



The New Leadership Agenda

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The following are extracts from the introduction to Richard Barrett's upcoming book with the working title, *The New Leadership Agenda: A full-spectrum, values-based approach to leadership development and leadership coaching*.

Never before in history has the leadership of human affairs been more critical than it is now. The decisions made in the next two decades will determine the future of humanity. The well-being of billions of people and the viability of our planet's life support systems are at stake. The situation is more complex than ever before because the crises we are facing are global, but the systems of governance we have for dealing with them are primarily national.

The difficulties we are experiencing stem from two sources: (a) an exaggerated belief in the concept of national sovereignty (the self-interest of nations), and (b) global institutions that are dominated and compromised by the self-interest of the most powerful nations.

Even though many governments and international institutions recognize the interdependence and interconnectedness of our financial and life support systems, our politicians are so wrapped up in the self-interest of their nations, the communities that they represent, and the companies and interest groups that fund their re-election campaigns, that they are unable to implement policies which would benefit the global common good. Additionally, the most

powerful nations are continually manipulating our global institutions to their own political ends.

At the same time, our global corporations, some of which are economically more powerful than the majority of nations, are also pursuing their own self-interests in search of greater financial returns for their owners or investors. For them the environment and ecosystems are regarded as externalities and the well-being of the masses is of little concern. Investment strategies follow the path of least cost and least resistance – which almost always results in sacrificing the good of the whole for the self-interest of the few.

It is time to recognize that policies and strategies that promote self-interest will not solve the problems of existence we are now facing. We need our political and business leaders to set aside their narrow self-interests and embrace a collaborative approach that supports the well-being of humanity and the planet as a whole.

Political leaders must give up their parochial self-interest and their exaggerated, false belief in national sovereignty. Business leaders must



recognize that business is a wholly owned subsidiary of society and the planet, and must stop seeking to be the best in the world, and start seeking to be the best for the world. If we lose our environment and our life support systems, we will lose our economy. If the pain of the masses reaches critical proportions, particularly in the rich nations, then the greed and self-interest of our financial and business leaders will no longer be tolerated.

What is being called forth is a global paradigm shift – a shift from a world focused on self-interest, to a world focused on the common good. In the future, we will only succeed individually if everyone in our global society succeeds. We simply cannot solve our problems with the same level of thinking that created them.

The following statement by Willis Harman, co-founder of the World Business Academy, rings more true each year.

“Business has become the most powerful institution on the planet. The dominant institution in any society needs to take responsibility for the whole. But business has not had such a tradition. This is a new role, not well understood or accepted. So business has to adopt a tradition it has never had throughout the entire history of capitalism: to share responsibility for the whole. Every decision that is made, every action that is taken, must be viewed in the light of that responsibility.”

So what are the implications of this situation for business leaders? Who are the new business leaders? What qualities do they need to possess? What is the *new* leadership agenda?

RESILIENCE:

First and foremost, business leaders need to know how to build resilient organizational cultures. To do this they will need to recognize that organizations are living entities. They are human group structures that operate like com-

plex, adaptive systems – just like all other living entities. Living entities are able survive and thrive only because each individual entity in a group structure has learned that its self-interest is wrapped up in supporting the good of the whole. So the question then becomes “how do leaders create cultures that behave like living entities?”

We only have to examine a cell or a human body to find the answer. A cell survives and thrives when the atoms that make up the cell have first learned how to become viable and independent in their frameworks of existence. They next have to learn how to bond with other viable independent atoms to create group structures called (complex) molecules, which in turn have to learn how to cooperate with each other to form a higher order entity – the cell.

Or, we could equally say, that human beings are able to survive and thrive because the cells that make up the body learned at some point in the past how to become viable and independent in their frameworks of existence, then learned how to bond with each other to form group structures called organs, which in turn learned how to cooperate with each other to form a higher order entity – the human body. Each cell in the human body has a job. Each cell knows what to do, and can be trusted to work for the good of the whole. This works fine until one cell decides to pursue its *own* self-interest. We call this cancer. The cancer cell, because it knows no bounds to its self-interest, eventually threatens the good of the whole. It basically stops working for the common good.

Organizations survive and thrive when employees learn how to become viable and independent in their frameworks of existence, then learn how to bond to form teams or business units, and the business units learn how to cooperate with each other to form a higher-order entity called the organization. Self-interest on the part

¹Peter Turchin, *Historical Dynamics: Why States Rise and Fall* (Princeton University Press, 2003).



of employees, managers or executives creates cancerous conditions, which left unchecked sap the energy of the organization and its ability to survive.

The idea that strong bonds and internal cooperation builds successful human group structures is not new. The fourteenth century thinker, Ibn Khaldun¹ noticed that the most successful tribes in North Africa operated with “asabiya” – which can be translated as “a capacity for collective action.” In order for groups not to fall apart, the level of “asabiya” had to be strongest at the highest level of leadership. To be successful, the decision-making entity of a group (leadership team) must operate as one. We can also translate “asabiya” as alignment, social capital or working for the common good. The glue that creates a capacity for collective action is trust.

Basically, organizations work best when: all employees are accountable for their specific contributions to the team or business unit; when all business units cooperate rather than compete; and when all employees, managers and executives share the same values, and the same sense of purpose.

Our research at the Barrett Values Centre supports this hypothesis. We have found, based on over 1,000 values assessments of organizations in more than 50 countries, that the most resilient organizations have strong values alignment and low levels of cultural entropy – the degree of dysfunction in a system caused by behaviors that are rooted in self-interest.²

ADAPTABILITY:

Second, business leaders need to know how to build adaptable organizations. In “*Strategy at*

the Edge of Chaos” (1997)³, Beinhocker describes the modern economy as a complex adaptive system. He states, “markets exhibit periods of relative calm and stability, which are interrupted by stormy periods. Such disequilibriums make it difficult for participants to survive for long periods as their strategies, skills or culture tends to get finely optimized for stable periods, and then suddenly become obsolete when the restructuring occurs.”

Beinhocker goes on to state that, “companies have a hard time surviving upheavals, market shakeouts and technology shifts. Therefore, strong cultures are only valuable if they exhibit the adaptive and learning qualities. Otherwise, they become a liability during the periods of accelerated change.”

I strongly believe that the current economic meltdown is not a market shakeout or a technology shift – it is the breakdown of an unsustainable economic paradigm that threatens the global sustainability of our human society.

The failure of our financial system, together with global climate change, global terrorism, and the increased risk of global pandemics is not only severely testing the resilience and adaptability of our businesses, it is also testing the resilience and adaptability of our global society. Our business and political leaders need to learn how to build strong adaptive cultures.

In a four-year study of 200 organizations, Kotter and Heskett of the Harvard Business School found that companies with strong adaptive cultures outperformed companies with rigid or weak cultures by significant margins.⁴ Revenues grew four times faster, the rate of job creation was seven times higher, and stock price grew 12

²Richard Barrett, *Building a Values-driven Organizations: A Whole System Approach to Cultural Transformation* (Butterworth-Heinemann, Boston, 2006).

³Beinhocker, E., “Strategy at the Edge of Chaos,” *McKinsey Quarterly*, 1997, Vol. 1, pp. 25-39.

⁴John P. Kotter and James L. Heskett, *Corporate Culture and Performance* (The Free Press, New York, 1992).



times faster. Adaptable cultures minimize their cultural entropy by reducing bureaucracy, hierarchy, status, internal competition, and blame – in other words, they minimize the impact of self-interest.

THE SOCIETAL IMPERATIVE:

Third, business leaders need to understand that in the rapidly approaching new world paradigm, behaviors that in any way compromise the good of our global society will no longer be tolerated. Business is becoming a wholly owned subsidiary of society, both figuratively and literally – 75% of the banking system in the United Kingdom is now “owned” by the Government. This means in the future businesses will need to share responsibility for the whole by not only supporting our political leaders in defining a framework of policies that support our global society, but also by developing industry charters that regulate the rules of competition between companies in specific sectors in a manner that supports the global framework of policies. It behooves every industry to build its own industry charter so that it aligns with this global framework of policies. A good starting point for the development of an industry charter is the [Earth Charter](#).

Going back to our metaphor of an organization as a living entity, what we are talking about here are viable independent group structures (companies) cooperating to support the evolution of a higher order entity (our global society).

THE NEW LEADER:

If we are to survive and thrive in this new world we will need to develop a new leadership paradigm. Our new leaders will need to be developed, trained and coached in the qualities and attributes that represent the three stages of evolution. Each stage represents a progressively higher level of consciousness:

Personal Mastery – becoming viable and independent in your framework of existence.

Internal Cohesion – bonding together with oth-

er viable independent entities to form group structures.

External Cohesion – cooperating with other group structures to create a higher order entity that operates for the good of the whole.

Personal Mastery: Our new leaders need to be self-actualized individuals who have successfully learned how to tame the fear-based beliefs which keep them operating out of self-interest and prevent them from operating on behalf of the common good. In other words, they must have learn how to become viable independent entities – viable, in that they are masters of the skills necessary to operate with low personal entropy, and independent, in that they are true to themselves and operate in an authentic manner. The preconditions for personal mastery are the abilities to:

1. Transcend personal conditioning
2. Transcend cultural conditioning
3. Become responsible and accountable for one’s life
4. Develop emotional intelligence skills

Internal Cohesion: The new leaders need to be skilled in supporting others in becoming viable independent human beings, and inspiring them to bond together to form group structures. They need to clear about their own sense of mission or purpose and live out this purpose with passion. The preconditions for internal cohesion are the abilities to:

1. Focus on their own personal growth and self-knowledge
2. Find a personal sense of meaning
3. Develop their social intelligence skills
4. Embrace values-based decision making

External Cohesion: The new leaders need to be able to build alliances and coalitions with other like-minded groups so they can collaborate



with each other to create a higher order entity that operates for the good of the whole, and the good of our global society.

The preconditions for external cohesion are the abilities to:

1. Deepen personal growth by developing empathy, humility and compassion
2. Actualize sense of purpose by making a difference
3. Become a coach and mentor to members of their group structure
4. Embrace intuition-based decision making

Conclusion

Ultimately, the problems of existence we now face are issues of consciousness, and the crisis we face is a crisis of leadership. We will only get beyond this stage of our collective evolution if we can put aside our narrow self-interests, focus on the whole system, and build a values-driven framework of policies that support the common good. Our business leaders need to step up to this challenge. Business needs to be seen as part of the solution, not part of the problem. Business needs to set an example – to identify, develop, and promote leaders who fit the new leadership paradigm.

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