and how might we further develop ourselves to meet these challenges?”

Anyone considering this question might also care to address:

1. What other models and frameworks are coaches using that distinguish between horizontal and vertical development, and is there an emerging consensus leading to similar insights?
2. What stories, publications and research do we have that could provide living examples of these various models and frameworks in action?
3. What might the distribution of Conventional / Post Conventional capacity be in the UK coaching community, and what would that mean in terms of further developments in this community?

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About the author

After twenty four years of coaching senior executives and leaders in the UK, Europe and Australia, the question that keeps **Sol Davidson** (now in his 70s) going is "How is it that the cadres of MBAs and the legions of Graduates and Post Graduates from our most notable universities, who must by now exercise considerable influence in the Western World's Financial, Political and Commercial organisations, have produced and colluded with the levels of dysfunction we are currently experiencing?"

Sol's coaching uses a developmental model that clarifies clients existing level of development and opens the door to higher stages which significantly enables senior executives and leaders to create more resilient and coherent organisations better able to cope in a volatile, uncertain and complex operating environment.

Sol has degrees in Chemical Engineering, Business Administration, and Psychology and is a Fellow of the Association of Professional Executive Coaches and Supervisors and a Fellow of the RSA. You can contact Sol at sol.davidson1@gmail.com.