



Bob Mackenzie (Founder of Benchmark for Business) kicked off with an introduction to the Executive Masterclass promoting the message that “*Leadership begins from the inside out*” and is related to our values. He then invited us to spend the day discovering more about our own values, the values of our organisation and how to make work more meaningful before introducing the key speaker, Dr Alan Watkins.

INTRODUCTION

After an amusing and engaging introduction, Dr Watkins got down to serious work and pointed out that change management frequently fails because organisations take an ‘outside-in’ view of what needs to be done rather than an ‘inside-out’ view. He invited us to explore this idea by considering of what we had been most proud. From his experience of posing this question to audiences around the world, Watkins argued that pride usually resulted from those moments when we, or those around us, had developed and when they had changed as a result of that development. Thus, he explained, today was going to be focused on change – particularly what he called ‘development change’.

SESSION 1 – The Levels of Value Evolution

Watkins identified two ways in which we developed as human beings:

- **Learning** – this is what we mostly experience and is concerned with gaining new knowledge and skills. He described this as ‘**horizontal learning**’ and provided around 10% of the value of our development
- **Developmental change** – this is what really matters and where change as a human being really takes place. He argued that this happened when we used what we had learnt and that 80% of the value of our development came from this and called *this* ‘**vertical development**’

Watkins went on to substantiate this point by describing the exponential rate at which information in the world was increasing and that to get the best use out of this we had to consider what we wanted to change about ourselves to enable us to identify the information that was most important to us. He explained that the questionnaire we had completed prior to the programme provided feedback about different levels of our development which would help us to increase our capability and potential.

He then asked us to consider what CEOs engaged in most when fulfilling their roles and presented us with the following model:

<p>1. Commercial performance CEOs focus on the 'doing' of their role i.e. delivery of the numbers focused around priorities and 'to do' lists; much of this is based on technical ability and experience.</p> <p>Short-term business focus on 'IT' (doing 'it')</p>	<p>2. Market leadership CEOs think about the future of their business but there is a lack of clarity around the concepts associated with market leadership; it is a confused area of thought and activity</p> <p>Longer-term business focus on 'IT'</p>
<p>3. Reflexivity CEOs spend time reflecting about the quality of their thinking and their ability to conceive and perceive things. This type of thinking about thinking requires boundless energy and a clarity of thinking on our own 'personal purpose' (the point of us)</p> <p>Focus on 'I'</p>	<p>4. People leadership CEOs think about their teams with a focus on why people in their businesses should be their followers. This is connected to the idea of organisational culture and that "Culture eats strategy for breakfast" Drucker</p> <p>Focus on 'WE'</p>

Watkins developed the idea of personal purpose and the need to think about the 'I'. To do this we need to reflect on ourselves and consider what is important to us – e.g. money, procreation, being a good Dad, Mum etc. However, he argued that our true purpose was much deeper than this and that living a life on purpose gave us energy; that without personal purpose we were just getting by. The 'I' he explained was linked to the concept of vertical development, presented earlier, and was to do with thinking, feeling, ego, identity etc.

He summarised this section by saying that the majority of CEOs (and presumably the majority of the rest of us) focused mainly on quadrants 1 and 2, as these are seen as being commercially focused, with much less focus on 3 and very little focus on 4. We are focused on 'doing' rather than 'being'.

SESSION 2 – Cultural Transformation

This was a largely interactive session based around answering the question "How do you grow business while increasing employee engagement and step-changing customer satisfaction?" Delegates had been allocated places on particular tables (organised by the outcomes of our questionnaire responses). The volume of voices within the room indicated that there was some lively debate going on and people were engaged!

Giving feedback table by table revealed that we had been grouped according to values type, as answers to the question highlighted where each group's focus had been.

After summarising this activity with a brief discussion of the concept of culture (culture drives behaviour and is the glue that holds people together), Watkins then introduced us to the eight levels of cultural evolution based on the work of psychologist Clare Graves – system balance, innovation, social connection, wealth, order, power, belonging and survival; each associated with a specific colour. Watkins argued that these levels hold good at individual level through to the planet and that there were upsides and downsides to each level. Using relevant examples, Watkins went on to explain each of the eight levels:

1. **Survival (beige)** – to do with food, water and shelter which provides day-to-day and week-to-week survival (e.g. people of the sub-Saharan desert, long-term unemployed). Downside – little progression
2. **Belonging (purple)** – people working and living together (from tribes through to work teams) provides a sense of belonging. Downside – group may lack direction and/or result in group conflict or group think
3. **Power (red)** – people emerge who make things happen, focused on achieving goals. They tend to be “*hedonistic pleasure-seekers*”. Downside – ego-mania, binary thinking, JFDI, see themselves above the rules
4. **Order (blue)** – the emergence of meaning and purpose providing rules, order and stability. Downside – rigidity leads to hierarchies and rigid thinking
5. **Wealth (orange)** – people begin to break the rules and become entrepreneurial, working on the basis of trial and error. Business becomes like a machine with inputs and outputs and leads to growth and wealth. Downside – greed, avarice and exploitation (some gain, many may lose)
6. **Social (green)** – interest moves to the concept of social equity and fairness (caring and people-centric), rather than just a few people getting rich. Downside – becomes more like decision by committee and can become stagnant and/or touch-feely
7. **Innovation/responsibility (yellow)** – individuals begin to recognise that they are part of the problem. This can massively disrupt their way of doing things. Downside – can become too complicated and conceptual
8. **System balance (turquoise)** – concentration on balance within systems; can seem cool but baffling. Individuals operating at this level can compute a lot of information at the same time to create balance. It is about taking a longer-term perspective

Graves found that we all operate at each of these levels, depending upon the context we are in, but that, overall, 98% of people operate at level 6 or below. Watkins argued that clashes in levels within teams was caused by people operating at different (value) levels.

He pointed out that teams needed a blend of levels to maximise their capability – e.g. yellow people came up with crazy ideas, orange people evaluated them, blue people built the process, purple people took risk assessments, green people worked out how to get the people behind the idea and the red people made it happen.

Watkins also pointed out that there was some evidence to suggest that men tended to score higher on the fiery colours of red, orange and yellow, with women scoring higher on the cooler colours of purple, blue, green and turquoise.

This ended the morning and we were asked to collect our individual profiles before re-joining the afternoon session.

SESSION 3 – Understanding and Recognising Different Value Systems

The afternoon sessions were largely interactive. During the first part of the afternoon delegates worked in pairs to explore their profiles and what implications this had for them. Some of this was shared in a plenary session. Some of the key points coming out of this:

- There is no change without awareness of what is happening in the system, but we need to work out what to do with that awareness
- Enlightenment – we need to work out what the differences are in different parts of the system and, rather than reject them, value them and learn to work with them
- The very thing that draws us to one another can drive us apart, which means that when working with others at different levels we need to work how much we need to ‘flex’ our own level in order to work with them and understand different perspectives – we all have a piece of the truth but not the whole truth
- We are individuals but there is greater power and strength in cohesiveness and togetherness

SESSION 4 – Functioning with Others

This was a question and answer session with Watkins answering questions from individuals about the profiles and how they could be used for vertical development. A key point coming out of this was how we have conversations with others:

- **First voice** - we talk from our perspective (me, my, I e.g. *‘I’ve had a terrible day, I hate my boss’*) and may be passionate about the subject
- **Third voice** - the other person responds with data or evidence or a solution (*‘you’ve talked about this before just resign’*). The conversation is disconnected and there is a need to find a common ground
- **Second voice** - sharing what we both want out of this conversation; this might mean giving up on self a bit and listening to the evidence and giving up on the evidence a bit and listening to the other’s perspective
- **Fourth ‘voice’** – knowing which perspective you are in at any one time and responding accordingly

Other points that came out of this session:

- The most brilliant people are ‘always open for business’, they are always curious
- Consider where you want to be and where you have come from – but focus on where you want to be rather than on where you have been
- Because it is possible to develop vertically in many different dimensions we need to decide which dimension we want to focus on (e.g. emotional intelligence, social intelligence, cognitive development, ego maturity etc.)
- We are capable of way more than we currently are/have and there is so much more to understand about human potential – than the ‘doing side’ of ourselves needs to give way to the ‘being’ side of ourselves
- The need for ‘boundless energy’ – life is about energy management rather than time management; if there is no energy we can’t get much done; notice your energy and do

things that give you energy; it is possible to end the day with more energy than you started out with

Concluding remarks

Several key messages came out of this stimulating and thought-provoking day:

- Stop looking outside of yourself for the answer to your concerns instead look inside at yourself and what you are bringing to the situation
- We need people at all eight levels of cultural evolution but we could focus on transcending our current level to develop the next level – this will give us a greater capacity and capability to deal with life
- This development needs to take place vertically rather than a horizontal acquisition of knowledge, skill and experience – i.e. doing something with the learning that will make us more effective as human beings
- We need to be aware and appreciate the perspectives of others who at different levels – that difference is to be valued rather vilified
- The importance of reflective thinking (to improve the quality of our thinking) and the need to build this in as part of agendas

Conference report by Patricia Pryce, Cranfield Business School.