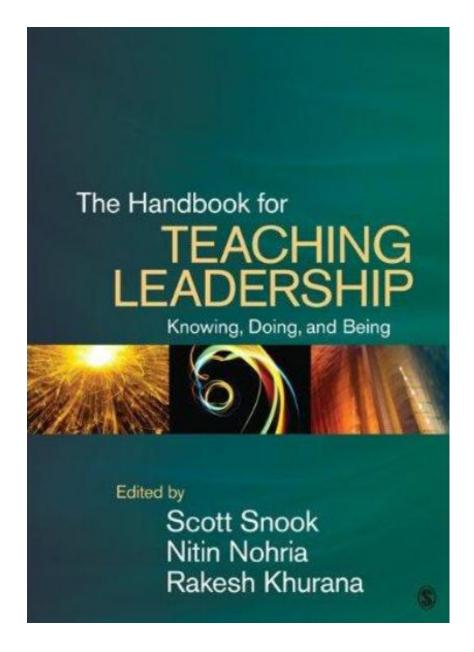
DEVELOPING INTERDEPENDENT LEADERSHIP

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Palus, C.J. McGuire, J.M, & Ernst, C. (2012). Developing interdependent leadership. In **The Handbook for Teaching Leadership: Knowing, Doing, and Being**. Scott Snook, Nitin Nohria, & Rakesh Khurana (Eds.). Sage Publications with the Harvard Business School. Chapter 28, pp. 467-492.

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DEVELOPING INTERDEPENDENT LEADERSHIP

 Charles J. Palus, John B. McGuire, and Chris Ernst

The Center for Creative Leadership

The most important challenges we face today are interdependent: They can only be solved by groups of people working collaboratively across boundaries. In this chapter we offer four practical arts for teaching and developing the forms of interdependent leadership required to meet these challenges. Behind these four arts is an ontology of leadership we refer to as the DAC framework, based in the three essential leadership outcomes of shared direction, alignment, and commitment. DAC is produced (that is, leadership can be created) through three epistemologies, the leadership logics of dependence, independence, and interdependence. The four arts represent the four social levels at which people create shared DAC: society, organization, group, and individual (the SOGI Model). All four levels are engaged in developing interdependent leadership. The first art is developing leadership from the inside-out, working with the subjective meaning-making (the core values, beliefs, identity, emotions, intuition, imagination, and leadership logics) of each individual. At the group level, the art is boundary spanning across horizontal, vertical, demographic, geographic, and stakeholder boundaries. At the organizational level

the art is *creating headroom*, working with the required time, space, risk-taking, learning, and modeling to "lift up" the entire *leadership culture* to a new order of thought and action. Finally the art of *dialogue* in society and across all the SOGI levels uses collaborative inquiry and creative conversations to create wise and effective direction, alignment, and commitment about the challenges that matter most.



Introduction: A Declaration of Interdependence

We hold this truth to be self-evident: The natural world, our lives, our work, and our collective well-being are *interdependent*. Everything is, or will be, connected.

In 1998, Pulitzer prize-winning Harvard biologist E.O. Wilson revived the concept of *consilience*: Knowledge on all subjects is fundamentally unified. The enlightenment thinkers had it right in knowing a lot about everything, he argued. Today's specialists know a lot about a little—a counterproductive approach in a world where science and art and everything in between stem from the same roots and grow toward the same goals. The issues that vex humanity can be solved only by integrating fields of knowledge.

Only fluency across the boundaries will provide a clear view of the world as it really is, not as it appears through the lens of ideology and religious dogma, or as a myopic response solely to immediate need. (Wilson, 1998)

Advances in Internet and collaboration technologies have dismantled many of the physical boundaries that once prevented people from working together. Yet, as physical boundaries are removed, the boundaries that still exist in human relationships remain, in sharp and jagged relief. Against this shifting leadership landscape the enormous challenges we face—climate, war, disease, prosperity, justice—can only be solved by groups working collaboratively together (Johansen, 2010).

We need a new kind of leadership, one more concerned with solving big

challenges for all our futures than with winning the next political battle that the other group loses. We need a *declaration of interdependence* (McGuire, 2010).

It's already happening. In the world today there is an evolution in leadership thought. Leadership is increasingly becoming a process shared by people throughout an organization or society rather than a responsibility of just a few individuals at the top.

Intentional transformation to a leader-ship culture of interdependence is feasible under the right circumstances. The United States began as a *dependent* culture—a group of colonies under the authoritarian rule of the king. Rebelling against this oppression, colonists developed more *independent* minds. The U.S. Constitution expresses a form of *interdependence* that uses authority and compromise as tools within a broader vision of collaboration, new frontiers, and further transformation.

Collaborative work uses dialogue, not debate, to understand deeply the challenges we face. Collaboration generates multiple options and integrates the best ones into sustainable solutions. Compromise gives us incremental progress and there is a role for that. Collaboration is a creative process that combines perspectives into something new.

So how do you teach that? How can interdependent leadership be developed?

This chapter explores the theory and practice of effective leadership education and development in an increasingly interdependent world.

We begin by rethinking the source of leadership. Instead of thinking of leadership capability as located only within individuals, we also think of it within a much larger domain—as people together creating shared *direction*, *alignment*, *and commitment* (DAC) in all sorts of interesting and potentially generative ways. In our own research and practice over the last twenty years, this has been a liberating idea, opening the door to new possibilities for developing more collaborative, connected, adaptive, and vital—*interdependent*—forms of leadership.

The practices by which people create shared direction, alignment, and commitment can be observed at four levels within a continuum described by the SOGI Model—society, organization, group, and individual. SOGI (pronounced SO-jee) specifies the sources of leadership—that is, the beliefs and practices that result in DAC—and the levels necessary for evaluating the outcomes of leadership development (Hannum, Martineau & Reinelt, 2007; Martineau & Hoole, in press; Wilber, 2000; Yammarino & Dansereau, 2008).

Our aim in this chapter is to support real-world change through leadership development. We explore the feasibility for developing more advanced leadership cultures. We describe four practical arts for leadership development, keyed to SOGI, and how to use them in moving *toward* (not always *to*) interdependent leadership.

The first art is *dialogue* in society, using collaborative inquiry and creative conversations to create wise and effective direction, alignment, and commitment around the challenges that matter most. The second art is creating headroom at the organizational level, working with the required time, space, risk-taking, learning, and modeling to "lift up" the entire leadership culture to a new order of thought and action. At the group level, the art is boundary spanning across horizontal, vertical, demographic, geographic, and stakeholder boundaries. Finally there is the art of developing leadership from the inside-out, working with the subjective meaningmaking (the core values, beliefs, identity, emotions, intuition, imagination, and leadership logics) of each individual.

A New Ontology of Leadership

How one teaches or develops leadership depends on one's ontological commitment, that is, on what one believes leadership to be at its foundation. Historically the field of leadership has been committed to a foundation that Warren Bennis refers to as a *tripod*: "a leader or leaders, followers, and a common goal they want to achieve" (Bennis, 2007, p. 3). This commitment typically results in a focus on developing the character, competencies, and skills of individuals in "leader" roles. Much good has come of this commitment, and yet it is has become limiting to those seeking paths to more interdependent leadership.

We work from a leadership ontology in which the essential entities are three *outcomes*: (1) *direction*: widespread agreement in a collective on overall goals, aims, and mission; (2) *alignment*: the organization and coordination of knowledge and work in a collective; and (3) *commitment*: the willingness of members of a collective to subsume their own interests and benefits within those of the collective.

With the tripod ontology, it is the presence of leaders and followers interacting around their shared goals that marks the occurrence of leadership. With an outcomesbased ontology, it is the presence of direction, alignment, and commitment (DAC) that marks the occurrence of leadership. From this ontology we obtain two useful definitions: *Leadership* is the production of direction, alignment, and commitment. *Leadership development* is the expansion of a collective's capacity to produce direction, alignment, and commitment (Drath et al., 2008).

SŌGI

The capabilities for producing DAC reside within and across the four levels of social scale previously introduced as SOGI: society, organization, group, and individual. The *societal* level includes relationships

among organizations and their value webs, entire fields and industries, regional cultures, and global society (Ospina & Foldy, 2010 Quinn; & Van Velsor, 2010). The organizational level includes multi-part organizations and communities. The group level includes smaller sub-collectives such as divisions, functions, teams, workgroups, and task forces. The individual level addresses the personal domain, including the qualities and subjective viewpoints of individual leaders, followers, and members.

These four levels represent a continuous spectrum of human activity. One level shades into the next, and all levels can be identified as vital in any scenario in which DAC is produced. SŌGI helps us embrace the entire domain of leadership and its impacts, including yet going beyond the individual leader. Our research and experience suggest that attention to processes and outcomes at all four levels are necessary for developing interdependent leadership.

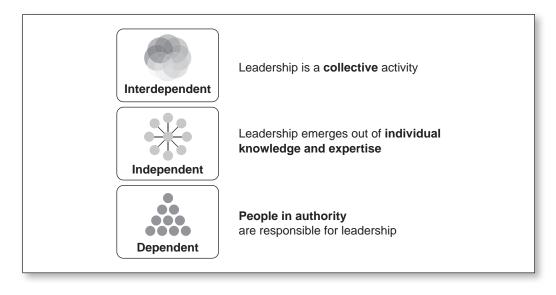
THREE LEADERSHIP LOGICS

Put a large assortment of people in a room and ask them to describe effective leadership. You will get three types of replies, signaling three underlying leadership logics (McGuire, Palus, & Torbert, 2007). Each is a comprehensive way of "knowing leadership," an epistemology for knowing what DAC is and how it is produced (Drath, 2001; McCauley et al., 2006). We call these three leadership logics Dependent, Independent, and Interdependent (Figure 28.1).

Constructive developmental psychology shows that people grasp these logics in a lifelong sequence, as stages of development. Each stage represents a transformation in epistemology. Later logics are more complex. They can successfully embrace more environmental complexity, in part, because they have the advantages of altitude and hindsight. Later stages transcend and include the earlier stages, which remain available as "objects" or tools within the new more comprehensive logic (Cook-Greuter, 1999; Kegan, 1994; Torbert, 2004; Wilber, 2001). One cannot be intentionally interdependent without first having absorbed the basic lessons of dependence and independence.

The three leadership logics can be seen as operating at and shaping each level of SOGI. For individuals, the logics are expressed by how one relates to others and gets work done. For groups, it shows up as

Figure 28.1 The Three Leadership Logics



behavioral norms about power, control, and inclusion. At the organizational level, the logics shape the leadership culture, that is, the enduring pattern of shared beliefs and practices. At the level of societies, the advance of civilization itself depends on first attaining, then transcending, the logic of dependent leadership (Fukayama, 2011; Turchin, 2007).

We believe that the leadership cultures of groups and organizations, being the huge, operational "middle" of SOGI, are critical in this shift toward interdependent leadership. Let's look at what we mean by leadership culture.

Understanding and Transforming Leadership Culture

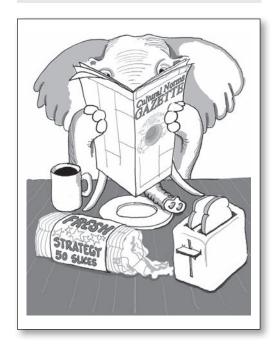
"This was as traditional a culture as you could find. In a couple of years we have started changing the culture from comfort and conformity to responsibility, commitment and interdependence. Our results have gotten better in a tough period of the economy."

—Vance Tang, CEO, KONE Americas

Culture matters. Culture sets norms on everything in an organization: how to share bad news, whether to take risks, whether and how people are developed and promoted, how people interact with one another, how problems are solved. When people say "it's just the way things are around here," they're talking about culture (McGuire & Rhodes, 2009).

Where strategy meets culture, culture always wins (see Figure 28.2). Organizations seeking to grow and adapt in the face of complex challenges in turbulent times—like now—cannot get there by the purely technical approaches of restructuring and reengineering. Lack of culture development is why 66 percent to 75 percent of organizational change initiatives fail.

Figure 28.2 Culture Eats Strategy for Breakfast



Leadership culture is the self-reinforcing web of individual and collective beliefs and practices in a collective (group, organization, community, etc.) for producing the outcomes of shared direction, alignment, and commitment.

Beliefs unconsciously drive decisions and behaviors, and repeated behaviors become leadership practices. Leadership cultures can be understood in terms of the three essential leadership logics (Figure 28.3) as they guide collectives of people creating direction, alignment, and commitment (Drath, Palus, & McGuire, 2010).

Dependent leadership cultures are characterized by practices driven by the belief that only people in positions of authority are responsible for leadership. This assumption may lead to organizations that emphasize top-down control and deference to authority. In general, dependent cultures can be thought of as "conformer" cultures.

Independent leadership cultures are characterized by practices driven by the belief that leadership emerges from a variety of individuals based on knowledge and

Figure 28.3 Three Forms of Leadership Culture

| Ag Ag Ag Ag authe | Direction Alignment Commitment How will we decide on a shared direction? How will we coordinate our work so that it fits together? How will we maintain commitment to the collective? | Agreement on direction is the result of shared exploration and the exploration and the emergence of new system-responsible people. | Agreement on direction is the result from the result of discussion, the result of discussion, megotiation among mutual influence, and compromise. | Agreement on direction is the results from the result of willing compliance with an authority. Alignment results from commitment results from loyalty to the source of authority or to the system. |
|-------------------|---|--|---|---|
|-------------------|---|--|---|---|

expertise. This assumption may lead to decentralized decision-making, high demand for individual responsibility, and competition among types of experts. In general, independent cultures can be thought of as "achiever" cultures.

As with dependent leadership cultures, there are limits to the capability for independent leadership cultures to produce DAC. When the clients or customers of such a collective demand more fully integrated service across the various disciplines and areas of expert knowledge, the value of maintaining independence is called into question. When the environment in which the collective operates grows in complexity beyond the scope of any given area of expertise, negotiation and compromise may not produce the degree of integrated action needed. A deeper sense of togetherness—interdependence—is required.

Interdependent leadership cultures are characterized by practices driven by the belief that leadership is a collective activity that requires mutual inquiry and learning (McCauley et al., 2008). This assumption may lead to the widespread use of dialogue, collaboration, horizontal networks, valuing of differences, and a focus on learning. In general, interdependent cultures can be thought of as collaborative cultures. Other characteristics associated with interdependent cultures include the ability to work effectively across organizational boundaries, openness and candor, multi-faceted standards of success, and synergies being sought across the whole enterprise. Interdependent cultures are successful in adapting to rapid changes in which it is necessary to work inter-systemically, internally as well as with external partners and collaborators across the value web.

As with individuals, leadership cultures gain capability as they ascend from dependent to independent to interdependent. Each stage is more capable of dealing with more ambiguity and complexity than the previous one. The rule of transcend and include applies: The previous stage is included in the capability of the new one. Like climbing

stairs, each step remains as a platform as we take the next one.

It's easy to be carried away by enthusiasm for interdependence as ideal for every case. It's not. There are highly successful dependent, independent, and interdependent organizations in business, government, and NGOs. Pockets of dependent, independent, and interdependent environments can and do exist in all organizations. Even a predominately interdependent culture, unless it is a small group of likeminded individuals, is likely to exhibit all three leadership logics. For example, an organization that provides mental health services might exhibit a dependent culture in its support staff, an independent culture among its case workers, and an interdependent culture in its relations among these parts and with external stakeholders.

With only a small fraction of individuals and social systems measuring at the interdependent stage of development (Kegan, 1994; McCauley et al., 2006; Torbert, 2004), leadership development requires meeting people where they are. Often the starting place is a *dependent* epistemology and the first stage of the journey is toward *independence*.

FOUR ARTS FOR DEVELOPING INTERDEPENDENT LEADERSHIP

Each level of SOGI provides leverage points for development. There are particular arts, or practices, for working well and wisely at each level. We describe four such arts, one at each level. We have found these four to be essential for teaching and developing interdependent leadership.

Think of the SOGI levels as like nested "Russian dolls," with society on the outside, surrounding everything, and with the individual at the core (Figure 28.4). The Western tradition of leader development (based in the tripod ontology) is to begin with the individual and work outward. The Eastern tradition says that society determines the individual. An integrated

Society: the art of dialogue

Organization: the art of headroom

Group: the art of boundary spanning

Individual: the art of inside-out development

Figure 28.4 Four Arts for Developing Interdependent Leadership

approach, using the four arts, works at multiple levels at the same time. Here, we discuss the arts in the SOGI order, starting with society, a gentle breaking of the honorable but limiting Western habit of "starting with the individual." At the same time the Russian doll analogy reminds us that people inhabit each level. People create DAC. People make it all work.

THE ART OF DIALOGUE

In conversations at all levels of society (in which direction, alignment, and commitment are created), conflict and misunderstandings abound. The practices of dialogue offer a variety of ways to reflect on unquestioned assumptions and difficult topics, and to find common ground and new frontiers amid seemingly vast differences. In dialogue, people learn to ask more and better questions, pay more careful attention, and explore the perspectives of others. Dialogue helps explore "hot spots" (conflicting or polarizing points of view) without smoothing them over, in a way that builds shared meaning (Beer & Eisenstat, 2004; Bohm, 1990; Dixon, 1998; Isaacs, 1999; McGuire & Palus, 2003;).

This is a tall order. Dialogue can be difficult to teach or facilitate. We have found an approach that usually works well, at least as a starting place. We call this methodology mediated dialogue, or putting something in the middle (Palus & Drath, 2001). What is put in the middle of the conversation, initially, are two kinds of things: first, a shared challenge with associated questions, and then, some tangible objects used to explore the questions. The objects serve as metaphors and symbols. They can be artifacts, souvenirs, mementos, or representations. The objects are also places to project and then explore feelings, viewpoints, and responses to the questions. Each object creates an inviting and playful right-brain focus for attention, imagination, story telling, perspective taking, and co-inquiry. Emotional hot spots are projected onto the objects, and channeled through the metaphors, rather than being pointed directly "at" others. It helps that people are physically handling the artifacts in the here and now. When people have experienced dialogue this way, they can then be coached to generalize from the tangible objects to abstract "objects" in which the "something in the middle" is the problem or challenge itself.

Photographic images are ideal objects for conducting mediated dialogue. We have invented a tool called Visual Explorer for this purpose, but almost any diverse and interesting photo collection can work (Palus & Horth, 2002, 2007, 2010). Images in the middle help people connect across all kinds of boundaries including differences in spoken language and national culture. We like to tell the story of the blind man who participated in such a dialogue—and became a leader for that period—by hearing descriptions of the images, asking questions, choosing one, and engaging the metaphors verbally and through the mind's eye.

The art of dialogue became a cornerstone for our work with Lenoir Memorial Hospital. Lenoir is a regional hospital facing enormous challenges, including new for-profit competitors, rapidly advancing technology, and large shifts in patient demographics. The hospital was limited by their largely dependent culture, based in conformance to rules and regulations, with a steep management hierarchy. Some subcultures had developed more independent mindsets: doctors, nursing, and hospital operations all had their own different right answers, but none of them really understood the others.

Our work with Lenoir focused on helping to evolve their leadership culture toward collaboration and agility. We began with the senior leadership team, who labored with a host of unexamined issues. In one session we shared organizational survey data including the Denison Organizational Culture Survey (Denison, 1997), a team survey, and a customized questionnaire. To help them process the data and get past their deference to authority and risk-avoidance, we used Visual Explorer. The were able to explore their dilemmas, surface the strong emotions they were biting back, tell the truth, and get to the root of things.

Here's how we did that.

First we asked each team member to make notes about two questions: What stands out for me in the data? What creative competency do I personally bring to

the challenges we face? Next, we asked each person to choose two Visual Explorer images (which were spread around the room). One image was to represent or illustrate their answer to each question. Then, we asked them to look closely at each image and write down their answers and insights. During this entire process we played instrumental jazz and asked them not to talk. Right brain thinking kicked in. They relaxed a little. Finally the entire group sat in a circle, no table. Each person first described the image itself, then talked about why they picked the image and what it meant to them. To each image, the others responded with their own observations of the image, and their own connections and meanings given the question. Typically, and often profoundly, one person saw something in the image no one else has noticed. With each image, and question, it was clear that there was more than one valid perspective and more than one right answer. What stood out for this group was: possibility . . . core values . . . upward energy . . . and also . . . disconnection . . . dissonance between senior managers and directors . . . a thread of fear and blame in the interviews.

After using the images, they continued in the deepened conversation. They gave and received feedback from each other on specific behaviors. A senior member of the clinical staff faced up to a powerful operations manager. An HR person bravely and fearfully challenged the CEO's assumptions. The objects in the middle—the images—leveled the playing field and enabled collaborative conversation. In what turned into a raucous expression of relief, they named all the "sacred cows"the nagging issues that bothered everyone and yet had previously been undiscussable. This experience launched the change leadership team into its pursuit of a collaborative, customer-focused hospital.

The other question we posed and talked about—What creative competency do I personally bring to the challenges we face?—supported an appreciative and optimistic

outlook in the conversation, and points directly to the *art of inside out*, to which we will return shortly.

Afterward, we made a slide show of the images overlaid with key insights in their own words. We played it the next morning to remind them of the process and insights (Figure 28.5, the theme of fear). Because this client is a long-term partner, they have reviewed these graphics on multiple occasions to reflect on their journey.

The immediate outcomes were greater trust and openness. The practice of dialogue spread to include everyone in the hospital, and eventually included patients and families, partners, suppliers, neighbors and community—their "society." For example, one director said the Patient Safety Committee "would have been just one more committee, playing it safe, and everybody deferring to who's in charge. Instead we tried collaborating. Now, people from different functions trade the chairman role.

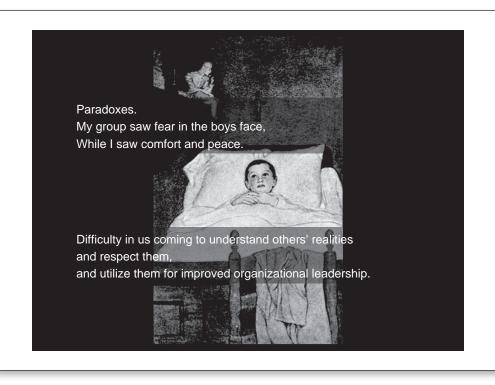
Everybody owns all the problems, there are no priority silos. Conflict is okay now. We often ask ourselves, 'Is there more than one right answer?'—that works!"

THE ART OF HEADROOM

Headroom is our term for the time and space created to enable people to begin to think and act differently, together, in service of intentionally developing the leadership culture. Headroom allows people, as they work together, to grow a bigger mind—to embrace the larger and more complex leadership logic of interdependence. Headroom means raising the ceiling of potential, making room for new actions, thoughts, and beliefs.

Developmental stages tend to be self-reinforcing, and therefore stable. For example, authoritarian beliefs tend to beget the same, and a dependent leadership culture

Figure 28.5 An Artifact From Mediated Dialogue Using Visual Explorer



A key practice is public learning. Moving expressly beyond the rules of the current culture, leaders practice taking risks in groups and public forums. They discuss mistakes, aspirations, flaws, and barriers. Undiscussables (Argyris, 1990) become discussable.

When Louis Gerstner transformed IBM from its silos and fiefdoms, he didn't do it just one leader at a time. He created headroom for integration around customer needs. For example, he challenged the company's top two hundred executives to reach out to at least five customers for face-to-face, problem-solving visits. Moving into the discomfort and vulnerability of direct contact with customers revealed the need for a services-led, customer-focused culture. As he later said, "I came to see in my time at IBM that culture wasn't just one aspect of the game. It is the game" (Gerstner, 2002).

Sustained development toward an interdependent culture requires a vanguard of interdependent individuals, and those who seek to be. Transformation, and headroom, requires players in key positions. C-suite executives must "go first" to enact the desired leadership culture. Change in the culture depends on this group getting on board early, raising their own levels of development, learning from their own successes and missteps. They must practice learning in their own teams before taking it to the middle to engage the entire organization in more interdependent ways.

Our client KONE Americas provides a good illustration.

For nearly one hundred years, KONE has been a global leader in the elevator and escalator industry. In 2007 KONE Americas was fourth in the industry, with great opportunities to improve, and focused

more on internal operations than customer needs. What most alarmed new CEO Vance Tang was the general acceptance with being a market follower. He expected more—and he viewed leadership development and culture change, ultimately focused on the customer, as the best way to get there.

KONE Americas is now in transformation toward interdependent leadership.

The CEO and senior vice president of human resources at KONE talk about the importance of a journey versus a set of programs:

SVP HR Chuck Moore: "I was charged as the HR leader to build this so-called program—the roadmap. I was quite certain that I knew the answer in terms of the training plan and program around leader development. But as I listened to CCL talk about leadership strategy and transformation I had an epiphany. I realized that we're not talking about a program, or even about HR owning the development. For this to work, our senior leadership had to own it. Our executive team had to design and to develop and to deliver this experience and development opportunity with our people. This was really different and all about the culture journey."

CEO Vance Tang: "I was comfortable that we didn't have a clear path that I could share with my colleagues and peers about how we were going to achieve this because I knew the team had to take ownership of the ideas and approach. We had to appreciate that changing ourselves came first in changing the culture. We had to slow down to power up. We had to experience change together, within our team first. So we changed how we worked together. That was a huge step for us because we were very operationally focused. We knew how to get things done, but we needed to be more strategic. This was different. We had to discover, collectively, together, interdependently. We had to become a true high-performing team."

In our initial multi-day engagement with the KONE Americas executives we facilitated a discovery process. Working

side by side with them, we assessed their strategic needs and alignment, measured the culture, introduced the art of dialogue, and tested their ability and willingness to engage in making headroom. In their fourth dialogue, on the last day, they raised the ceiling and began to put previously undiscussed but important issues on the table. They took personal risks, built trust, re-aligned team process, and made commitments about new collaborative ways of working.

A few months later CCL facilitated the annual meeting of the top one hundred leaders. For one session we used the fishbowl tool. The executives sat in a small half-circle in the middle of the meeting and talked to one another about their own experiences so far in experimenting with dialogue. The rest of the top one hundred observed the discussion and then talked about what they heard. The fishbowl format is a small and concentrated example of what it's like to make headroom. The benefit of the fishbowl is to expose only a few senior people to the risks of public learning. Thrilling to some, confusing to many, the executives introduced this process in the earliest phase of transformation to set new expectations.

By the next year's top one hundred meeting everyone had advanced well beyond confusion and awkwardness. KONE's leaders had accepted new learning tools and understood how new beliefs and practices would advance the culture.

During that year the CCL team became true partners with the top team. In monthly executive meetings, our role was to observe, reflect, and facilitate leadership development within the context of business issues.

By mid-year the team had skillfully developed collaborative mindsets. They practiced both-and thinking, well beyond their previous either-or, achiever orientation. They moved from focusing on dozens of operational initiatives to placing emphasis on a few strategic areas key for the enterprise. They expanded participation to include non-executive players into the

strategy teams. It is noteworthy that the CEO chaired the strategy team that became the focus for developing the leadership culture and capability.

They initiated the development of core beliefs as a platform for building enterprise wide headroom. For example, their customer-driven belief was defined as *customer-driven*:

We consider the customer first in every decision we make and everything we do. We actively work to understand our customer's needs and desires. We serve our customers the way they want to be served, with impeccable integrity. We are each 100 percent responsible for customer satisfaction and outcomes. We collaborate to deliver the best services and solutions for every one of our customers.

After a year's work, KONE was ready to take headroom into the middle of the organization. Realizing that their technicians held 70 percent of customer relationship time, these senior leaders initiated engagement with all branches. During one meeting, for example, the regional SVP used dialogue and storytelling to create headroom for public learning. Several seasoned mechanics told safety stories: "They used to just give us a bag of safety stuff, but now they tell us what it is and how to use it, and they follow-up, they ask on the job, 'where are your gloves and glasses?'-you can tell they really care about this, now that they believe in it."

The SVP engaged the technicians: "You—everyone of you in this room all have authority, my complete authority to stop work anytime you believe you are in unsafe conditions . . . do you hear this? You can stop work anytime! (rapt attention, heads nodding, verbal affirmations). . . . and just as you are now responsible for these collaborative behaviors—so am I. If you see me or any of our senior leaders not living these beliefs, I invite you to call me on it—let's have a discussion. We can talk about this anytime."

Leader development often focuses on individuals with the most authority and power. The development of interdependence calls for more, because by definition an interdependent leadership culture potentially includes everyone in the organization. As culture change proceeds, the development of individuals with the most authority and power becomes just one facet of a comprehensive transformation of the collective beliefs and practices.

In creating headroom at KONE Americas it took the executive team only a few days to commit to developing a "slow down to power up" mindset, and a few more days to agree on core beliefs. It took another year to learn, practice, and transform into a strategic, collaborative team while engaging the top hundred leaders. Now, the headroom at the top is extending deep into the organization. As a result, during one of most challenging economic environments in history, customer satisfaction has more than tripled, employee engagement has increased by over 30 percent, and the financial results improved dramatically. KONE's top priority of employee safety has reached industry leadership levels (McGuire & Tang, 2011).

THE ART OF BOUNDARY SPANNING

Within the vast domain of SOGI are many social boundaries. Boundaries can separate people into groups of "us" and "them," resulting in conflict, and the fragmentation of direction, alignment, and commitment. Boundaries can also be frontiers with fertile intersections that lead to new possibilities.

The art of boundary-spanning can be taught. Recent research shows that effective boundary-spanning leadership is possible with the right frameworks, strategies, practices, and tactics (Cross & Thomas, 2009; Ernst & Chrobot-Mason, 2010; Ernst & Yip, 2009;). There are five kinds of social boundaries to consider:

Vertical: Rank, class, seniority, authority, power

Horizontal: Expertise, function, peers, competitors

Stakeholder: Partners, constituencies, value chain, communities

Demographic: Gender, religion, age, nationality, culture

Geographic: Location, region, markets, distance

Effective spanning is accomplished through six practices within a sequence of three strategies (Figure 28.6). The objective, in leadership terms, is the creation of direction, alignment, and commitment across boundaries in service of a larger vision or goal.

Our team at CCL facilitated a series of leadership development experiences culminating in a boundary-spanning workshop between the senior leadership teams of two very different government departments. Let's call them the Department of Blue and the Department of Green. These two teams and their organizations—with very different leadership cultures—were just beginning an important and urgent joint mission.

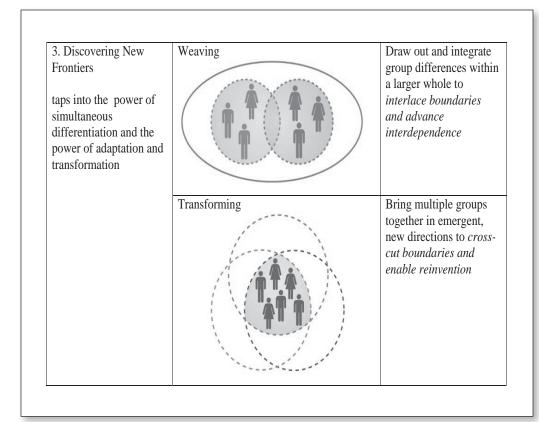
There were three main objectives for the participants:

- 1. Understand interdependent culture and boundary-spanning concepts.
- 2. Apply these concepts to develop a shared vision, common language, and unified set of goals and metrics.
- 3. Accelerate development of the interdependent environment between Blue and Green.

The design of the day-long session follows the sequence of the three strategies and six practices for boundary spanning, with Managing Boundaries in the morning, Forging Common Ground in the afternoon, and Discovering New Frontiers in the evening.

Figure 28.6 Boundary-Spanning Strategies and Practices

| Strategy | Practices | Definition (with outcomes in italics) |
|--|---------------|--|
| . Managing Boundaries aps into the power of ifferentiation and the eed for distinctiveness, ivergence and niqueness within roups Buffering | | Monitor and protect the flow of information and resources across groups to define boundaries and create safety |
| | Reflecting | Represent distinct perspectives and facilitate knowledge- exchange across groups to understand boundaries and foster respect |
| 2. Forging Common Ground taps into the power of integration and the need for unity, convergence, and belonging across groups | Connecting | Link people and bridge divided groups to suspend boundaries and build trust |
| | Mobilizing ** | Craft common purpose and shared identity across groups to reframe boundaries and develop community |



Prior to the day of the session, there was a period of *discovery* that included interviews and conversations individually and in groups with participants in order to clarify the history, present state, and the future desired states of the leadership cultures.

During the morning session, the design focused on differentiating the boundaries between the two organizations through the practice of buffering. The two groups (Green and Blue) were in different classrooms. The course of instruction was the same for both groups: "Today we begin by meeting in each organization separately in order to clarify and explore your unique organizational needs, cultures, and environments." A brief time was spent putting the idea of boundary-spanning leadership in a broader set of concepts including organizational transformation, strategic leadership, change management, and the three types of leadership culture.

The first activity involved creating a shared vision of achievement within each group. Each participant wrote a headline of an article they would like to see sixteen months in the future to highlight the positive results of their work together. The article could appear in any publication of their choice. The headlines and themes were shared and discussed. Later, when the Blue and Green groups came together in the afternoon, the headlines were posted for all to see.

The next activity further defined ("buffered") each organization. We used the Leadership Metaphor Explorer (LME) tool to explore the leadership culture each group currently has and what culture is needed in the future to achieve mission objectives. LME is a deck of eighty-three cards, each one containing a unique metaphor for leadership consisting of a drawing and a label (several illustrative cards are

depicted below in Figure 28.7). The cards are laid out on a table in the back of the room. Each person is asked to browse the cards and choose two that best represent their thoughts on two different questions:

First card: What is the leadership culture like now at the Department of Blue (or Green) as you face the challenges of implementing policy in this environment?

Second card: What will the leadership culture need to be like to achieve success in the next sixteen months?

Group members shared and discussed their "Now" cards, then their "Future" cards. After that, facilitators created a Power-Point collage of the thematic card images. For both the Blue and Green groups, the pattern of card selections reflected a desired shift toward more interdependent and collaborative leadership cultures.

The final morning activity presented the concepts, strategies, and practices for working successfully across organizational boundaries. Using the Boundary Explorer tool (a deck of twenty-one cards) we illustrated the boundary-spanning leadership model. Each group assessed their own

effectiveness in working across different kinds of boundaries. More specifically, they identified which boundaries they work across *Best*—i.e., vertical, horizontal, stakeholders, demographic, or geographic—as well as those they work across the *Worst*.

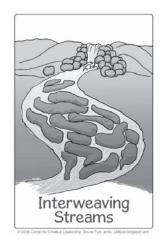
The "best and worst" self-assessments were revealing. The two groups were practically mirror images of each other. What Blue saw itself as worst in, Green sees itself best in—and vice versa. One important implication of this finding is that the strength of one could offset the weakness of the other when working collaboratively together.

Next, the Blue and Green groups turned to the practice of *reflecting*—to understand the inter-group boundary by sharing crossorganizational perspectives. For this, we used the technique of fishbowl dialogue. In this variation, the top leader of each group sat in the middle of the room along with a facilitator/interviewer. The focus of their dialogue was on key insights from the morning sessions: *How does each group view themselves and their leadership challenges?* All the others, from both of the groups, sat in an outside circle and practiced active listening. After twenty minutes, the two top leaders finished their dialogue

Figure 28.7 Sample Cards From the Leadership Metaphor Explorer







and become listeners and the dialogue shifted to all those who had been listening. The group talked about what they just heard from their top leaders, how they see themselves, and how each group now sees the other. It's often quite insightful to debrief the experience of the fishbowl itself: What was it like for subordinates to talk about what they heard from their bosses, in front of their bosses? What was it like to discuss your own group in front of the other group?

The next activity introduced the practice of connecting—suspending boundaries by building cross-organizational relationships. With the goal of sharing leadership commitments and building relationships, each participant was asked to take out the "future" Leadership Metaphor card they had selected earlier and "identify a leadership trait that represents your personal commitment to creating the future leadership culture. What is the type of leadership you will model for others?" An activity of "speed networking" followed in which participants used their card and trait as a way of introducing themselves to ten or so people from the counterpart organization in just ten minutes.

Next, Blue and Green were directed in the practice of mobilizing—reframing boundaries by crafting shared vision. Members of the Blue and Green groups were instructed to sit intermixed among tables. Each table was asked to create a vision statement about their collaborative work, encompassing the themes and patterns identified from both morning sessions. For reference, the news headlines from the morning are posted around the room. Each table group then wrote a single headline representing their vision and three metrics of how they would measure success in accomplishing the headline. Table representatives then provided brief reports to the others about their headlines/metrics.

The concluding activity of the session on forging common ground is introduced this way: "Given your shared headline, what are the challenges that might get in your way? What obstacles are you facing to creating an effective Team of Teams? Write all your challenges on the blank butcher paper [posted on walls]—everything that could potentially get in the way of realizing your headlines. Use direction, alignment, and commitment as a frame for the challenges." Once the challenges were posted, each participant voted (using sticky dots) for the "top three" challenges he or she viewed as most important. The six challenges receiving the most votes overall become the focus of the next session.

The final session was about the boundary-spanning strategy of *discovering new frontiers*. Two activities allowed participants to bring the maximum diversity of their experience and expertise to bear on developing innovative solutions in service of key challenges.

First, the groups focus on the practice of weaving-interlacing boundaries by combining unique experience and expertise in service of solving a joint challenge. In this activity, the top six challenges they just identified were posted next to six tables. Participants moved to the table that posed the challenge that interests them the most, while also maintaining mixed representation at each table. They were asked to write down ideas and innovative approaches to the challenge. In tenminute rotations, participants "table hopped" to build upon and add to the posted ideas—retaining one convener at each table. When time was up, everyone voted on the best near-term and long-term solutions for each challenge and the groups reported the results.

Using a similar process, Blue and Green explored how to span boundaries by reinventing external stakeholder relationships—the final practice of *transforming*. External stakeholders may include, for example, specific customers, suppliers, governmental agencies, NGOs, or partners in a value chain. The senior leaders of

Blue and Green identified six specific external stakeholders on which they wanted the larger group to focus. Repeating the table-hopping technique, participants went to a table focused on one particular external stakeholder (who are typically not in the room, but, depending on the design, they could be). They were told: "As a 'Team of Teams' what are your challenges in spanning boundaries with these external stakeholders? How could these challenges be transformed into new solutions? Move to a table with the particular external stakeholder that interests you the most." Facilitated to ensure mixed groups at each table, participants identify as many challenges as possible that are specific to that stakeholder group. They also identify as many solutions as possible, and a representative from each provides a brief report to all others on their favorite solution.

THE ART OF INSIDE-OUT DEVELOPMENT

The core Russian doll in the SOGI model is the individual person. There are two necessary and complementary ways to help people develop at the individual level. One way is to view people as resources with certain competencies and traits. This is an objective view "from the outside-in." Since the Industrial Age many organizations have focused on the outside-in dimension under the banner of scientific management. Another way is to engage people according to their core values, beliefs, identity, emotions, intuition, imagination, and leadership logics. This is a subjective approach starting "from the inside-out." Inside-out then becomes plural and cultural as people share experiences, beliefs, and values.

An outside-in perspective is full of objects and things. It's all stuff you can point to, including people. It is scientific and empirical. It is a comfortable zone for most of us, removed and manageable.

Inside-out is different terrain. Inside-out is the province of subjective experience. This internal territory feels private. The degree that we are unsure, unaware, or potentially embarrassed by it is the degree of risk and vulnerability we face in its exposure. You have to dive in without really knowing what lies under the surface. This inner self, times billions, is the engine of human creativity and progress in a complex, volatile, and uncertain world.

One of the most powerful ways of developing from the inside-out is through feedback intensive programs and processes (King & Santana, 2010). Individuals gain self-awareness of their beliefs and behaviors through their own active inquiry, within small groups, based on 360-degree feedback, personality assessment, experiential exercises, and coaching. Inside-out development only occurs if the outside-in pressures to conduct appraisal and advancement are removed.

Inside-out development occurs when individuals "learn to learn" the lessons of their own experiences and begin to internalize those lessons as a part of their identities (Yip & Wilson, 2010).

One of the most universal and effective ways we have found to learn the lessons of experience and practice the art of inside-out development is through storytelling. Stories build human connections, from the inside out. Storytelling is a remarkably portable and efficient method, quickly adaptable to almost any context.

Stories have the advantage of connecting with every level of leadership logic. Stories can convey norms and foster conformity. Stories are powerful components of individual identity and can foster independence. Stories reveal connections, complex relations, and transformation, and can foster interdependence. Stories can reveal the hidden dimensions of an organization and are essential for managing and leading change (Denning, 2000). Just as a tribe, village, or nation uses myths and legends to describe how and why transformation happens, leaders can craft stories

for the same purposes (Nissley, 2003; Sewerin, 2009;).

Noel Tichey, business professor at the University of Michigan, says that effective stories in leadership contexts answer three kinds of questions: "Who am I?" "Who are we?" and "Where are we going?" "Who am I" stories are the foundation for the other kinds of stories, lending them a core of values and beliefs. "Who are we?" stories are great for group retreats and times of planned reflection and re-aiming, re-enforcing shared identity. In organizations with strong leadership cultures, "where we are going?" stories are told and lived every day (Tichey, 1997).

In our workshops we use various kinds of developmental storytelling (Lipman, 1999; McAdams, 1997; Whyte, 2002). Developmental stories focus on incidents in one's own life that were moments of change or great insight—Who am I?

Here is one version that works well with a group that already trusts each other. Done near the beginning of a workshop, it helps people be present, and to ground them in their own gut-level, insideout experience of transformation. Eight to twelve people participate in each group and there can be several groups. The setup goes like this:

This is a way to get to know the people in your group (team).

This is a way for you to develop yourself as a transformative leader from the inside-out.

Each one of us has many experiences and memories that make us who we are.

I am going to ask each of you to think of a particular story of when you changed in some important way.

You are free to choose which story to tell, if any, and which parts. What is said in this room stays in this room.

In Round 1 share your story, two minutes each.

In Round 2 respond to one or more of the stories you just heard.

Let's find the stories. One will come to mind as the one you want to tell. Relax, pay attention to your breath and sit comfortably. Look back over the past ten years. Were there were any incidents in the last decade that were an eveopening moment, a time when your perception changed in any important way? [pause] Now go back another decade. Anything come to mind? [pause] Go back another decade, pause and check your memories. What was happening? [pause] If you can, go even further, into your childhood. You are young, with your family or friends. Something changed for you. What memories come in? [pause] Now zero in on one story. Recall in detail what happened. Who else or what else is there with you? What did you discover?

Each participant is asked to tell their story. Listeners, too, are guided. They are asked to quietly observe what is going on, giving the speaker your full attention. If distracted by their own thoughts, they are reminded to simply acknowledge it and go back to listening.

In one workshop with forty executives, this process brought out many stories, including:

- At twelve years old, I played in a soccer tournament. All my focus was to win, to be the best. We took second, and I saw a kid there with cancer. It really got my attention. My father was emotional—that was the only time I'd ever seen that. It gave me perspective and balance on what is really important in life.
- As a northern girl I spent summers with grandparents in the segregated south. They brought me to a swimming pool, and I thought how lucky we were to have our own pool. It was not until the end of summer that I learned why we could not go to the public, segregated pool.

• I learned about fear and love, both in just three hours. It was spring on the lake, we were kids, and without permission we took a boat out, way out. A storm came up and we lost control. We were stuck out there for a long time, really scared, not sure what would happen. When my father got to us he didn't say anything—but he got his hands on me—and he just held onto me in relief and love. I think about that now with my son.

We then ask people in each group to reflect on each other's stories—the emotional core, the images, the word choices and the values or beliefs that emerge. This group saw a few themes:

- The basic human connections that are made or missed, and the impact that has on our sense of self
- Failure and success, and the relativity of achievement in the larger context of life
- Judgment and forgiveness, and how beliefs and values shift over time as our experience changes our perspectives
- Compassion increases through trials, understanding emerges from tribulation

By hearing a little of someone's story you can see what drives them. This enriches a working relationship and establishes what we have in common.

What's your story? Who are you?

A CAVEAT

Feasibility for quickly adopting interdependent leadership varies tremendously. Most leaders would say that an advanced culture is desirable—but talk is cheap. It is essential to honestly judge the practicality of transformation toward interdependence.

For example, management-heavy, divisionalized hierarchies are often saddled with highly dependent leadership cultures. These organizations survive as conformancebased institutions, continue to dominate markets by their size or strong barriers to entry, or they become targets of consolidation. Senior executives reflect this conservative mindset of the organization and developing them is a long-term prospect. Inside-out practices are not tolerated. Boundaries are rigid. Headroom for new leadership logics does not exist. Dialogue exists strictly behind closed doors, and relationships to the broader society are transactional. Interdependent leadership is not going to be developed in such organizations anytime soon.

Within such cultures the most feasible approach is assist sub-cultures in exercising more achievement-oriented independent logics, tied to high priority deliverables. Tying change to specific outcomes will protect the "greenhouse" in which headroom for change is occurring.

PUTTING IT ALL TOGETHER

A hierarchy of cultures exists. Each successive culture is increasingly capable of dealing with complexity, velocity, and uncertainty. Each successive culture fosters "bigger minds" of the people in the culture. The first step in putting it all together is to analyze the gap between the current culture and the one required by the business strategy. This analysis examines the interplay between business strategy, leadership strategy, the few essential organizational and leadership capabilities. It also looks at the requirements of inside-out change leadership in balance with outside-in change management.

For example, questions about the leadership strategy trigger questions about the do-ability of the business strategy—which in turn triggers deeper inquiry about the leadership and organizational capabilities. What are the relationships between what we say we'll do and the realistic capability we have to do it? Can we actually execute this brilliant strategy with today's collective leadership mindset? Given our leadership culture what kind of DAC can we realistically expect? Are we setting ourselves up for failure? Should we re-think our strategy based on what's real to expect? Beyond the current strategy, it is essential to build the leadership capability necessary to not only meet rapidly evolving conditions, but also to anticipate the next emergent strategies.

By conducting this kind of *discovery* about themselves and the organization, senior leaders begin to test their headroommaking ability. They confront themselves around issues of ownership and the trust required to succeed in serious change efforts (Marshall, 1995, 1999). They begin to learn about the relationships between

collective leadership capability and key business requirements. This can feel like an overthrow of the ruling class to some. To others it means intentionally leading an enterprise transformation. One size does not fit all, and there are no reliable recipes. A contested "revolution" can drag on for years whereas the willing and ready transformers can often succeed more quickly. Thorough discovery at the front end can save a great deal of time and investment in the longer run. Discovery starts a learning process about the interrelated factors of change management and change leadership (Figure 28.8), which gains momentum as it spirals outward from senior leadership into the middle of the organization and beyond.

Once the hard work of discovery has taken place, the four arts can be adapted for all kinds of situations where development toward interdependence is desirable. As a practical matter, we spend much of

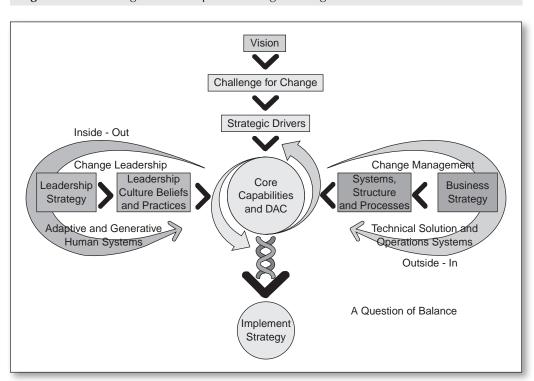


Figure 28.8 Change Leadership and Change Management

our time in mid- to large-size corporations, guiding and coaching our clients in change leadership. Our aim is to develop the kind of leadership culture required by the client's business strategy and to thus increase their probability of successful strategy execution. We, and our clients, are finding that most business strategies now require leadership development toward interdependence if they are to be successful. This is a practical pursuit requiring collaborative capability. Let's look at how to make that happen.

The client's dilemmas of leadership development can be compared to a complex Game. The idea at any point in the Game is to make good moves, while learning to play the game along the way. In this analogy, there are the *Players*, the *Game Board*, and the *Game* itself (Figure 28.9).

The Players are everyone in the leadership culture, including constituencies in the external network and the broader society.

The Game Board is the strategic landscape of where you are, where you are going, and how your expanding leadership mindset will get you there.

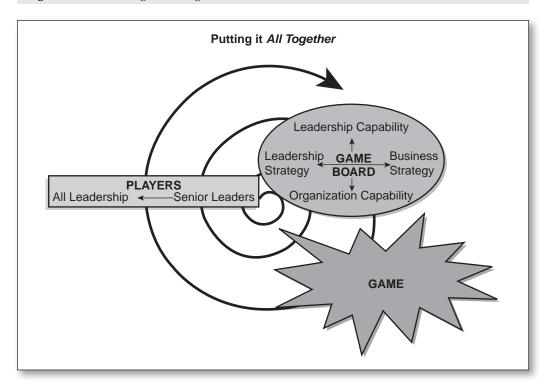
The Game is played across the enterprise, using the four arts with simple, accessible tools to develop leadership while doing the work of the organization.

THE PLAYERS

Everyone in the interdependent organization is potentially a part of the leadership culture—everyone is a player. But, short of interdependence, senior leaders typically launch the Game. So, we begin at the top to determine whether the players in charge are up to the challenge.

We assess, either formally or subjectively, the leadership logics in use within the executive team. The executive team needs critical mass of two or three influential members who are at least beginning to develop personal leadership logics beyond independence. Many executive teams do not. In

Figure 28.9 Putting It All Together



such cases strengthening rather than transforming the culture is recommended.

This requires judgment and experience. Even small experiments can indicate the will to progress or not.

To illustrate, we offer two examples.

The executives at Asia Electronics (details disguised) had the "double double" goal of doubling their revenue and market share in two years. Their strategy included re-branding while reengineering across their supply chain, with a new leadership university aimed at creating a learning organization. This strategy required a center of gravity in an interdependent leadership logic. However the center of gravity of the team, as represented by the CEO, the Chief Talent Officer, and many of the business unit vice presidents, was dependent leadership: Command the organization and people will follow. This executive team was unlikely to develop sufficiently in the short run. We assessed the feasibility of this leadership transformation as improbable.

On the other hand, the executives at Enterprise Inc. (details disguised) had a team with a strong core of independent-minded leaders, with a more interdependent logic already gaining influence. They sought nothing less than industry leadership across a balanced scorecard. They were convinced that company-wide transformation to an interdependent leadership culture was required to achieve this vision. This team had the advantages of key players ready to advance themselves, a willingness to practice on themselves first, and the gumption to lead the change into the middle of the organization and beyond.

If leaders expect culture change in others, they must first begin to change themselves. Delegation of culture change is a non-starter. Culture is not an object or a system "out there"; it is something internal, "in here." We often tell our clients, "You are *in* the culture and the culture is *in* you, and in a very real way you *are* the culture. You can't change the culture without changing yourself."

There are a few key criteria that can be explored as signals about readiness of senior leadership to pursue interdependence:

Time sense—Is time seen as a resource or constraint? Can they "slow down to power up?

Control—Are they willing and able to share control?

Headroom—Can they create headroom for themselves and others?

THE GAME BOARD

While working with the players at the top we focus attention on the Game Board consisting of business strategy, leadership strategy, and the key work areas in which to practice and implement these strategies. Leadership strategy is the identification of the required culture, strategic drivers, and the critical few leadership capabilities—informed by SOGI and thus including but going beyond individual leader competencies—that define the focus of development as required for business strategy execution (Beatty & Byington, 2010; Hughes & Beatty, 2005; Pasmore & Lafferty, 2009).

We spend time getting to know the senior players by having them confront these key game-board questions in open and honest ways: What is the business strategy? What is the existing leadership capability? What is the leadership strategy to build the required capability to produce DAC in support of the business strategy?

Honest assessment and discussion of these issues advances the business strategy outcomes, the development of the executives, and, over time, the leadership culture of the organization. The game board, in effect, is mapped out and then continuously re-created through collective learning processes.

THE GAME

The Game consists of developing the core organizational capabilities required to execute current strategy, while dealing with complex challenges and generating the next emergent strategy. First, we introduce

collaborative leadership tools and skills so senior leaders can get a handle on them. Then we apply them to real, strategic work and develop organization-wide leadership capabilities. Unlike competency training, this approach focuses on how leadership is practiced and developed collectively. We call this approach *action development*. Working together, people practice the art of headroom in public learning forums. They span multiple boundaries as they collaborate across groups. And they practice inside-out engagement to bring their higher values and passions to bear on real work. A very dynamic game!

Conclusion

We see people everywhere who are eager to play the game of interdependent leadership. They see the value of leading in new ways, but are often unsure of how to begin or how to get traction. The process isn't simple, or one-size-fits-all. Even so, we've identified five steps that build toward interdependent leadership at the organizational level:

- 1. *Discover*. Initiate the learning process through assessment of the level of leadership culture and capability required by the business strategy.
- 2. Develop Strategy. Understand the nature of the game and its key elements. Focus on the relationship between leadership strategy and business strategy and the role of leadership in building organizational capability.
- 3. *Develop the Players*. Practice the four arts first with the senior players.
- 4. Set Up the Game Board. Align the leadership and business strategies, and integrate human capability requirements with the key work of the organization. Rearrange, re-create,

- and reassess the game board as senior players learn and gain new skills and perspectives.
- 5. Play the Game. Take the four arts to the middle, and then everywhere, in the organization. Now, leadership is developing, while the real work of the organization is getting done.

Developing interdependent leadership within and between societies, organizations, groups, and individuals is a complex process, a leadership version of four-dimensional chess—playing on multiple boards all at once. It's a challenge we cannot ignore. Our interdependent world requires nothing less than interdependent leadership.

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Citation for this Article

Palus, C.J. McGuire, J.M, & Ernst, C. (2012). Developing interdependent leadership. In The

Handbook for Teaching Leadership: Knowing, Doing, and Being. Scott Snook, Nitin Nohria, &

Rakesh Khurana (Eds.). Sage Publications with the Harvard Business School. Chapter 28, pp. 467-

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About the Center for Creative Leadership

The Center for Creative Leadership (CCL®) is a top-ranked, global provider of executive education that develops better leaders through its exclusive focus on leadership education and research. Founded in 1970 as a nonprofit, CCL helps clients around the world cultivate creative leadership—the capacity to achieve more than imagined by thinking and acting beyond boundaries. Our mission is to advance the understanding, practice and development of leadership for the benefit of society worldwide. More at www.accelerateleadership.org.