

Chapter 4.¹

Mindful Leadership

by Jim Ritchie-Dunham² and Ellen Langer

As a leader, the power to exploit the increasing uncertainty your organization faces resides in the mindfulness of everyone in your organization. Enabling this distributed mindfulness is strategic to every aspect of your organization (Langer, 2010).

Context

What do we mean by mindful leadership? Leadership focuses on building shared meaning for the purpose of enabling change to deal with contentious problems (Dunoon & Langer, 2011). Mindfulness is noticing new things (Langer, 1989). When you are mindful, you are looking for change, and you embrace it. Things are always changing, whether you embrace the change or not, so you are better off understanding how to deal with it, versus believing that you can hold it still or run away from it. Putting these two concepts together, mindful leadership is about using mindful processes in a mindful culture to see, name, and work with uncertainty.

Mindful leadership is about mindful process. Leaders use strategic processes to guide their organizations through uncertainty. These strategic processes attempt to engage large parts of the organization in recognizing *new categories* (business opportunities and threats), responding to the emergence of *new perspectives* (stakeholders), and processing *new information* (feedback from the marketplace), showing how to avoid the dangers not yet arisen. Nonetheless, we find that leaders today tend to provide yesterday's solutions to today's problems, as if things remain static. We suggest that leaders need to be aware that things are always changing and that things look different from different perspectives – uncertainty is the rule not the exception. Once leaders understand this, they can exploit the power in uncertainty through mindful processes that surface new categories, perspectives, and information.

Mindful leadership is also about mindful culture. Langer's research shows that when a leader values uncertainty, he or she is less likely to be authoritarian, and workers are more likely to admit to problems rather than hide them. A mindful culture influences the leaders, the workers, the workers' perception of the leaders, and the organization's products and services. Mindful leaders respect their followers and realize that mindful solutions can come from anyone in the organization. Research also shows that the mindful leader is seen as more charismatic, authentic, and trustworthy. An organization's mindfulness leaves its

¹ This is chapter 4 in (Langer & Ritchie-Dunham, 2013).

² Jim has applied insights from Ellen's mindfulness research in strategic processes with leaders in Europe, Latin America, and the USA (Ritchie-Dunham, forthcoming; Ritchie-Dunham & Puente, 2008).

footprint in its products, making them more successful. Employees encouraged to be mindful will take fewer sick days, have fewer accidents, work harder, and be more productive. Thus, mindful leadership increases organizational innovation, efficiency, and effectiveness, the three gold standards of organizational performance.

What we will see

In the rest of this chapter, we will focus the lens of mindfulness research on the context of mindful leadership through four stories of leadership. We will use the mindfulness lens to diagnose each leadership situation and suggest a mindfulness solution. We will translate the mindfulness solution into organization practices, which we will use to resolve the four cases. We will see the importance of *new perspectives* in an electric company, *new categories* in a school board, *new information* in a textile company, and the use of all three in a state-wide project.

New perspectives

An electric utility, with a monopoly serving 20 million consumers, found itself in a strategic crisis. The government was proposing to deregulate the retail part of its business. To better understand the complex reality they might face in a deregulated retail world, the company asked one of the authors to help them take a systemic look at their strategy. As part of the process, the leaders were asked to describe the goals, objectives, and possible actions that each of their stakeholders would take. It became clear very quickly that the leaders had a very limited and dated understanding of the particular worldview of the different stakeholders. These stakeholders included their consumers, regulators, their own corporate board, managers of different areas of their business, local communities, and their competition. For example, when asked about their end user, they said, "She wants cheap energy." When asked, "How do you know?" it became clear that it had been many years since the last time they had talked to their end users. Basically, believing they already knew what their stakeholders wanted from them, the leaders paid little attention to them. While that might have worked in the past, in a very stable, heavily regulated environment, it was clear that now they needed to know.

Looking at this case through the mindfulness lens, the central theme is the openness to new perspectives. Langer has referred to this as a societal cognitive commitment to context, which means that people commit beforehand to see a social situation from a specific, predetermined cognitive context (Langer, 1994). When a leader closes herself off to the perspective of others, she loses the opportunity to understand the richness of different dimensions that other perspectives bring. Additionally, she misses the chance to see how her organization's actions impact the lives of others. She might do this because she fails to see that what seems like an incorrect answer – one not aligned with her own – might actually be a correct answer when seen from another's context. People tend to believe that the two contexts, mine and yours, are the same, and they are not. Summarizing the findings about mindfulness of new perspectives, an actor's behavior makes sense, from his perspective (Langer & Brown, 1992). She does what she does for a reason. The

leader's ability to perceive and understand this reason depends on her mindfulness, her openness to other perspectives. This openness leads to more possibilities to creatively choose from, and it increases the probability of success of the change.

This suggests a solution for the energy company's strategic challenge: recognize that the company's stakeholders have good reasons for their actions, and that these reasons, going forward in a deregulated world, will be different than they were before. By being open to these new perspectives, the company increases the number of possible actions it can take to satisfy the stakeholders' multiple needs, and it simultaneously increases the probability of successful change.

Various organizational practices have evolved in the past years to support leaders and their organizations in being more mindful of the evolving perspectives of their multiple stakeholders. We will focus on two here – the process of inquiry and the framework of multiple stakeholders. Inquiry, popularized in the 1990s by Peter Senge through organizational learning, differentiates the question from the answer, listening from talking, wanting to understand the other from wanting to explain oneself (Senge, 1990). Through inquiry, I want to understand what you are thinking, inside your head, and the best technology – which turns out to be very difficult for many leaders – is the question. If you want to know what someone else is thinking, ask and listen, with the intention of understanding her perspective.

The other organizational practice is the framework of multiple stakeholders (Freeman, 1984). Three key lessons, relevant to mindfulness, have been learned over the evolution of this framework. First, a stakeholder is anyone that has a stake in the actions of the organization – the organization's actions impact them, and their actions impact the organization. Second, not including a stakeholder's actual perspective is equivalent to saying the impact of its response to the company's actions is zero. Since we just defined that the stakeholder's actions do impact the organization, the only value we know to be wrong is zero – they do impact the organization. Therefore, it is important to understand the stakeholder's current perspective. Third, if you think you know what someone else is thinking without asking, the probability that you are wrong approaches 100%. Given these three lessons, since stakeholders do impact the organization, and we do not know what they are thinking now without asking, we return to the first practice – we ask. Many texts have been written on these two practices that help leaders and their organizations be more mindful of new perspectives.

Coming back to the energy company, leadership decided it was important to understand the perspectives of the different stakeholders. They started with the desire to understand, to want to know what the stakeholders thought. What are their intentions, objectives, and motivations? How might they react to different actions the company might take? Once they wanted to know, it was relatively easy to find people within the company who had both a connection to a particular stakeholder and the capacity to inquire with them. The company quickly discovered two things. First, the cost of getting the information was far less than the cost of not

knowing. Second, what they thought the stakeholder would say, beforehand, was completely wrong – they learned something new in every case. And, now they knew the stakeholder’s perspective, in his and her own words. These perspectives were incorporated into the systemic overview of the company’s strategy. As we finished the project, the company’s president shared that he loved the exercise, and that from now on he would require his executives to describe the impact of their strategic proposals in terms of the different stakeholders. Who does the strategy you propose affect? What do the different stakeholders want, relative to the strategy? How do you know? Did you ask them?

In this case, mindfulness to new perspectives admonishes leaders to remember that every person has a different experience, based in his own context. Mindfulness to the perspective of the other is necessary for seeing, understanding, and embracing that part of uncertainty that resides in the reaction of the other.

New categories

One of the authors served for many years on the board of a private school. The board is responsible for the stability of the school’s finances. In the majority of private schools, tuition covers only two-thirds of the operating costs. To cover the other third of the costs, most schools typically have an annual fundraising campaign. Even with a sizeable endowment, the board found it necessary to ask the school community for donations every year. Over the years, a pattern became clear: nobody liked asking families in the school to make a donation. A board member said why, “Tuition is already very high for most families. Asking them for more is painful.”

The mindfulness research highlights a critical dimension in this case – the creation of new categories. Technically, being mindful to new categories is a personal cognitive commitment to process (Langer, 1994). The individual tends to unconsciously commit to processing the information with only one predetermined filter. Over many studies, Langer’s lab has demonstrated the ability to open this unconscious process with a very simple twist. Instead of stating that something “is” a certain way, when it is stated conditionally as “it could be” a certain way, another more mindful universe opens up. It seems simple, and it is. Dozens of experiments validate this cognitive key for opening the human mind to new categories (Langer, Bashner, & Chanowitz, 1985).

In one experiment, subjects were shown three objects and given a questionnaire about them. For half of the subjects, the first paragraph read, “Object A is a rubber dog’s chew toy; Object B is a polygraph pen; and Object C is a hair dryer attachment.” For the other half of the subjects, the first paragraph replaced “is” with “could be.” As the subjects completed the questionnaire, the experimenter told the subjects that they had made a mistake and needed an eraser. With the half that read it “is” a chew toy, only one of twenty subjects thought of using the rubber toy as an eraser. With the half that read it “could be” a chew toy, 40% saw that it could also be a rubber eraser. By only changing from “is” to “could be,” the majority of the

people were able to see that the rubber chew toy could be categorized two different ways, as a chew toy and as an eraser.

This mindfulness to new categories research proposes a solution to the school board's difficulty with fundraising. Putting one's attention on the situation and context, one can use conditional phrasing to open up to and name uncertainties. Two organizational practices support the mindfulness to new categories – scenario planning and double-loop learning. Both practices surface underlying assumptions – is it this way, or could it be this other way?

Applying the practices of mindfulness to new categories to the school board, three fixed categories that the board members carried appeared: the assumption of scarcity; the lack of financial resources on the part of the families in the school; and the need to beg for more of what they did not have. Applying scenario planning and double-loop learning, the board members began to examine these three fixed categories. First, they saw that the reality they lived in the school community was one of abundance, for most of the school's resources – excellent teachers, parents who were dedicated to the pedagogy, creative and engaged students, a large and beautiful campus with a functional and architecturally extraordinary building. They realized that the only thing that seemed scarce in their experience was the money that they did not want to ask the families in the school to give. They were able to open the category of scarcity to the possibility of abundance – it could be abundant.

Exploring the second fixed category, the lack of money in the community, the board members saw that it could be that there was plenty of money. Many of the families had large houses, nice cars, and took summer vacations overseas every year. And these same families loved the school, which they expressed by being very involved in many aspects of the school's life. They began to see that the category of “not enough money” could be “they don't give their money to the school.” Playing with different future scenarios for this category, board members saw the possibility that the families with ample financial resources did not make big donations to the school because nobody had expressed an interest in them. “We only asked them for their money. We did not try to understand what they valued. What do they give their money to? Why?” Opening the category from “there's no money” to “we have not asked them what their contribution could be,” the board began to get excited about engaging these families in conversations about their passions. That would be a fun conversation to be in with them. What would they like to see come alive in our community? As the board's mindfulness about this second category opened, the third category began to open – the need to beg people for money they do not have. They now saw that it was not true that people did not have money, and they saw that they were very excited about the inquiry with these families. As they recognized this, the board opened the third category from “don't beg” to “engage people who can make a more significant contribution.” With the opening of the board to these three new categories, the energy to grow the school's financial resources skyrocketed, and a new pathway for engaging the school community's creativity opened.

In summary, mindfulness research suggests the importance of having leaders and their organizations be open to new categories. Being mindful to new categories, leaders pay attention to the situation and the context, fitting the solution to the context. This mindful awareness brings in much greater creativity for embracing uncertainty, leading to much more efficient and effective solutions that satisfy the needs of many more groups.

New information

The leaders in a textile company observed a behavior pattern – they were very good at finding data to support the idea-of-the-day that they were trying to sell to their employees and customers. “See? This information confirms my idea, therefore we should ... (insert the idea being sold).” As a consequence of the observed behavior, they saw that often the information they collected confirmed a mistaken idea, leading to unintended consequences, and thus lower efficiencies. Instead of facing uncertainty, they hid it, constantly surprised by the outcomes. As they began to recognize this pattern, they discovered another phenomenon. Often they had, right in front of them, the information that would have helped them avoid the unintended consequences; but they did not pay attention to it. They asked, “Why?”

Research on mindfulness of new information observes that people tend to preprogram their heads for the information they want to see. Langer describes this phenomenon as a premature cognitive commitment to content – I know what information I want to find to confirm the reality I want to see, so I am closed to perceiving other information (Langer, 1994). This research suggests much better results when one is able to pay attention to what is directly observable and discernible in the situation, and not getting lost in inferences or premature conclusions.

Organizational practice in the past couple of decades have evolved the art of refutation – looking for information that disconfirms the hypothesis – observing that a hypothesis is stronger the harder it is to disconfirm (Popper, 1959). This is the antidote to the confirmation bias, where one looks for information to support the hypothesis. Thus, a more rigorous process tries to disconfirm the hypothesis. Two organizational technologies support refutation – the content of a well designed scorecard and the process of storybusting. Scorecards like the “balanced scorecard” provide information from different strategic areas of the organization in a systemic way, showing the status of each area, and the relationships among the areas (Kaplan & Norton, 1992). This scorecard helps the leaders see both the whole system and its parts, at the same time, keeping attention on all of the content and not getting lost in the weeds of one area (Ritchie-Dunham, Morrice, Anderson, & Dyer, 2007). The storybusting process frames the cause-effect hypothesis of the leader’s strategic intervention and the systemic consequences as a story that the leader tells. As Ellen’s research demonstrates, people tend to believe the stories they create, closing themselves off to other possibilities. Storybusting changes the focus from defending

a story to attacking the same story – the process of refutation. What information would help me bust the story I created?

The textile company applied both the scorecard and storybusting technologies. They designed a scorecard that included future-oriented indicators for overall, company-wide performance – the number of new consumers and free cash flow for investment – and past-oriented indicators for the local-level performance of processes that protected the integrity of the products, business systems, culture, and capital management. The scorecard gave them the content. Storybusting gave them the process. Every time leadership came together to review the strategy, they reminded themselves of their “stories,” the hypotheses they proposed between interventions and expected consequences. Calling these stories, they used the information in the scorecard to try to bust their stories. For example, one director said, “I thought that launching the new website and the advertising campaign simultaneously would increase traffic to the on-line store, increasing profits without impacting our manufacturing processes. A few things could bust my story. One, it could have cost us more than we increased revenues. Two, it could have taxed our business systems or our culture. So, normally I would look at the on-line sales information for an increase, proclaiming success if I found it. Now, I look at sales, the number of new users, the net financial impact on cash available for future investments, and the four integrities. This partially blows up my story, there are impacts in other areas. On the other hand, this process enriches my story, helping me see dimensions of the interactions of the parts that I did not see before. I learned something.”

In this case, mindful processes supported leaders in being more open to new information. This mindful opening allowed more learning and greater creativity, strengthening leadership’s ability to embrace the uncertainty it faced.

All three together

A small group of foundations in Vermont decided that it was time to shift gears. While Vermont had long been the home of ground-breaking innovations in energy efficiency, renewable electric energy, and regulatory protection of the environment, this group felt it was time to step up the game, taking on a much more audacious, state-wide goal of shifting the whole energy sector in the state (electricity, heating, transportation, and efficiency) to renewable energy. When they looked across the hundreds of renewable-energy related efforts in the state, they saw many great initiatives each pushing their own perspective, with very little collaboration among them. The result was incredible innovation on relatively small scales. They realized that previous processes in the state minimized the possibility of an audacious energy future, by minimizing perspectives, categories, and information. They wanted to see if large-scale social change was possible.³

³ For details about the Vermont process, see (Ritchie-Dunham, forthcoming).

To address this challenge, the group of foundations embraced a process that invited new perspectives, categories, and information, resulting in a state-wide mandate for a radical new energy future. Pulling together many of the insights described in the three cases above, the process focused on: (1) agreeing across many stakeholder groups on the collective goal of Vermont's ability to determine its own energy future through affordable, renewable energy; (2) creating clear maps of each of the many perspectives that influence the supply of and demand for renewable energy, that each perspective felt accurately represented their perspective; (3) sharing these individual-perspective maps interactively with each other; (4) integrating the individual-perspectives into a collective-perspective story, in which each individual saw herself and himself, and how the different perspectives interrelated; (5) identifying leverage points to mobilize the whole system towards the agreed-upon goal; and (6) proposing specific action plans for implementing the leverage points.

In this process, people who had been in conflict with each other for many years over the right action plans and right outcomes were able to see the authenticity in and value of each other's perspective and how they each contributed to the larger goal they all desired. This opened them to new perspectives, from each other and from the collective. They also opened to new categories through this process, from anti-this and anti-that, constantly disagreeing with each other, to agreeing that they all had different contributions to the same category of pro-Vermont energy sovereignty. They also opened the category of my-efforts-alone to my-efforts-and-our-efforts. Possibly the biggest category shift was from seeing thousands of small intervention points, each spearheaded by a small group, to seeing four leverage points that they all played into. And, this process opened the people to new information. Half way through the process they stumbled upon a great surprise, experts in each of the energy sectors (electricity, heating, transportation, and efficiency) were completely convinced that they could make a shift to 100% renewable energy in 20 years. They were each equally convinced that it would be impossible to accomplish this in the other three sectors. When they opened themselves in the conversation to new information from each other, they were shocked that they each believed it was possible, for their sector, and thus they saw that they could do it across all four sectors. Another shift across the state in new information was the ability to see who would join the effort. From the beginning to the end, they were constantly told that nobody would sign up for such a process, and definitely not for such a goal. Everyone was completely convinced of this, as this is what they always saw in Vermont, until they saw who was already in the room. This happened all the way to the governor's office, which used the outcomes from the process to guide the formation of the state's new 10-year Comprehensive Energy Plan, enacted in 2011.⁴ In summary, this process leveraged three key insights from Langer's mindfulness research about openness to new perspectives, new categories,

⁴ To see Vermont's new Comprehensive Energy Plan, which was heavily influenced by this process, visit (http://publicservicedept.vermont.gov/publications/energy_plan) or contact the Energy Action Network.

and new information to support a state-wide effort to embrace an uncertain energy future.

What we saw

When leaders are able to recognize and embrace the uncertainty they face, they can see how they can control the situation, they can learn about new aspects of the situation, and they can find new ways to satisfy different perspectives within the system. This recognition of uncertainty allows the leader to grow, and it enables the leader to develop a dynamic, not static, relationship with her environment (Dunoon & Langer, 2011).

Through four cases, we saw leaders who consciously engaged in the uncertainty they faced. We saw how they were able to do that more mindfully, and the benefits they received from it. Increasing the mindfulness of leadership increases the quality of available knowledge, proposed solutions, organizational engagement, and outcomes. It also positively impacts the perception people have of the leader. We hope that through mindful leadership of the uncertainty your organization faces, you as a leader can now begin to unleash greater power within your organization.

Bios

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Ellen Langer, PhD (ellenlanger.com) is Professor of Psychology at Harvard. She has a PhD from Yale. She has authored hundreds of peer-reviewed articles, and her books have been translated into many languages. Recipient of 3 distinguished science awards, her work has been showcased by the BBC, which was nominated for a BAFTA award, and in the forthcoming movie Counter Clockwise. She speaks around the world about mindfulness, recently at the World Economic Forum in Davos.

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