

Theory U: Leading From the Future as It Emerges

Dr. C. Otto Scharmer
MIT Sloan School of Management
scharmer@MIT.EDU
www.ottoscharmer.com

May 2015

Massive transition in an industry that represents one fifth of the US economy poses a major threat of economic disruption.

“What would happen to people whose **current jobs become unnecessary** as a result? How could hospitals deal with their **stranded capital—buildings and machines** they no longer need?”

“Major changes in culture, business strategy, and relationships would be required if hospitals were to **shift from celebrating full beds to celebrating empty ones.**”

“The greatest technical challenge . . . will be to construct **sound and respectful pathways of transition** from business models addicted to doing more and more to ones that do only what really helps. “

-Donald Berwick, former Administrator, CMA;
Senior Fellow, Institute for Healthcare
Improvement

Four Levels of Responding to Change

*Manifest
action*

1. Reacting: quick fixes

*Process,
structure*

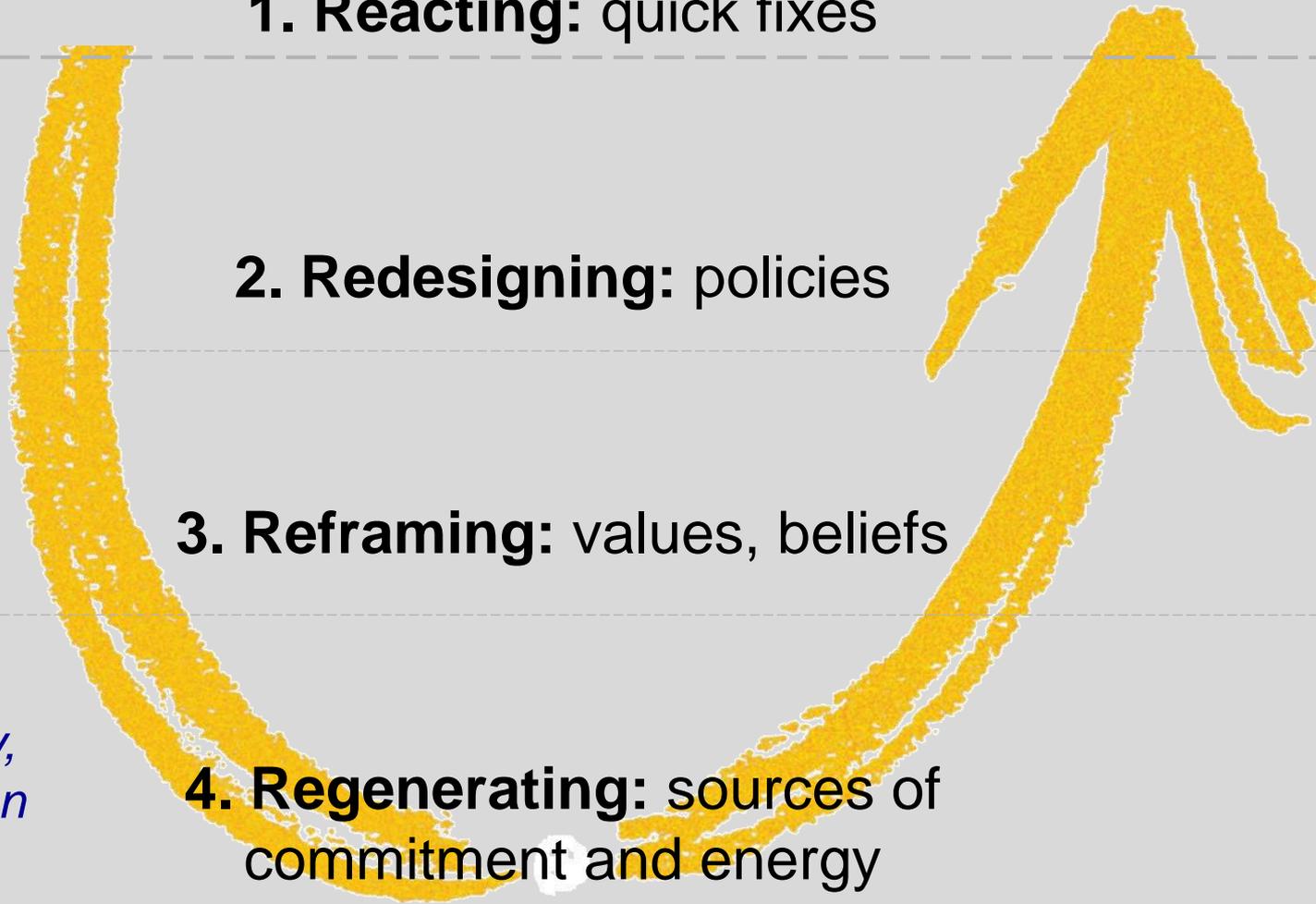
2. Redesigning: policies

Thinking

3. Reframing: values, beliefs

*Source
of energy,
inspiration
and will*

4. Regenerating: sources of
commitment and energy



The Blind Spot of Leadership

Results:

What



Process:

How



Source:

Who

Blind Spot: Inner place
from where we operate

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)

The Leader's Role

Leadership in its essence is the capacity to shift the inner place from which we operate.

Leaders can build the capacity of their systems to operate differently, and to release themselves, and their systems, from being driven by exterior forces.

Once the leader learns how to move the collective to a different way of operating, s/he can see how to shape the future differently.

Theory U provides tools to help the leader create the conditions for the highest possible future to emerge.

On the Leadership Journey

3 Movements of the U

Downloading

**Observe,
observe,
observe**

**Act in an
instant**

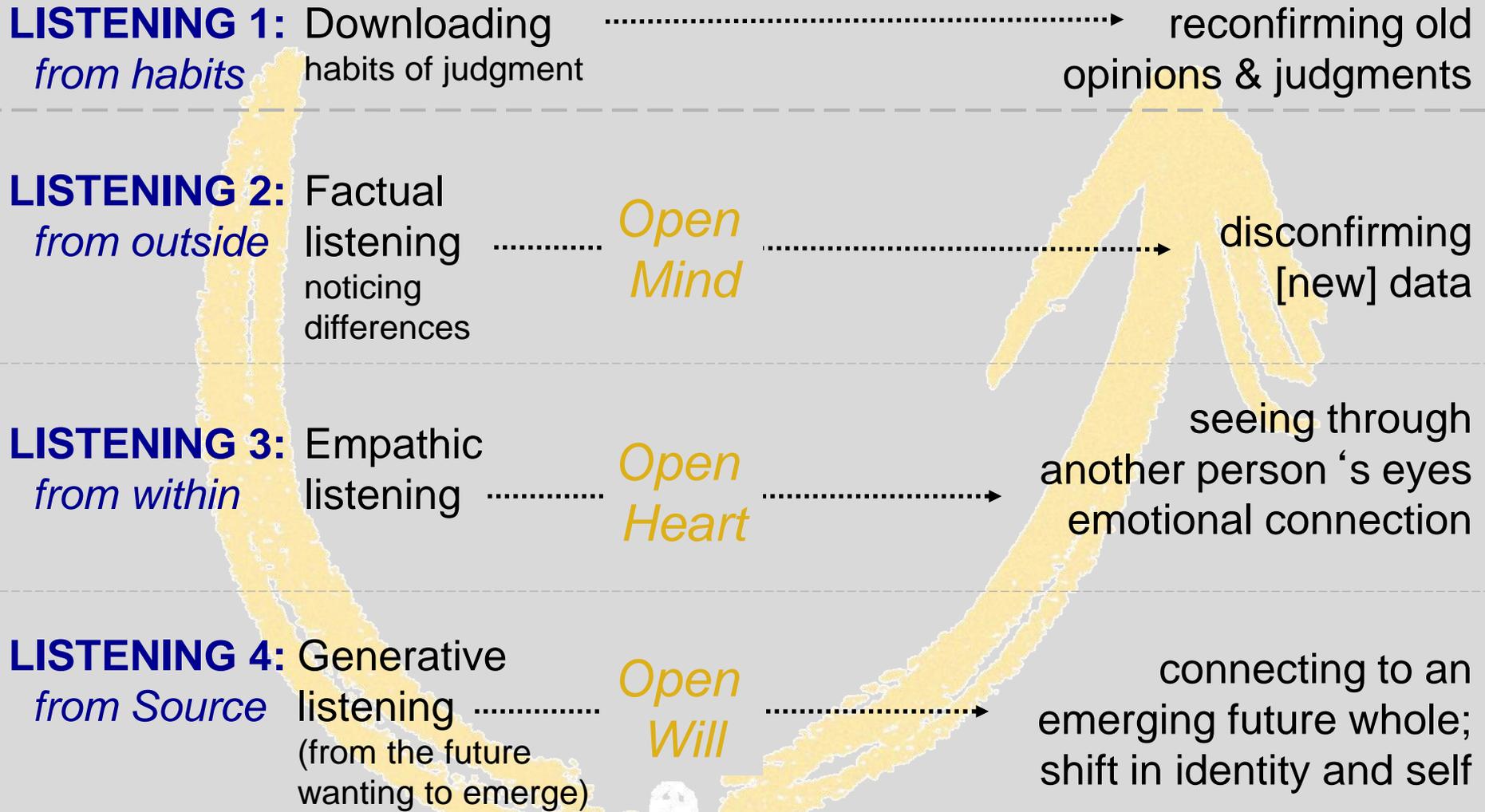
**Retreat and reflect:
Allow the inner knowing to
emerge**



Dialogue Pairs

Talk about a point in your life when something significant happened, and you learned something new about yourself or realized that your life's path might change.

Levels of Listening



Building the Capacity of Systems to Change

The **social field** is the fabric of communication and relationships that undergird any social context.

It is the grounding condition, the living soil, from which the (organizational / project / movement) change grows.

Just as every good farmer focuses attention on sustaining and enhancing the quality of the soil, every good organizational (or societal) leader focuses attention on sustaining and enhancing the social field.

Social Field

Pay attention to the soil line, the connection between the visible and the invisible.

For the social field, the visible is what we *do, say, and see*, and the invisible is the *interior condition from which we operate*.

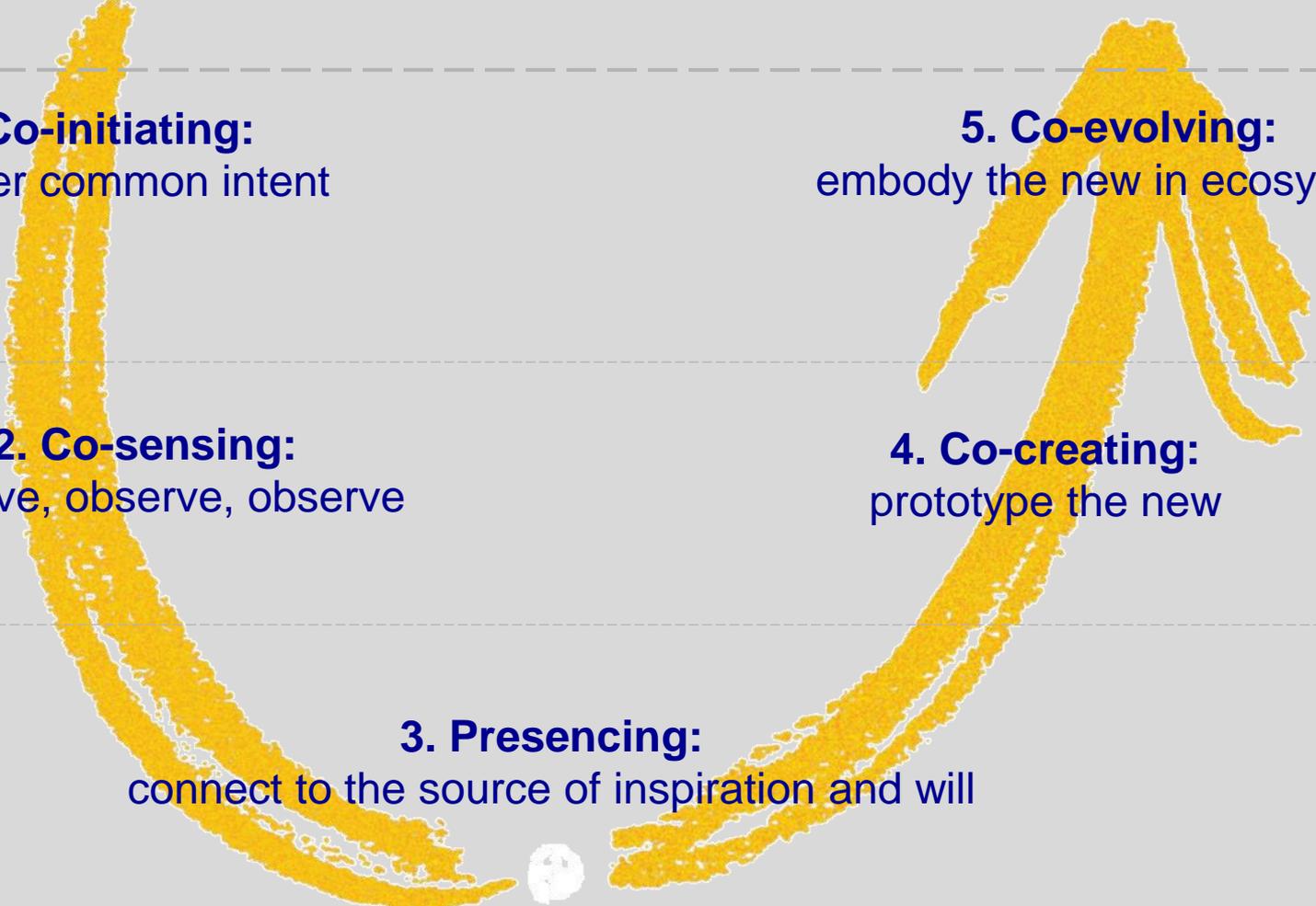


Dialogue Pairs

What is the systems challenge that most fascinates you?
Why?

Use your journal to write down some reflections about
your conversation.

Theory U



1. Co-initiating:
uncover common intent

2. Co-sensing:
observe, observe, observe

3. Presencing:
connect to the source of inspiration and will

5. Co-evolving:
embody the new in ecosystems

4. Co-creating:
prototype the new

Principles and Practices of the U

1. Co-initiating:

uncover common intent

Stop and listen to others and to
what life calls you to do
Map and engage the field

2. Co-sensing:

observe, observe, observe

Go to places of highest potential
Practice deep listening and dialogue
Create collective spaces to help system
see itself

3. Presencing:

connect to the source of inspiration and will

Create a space to facilitate taking a jump (coaching group)

5. Co-evolving:

embody the new in ecosystems

Create infrastructures to support innovation
(coaching groups)

4. Co-creating:

prototype the new

Continue to follow the common intention
Form core action groups
Prototype strategic microcosms
Integrate head, heart, and hand

Information: <https://www.presencing.com>

Workbook:

Tools <https://www.presencing.com/tools>

