# 15.975 U-Lab: Leading Profound Innovation For A More Sustainable World

Otto Scharmer
MIT Sloan School of Management
Presencing Institute
www.presencing.com

# **Guiding Question:**

How do leaders lead profound innovations that generate economic, social, and ecological value?

How can I create profound innovation and change?

How do we collectively create innovations that pioneer a green regenerative economy/society 4.0?



"I think there are good reasons for suggesting that the modern age has ended. Today, many things indicate that we are going through a transitional period, when it seems that something is on the way out and something else is painfully being born. It is as if something were crumbling, decaying, and exhausting itself – while something else, still indistinct, were rising from the rubble."

Vaclav Havel



# Table Talk:

What journey brought you here?

What major change do you see going on in the world today?

What change do you aspire to create going forward?



# Four Levels of Responding to Change

Manifest action

1. Reacting: quick fixes

Process, structure

2. Redesigning: policies

**Thinking** 

3. Reframing: values, beliefs

Source of energy, inspiration and will

4. Regenerating: sources of creativity and self



# Two Sources of Learning, Two Learning Cycles

A. Learning by reflecting on the experiences of the past

act - observe - reflect - plan - act

B. Learning from the future as it emerges (presencing)



# On the Core Process of Profound Innovation

**Brian Arthur, Santa Fe Institute** 



# 3 Movements of the U

# Downloading

Observe, observe, observe

Act in an Instant: prototype

Retreat and reflect:
Allow the inner knowing to
emerge



# "The success of an intervention depends on the interior condition of the intervenor."

William O'Brien, former CEO of the Hanover Insurance Company



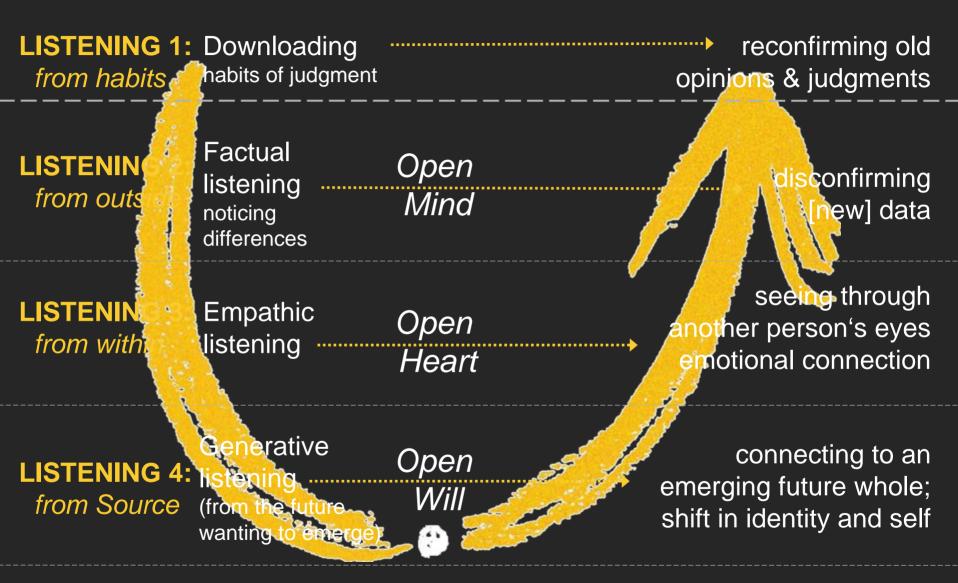
# The Blind Spot of Leadership



**Blind Spot:** Inner place from which we operate

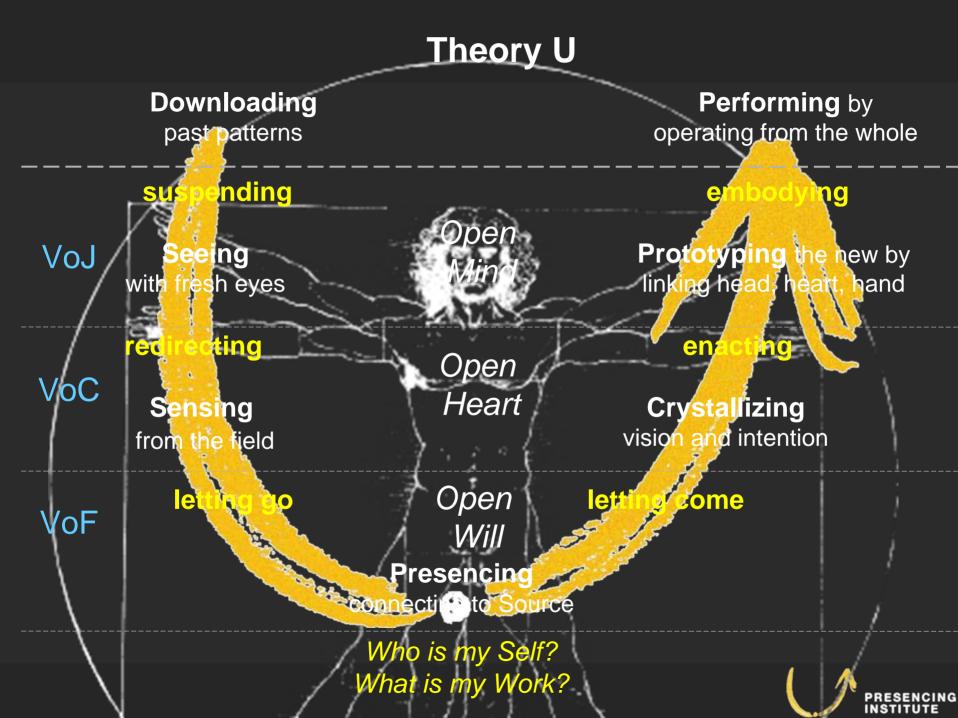


# **Levels of Listening**





Field: Structure of Attention	Micro: ATTENDING (individual)	Meso: CONVERSING (group)	Macro: ORGANIZING (institutions)	Mundo: COORDINATING (global systems)
I-in-me 1.0: habitual awareness	Listening 1: Downloading habits of thought	Downloading: Talking nice, politeness, rule-reenacting	Centralized: Machine bureaucracy	Hierarchy: Central plan, regulation
I-in-it 2.0: ego-system awareness	Listening 2: Factual, object-focused	<b>Debate:</b> Talking tough, rule-revealing	<b>Decentralized:</b> Divisionalized	Market: Competition
I-in-you 3.0: stakeholder awareness	Listening 3: Empathic listening	<b>Dialogue:</b> Inquiry, rule-reflecting	Networked: Relational	Negotiation +Dialogue: Mutual adjustment
I-in-now 4.0: eco-system awareness	Listening 4: Generative listening	Collective Creativity: Presencing, flow, rule-generating	Eco-system: Context, field-based	Awareness-Based Collective Action (ABC): Acting from the whole



# Theory U





Address: 99% increase in maternal mortality rate. 1992-2006

> Maternal Health Initiative

Visit places of greatest potential Observe with both mind and heart wide open; listen to patients, the primary client

Connect: experience your part in the system you want to change

Make sense of what you've experienced



### Co-initiate:

Stop and listen to others. Learn through listening and dialogue.

### Co-evolve:

Integrate the new in practice.

### Co-sense:

Observe, observe, observe Learn through observation

Connect to the source of inspiration and will. Moments of deep reflection.

Scale-up what is working in the prototypes to create deeper impact.

### Co-create: Develop prototypes and

Learn by doing to become wiser through small-scale practice!

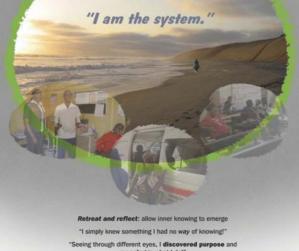
new to explore future possibilities Improve access to services (CWIClinic and others)

Increase community awareness (radio talk show)

Develop skills and capabilities (inservice training; ambulance

Khomas Regional Delivery Unit

### Co-inspire:



meaning in what I do!"

"And there it was: the a-ha moment!"

Grow successful innovations:

Synergos

CWIClinica

Improved interaction between service providers and

"It used to be routine... now we are working towards this change!" (principal nurse, maternity unit, KSH)

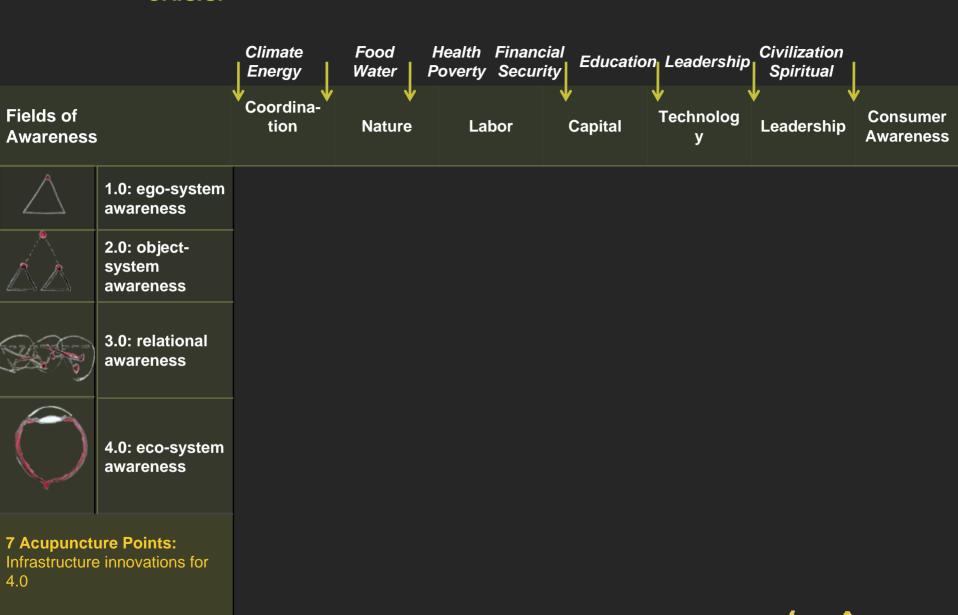
"It's not about reviewing documents... but about growing personalities" (Deputy Permanent ecretary MoHSS)

# **Guiding Question:**

- 1--Introduce your personal context with one or two formative experiences that shaped you to become the person you are
- 2--what do you see going in terms of economic-social change—and what do you consider the root causes/issues of the current crisis?
- 3--what do you feel is going to happen over the next 10-20 years?
- 4--if you were to advise the president of your country today, what three action steps would you suggest him to take?
- 5--what would you like to do right now in order to make a difference going forward?



### CRISIS:



Sustainable Development: Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

--Brundtland Commission, 1987

Corporate Social Responsibility: The commitment of business to contribute to sustainable development - working with employess, their families, the local community, and society at large to improve their quality of life.

--World Business Council for Sustainable Development (WBCSD)



# **Three Generations of**

**Corporate Social Responsibility (CSR)** 



### **Three Generations of CSR**

## **1st Generation CSR:**

- Participating in alleviating social activities
- Engaging in locally bounded charitable projects
- >Embodied in PR statements and policies

# 2nd Generation CSR:

- Participating in strategic projects to improve b-context
- Engaging in cross-organizational stakeholder work
- Embodied in institution-wide policies and processes

# **3rd Generation CSR:**

- ➤ Participating in large systems transformation
- > Engaging in tri-sector multi-stakeholder work
- > Embodied in co-creating new institutional ecologies

# Resources and Literature

Scharmer, C. Otto (2007). <u>Theory U: Leading from the Emerging</u> Future As It Emerges. The Social Technology of Presencing, Cambridge, MA: SoL Press.

Senge, P., C. O. Scharmer, J. Jaworski, and B. S. Flowers. (2004). <u>Presence: Human Purpose and the Field of the Future,</u> Cambridge, MA: SoL Press.

www.presencing.com

www.synergos.org

www.sustainablefoodlab.org

www.ottoscharmer.com



MIT OpenCourseWare http://ocw.mit.edu

15.975 U-Lab: Leading Profound Innovation for a More Sustainable World Fall 2010

For information about citing these materials or our Terms of Use, visit: http://ocw.mit.edu/terms.