



Book Theory U

Leading from the Future as It Emerges

C. Otto Scharmer
Berrett-Koehler, 2009
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Recommendation

This is an ambitious book. Leadership consultant and lecturer C. Otto Scharmer provides a theoretical framework for understanding the changes society faces and provides suggestions for institutional and personal transformation. Scharmer explains his process and its goals obsessively, even repetitively, walking you through multidisciplinary examples from his own experience, history and economics. He provides diagrams and breaks down his theories into numbered steps and rules. Still, you may find the book challenging, mainly because Scharmer is dealing with such large issues, but also because his ideas and vocabulary can get mystical. This book requires time and patience aplenty, but if you are open to such reflections, it could be for you. *BooksInShort* recommends it to managers interested in personal change, organizational culture and futurism.

Take-Aways

- The world is currently facing not one but many crises. Social structures are crumbling and a new world is emerging from the wreckage.
- To survive, change your perceptions of the world.
- Leading successfully means changing the sources of your thoughts and actions.
- The path of change looks like a U: you start on the left by changing your perceptions, reach your deepest self in the curve and emerge on the right with a new reality.
- To change the world, take in new information and create dialogue.
- Let go of the past and lead toward a positive future.
- Make prototypes of your imagined future and put them into action.
- As you try to change, you will face opposition in the forms of judgment, criticism and fear.
- Leaders can’t change the world alone. They must co-create a new reality with others.
- Encourage your employees to speak out and act on their values.

Summary

Crisis and Transformation

The world is currently facing not one but many crises. Unbalanced economies make a few people rich and leave most others to starve; education and healthcare systems malfunction and waste money; and the climate is changing. These problems are not beyond human control. In fact, they arise from human activities and decisions – sometimes, from the very systems that are supposed to fix the problems. For example, most illness in developed countries results from lifestyle choices:

what and how much people eat, drink and smoke; how they deal with stress and whether they exercise. Educational systems prepare students for jobs they don't want or that don't exist.

“We live in an era of intense conflict and massive institutional failures, a time of painful endings and of hopeful beginnings.”

Social structures are crumbling and a new world is emerging from the wreckage. Three intersecting factors will define it:

1. **“The rise of the global economy: a technological-economic shift”** – In Europe, Japan and the United States, deregulation is widespread. Capital and labor are abrogating their traditional social contracts. Capital spreads quickly around the world; but as a result, so do economic crises. Organizations such as the World Bank, the World Trade Organization and the International Monetary Fund govern the world's economy, yet they operate with no checks or balances. The world's material wealth is flowing from the poor to the rich, while pollution is flowing the other way.
2. **“The rise of the network society: a relational shift”** – The power that used to reside in political institutions now resides in networks. Those who have “the right kinds of knowledge, skills and networks” have new power, but those who don't are increasingly marginalized and left out.
3. **“The rise of a new consciousness: a cultural-spiritual shift”** – Nongovernmental organizations (NGOs) and social justice movements are gaining worldwide influence. The “creative class” of people who think for a living is becoming an important economic engine. A “new spirituality,” in which people gather in small groups, rather than in traditional churches, to support and help one another, is part of what sociologist Robert Wuthnow calls a “quiet revolution.”

“The essence of leadership is to shift the inner place from which we operate both individually and collectively.”

These three factors raise a cluster of challenging questions: Is developing an equitable global economy possible? How can governance become more democratic? Can society enable all its members to exercise their imaginations and spirits? Meeting today's challenges requires “individual and collective transformational change.”

The U-Shaped Path

To change the world, leaders must first change their perceptions and what they do with them. The path to change resembles the letter “U.” Before you embark on your transformational journey, you reside at the upper left of the U. As you learn and adapt to various shifts and changes around you, you pass through a series of levels of understanding until you reach the deepest level, at the bottom of the U. Then, you bring your knowledge up the right side of the U – out into the world. These are the steps along the way:

- **“Downloading”** – When you're downloading, you're like a computer. You store facts, but they don't change you. You base everything you know on your past experiences. Your interactions with others are generic, correct according to traditional social conventions, but not individualized. This state generates very little energy, but it feels safe.
- **“Seeing”** – As you move down the U, closer to your true self, you respond to your knowledge and perceptions. When you take in new information, you don't simply file it away; you examine its provenance and compare it to what you already know. In interactions, you begin to see others as individuals and to debate them. You question the rules. Seeing pries open your mind and generates energy.
- **“Sensing”** – In addition to taking in and analyzing information, you begin to perceive the entire “field” or context, recognizing your responsibility for the situation in which you find yourself. You shift from debate to dialogue: what you say and hear changes you, and you recognize your commonalities with others. You examine the philosophies behind the social rules. Sensing opens your heart.
- **“Presencing”** – Presencing, a neologism that combines “presence” and “sensing,” is at the bottom of the U. It is even deeper than sensing. In presencing, you let go of the past and find your “blind spot” – “the place within...where attention and intention originate.” It is “blind” because normally, neither you nor anyone else is aware of it. When you find it, though, you are on the way to discovering your true identity and life's work. You can envision a positive future and a map of how to get there. You become alert to your knowledge and acumen, surrendering what you thought was true and discovering a deeper reality.
- **“Crystallizing”** – In the presencing stage, you delved deeply within. In crystallizing you begin to ascend the right side of the U, bringing your authentic self out into the world. Articulate what you've learned and share it with others. Try out your new ideas on them, and listen to their reactions.
- **“Prototyping”** – Act on your new vision. Make sketches and try experiments that don't require a lot of investment. Expect your early prototypes to fail and plan to learn from them. You're beginning to give form to your visions.
- **“Performing”** – You're back at the top of the U. As the term implies, this stage has an element of the theatrical. You are acting out what you learned, and developing new practices and behaviors. You feel inspired to give to and support others.

“There are two sources of learning: the past and the emerging future.”

Paradoxically, however, although the U appears to be a step-by-step, linear process, it is not. Rather, “it works as a matrix,” through which you pass back and forth. Imagine a top athlete such as Muhammad Ali or Michael Jordan: They “dance with the situation,” allowing their instincts to take over. Then, in an instant, they act.

The Organizational Journey

Organizations can also transform themselves by following the U-shaped path. First, the group must establish a safe haven, where members can support one another as they engage in self-exploration. Through conversation and debate, they can move from downloading to seeing.

“Spirituality can be defined as the source of our creativity. It is distinct from religion, for it concerns experience and not belief systems.”

When an organization enters the sensing stage, its associates realize that together, they have created a shared reality. This discovery leads to an explosion of possibilities: if the group co-created its reality, then, members realize, it can make other choices and develop other realities. In the presencing stage, group participants become aware of their shared perceptions.

“Our blind spot...keeps us from seeing that we have greatly enhanced direct access to the deeper sources of creativity and commitment, both as individuals and as communities.”

Crystallizing requires sharing group discoveries with others, who can then provide feedback during prototyping. Finally, a committed, central group leads everyone into the performing stage.

Different levels of perception align with different organizational and social structures. For example:

- **Downloading** – Hierarchical corporate structures and centralized governments.
- **Seeing** – Decentralized corporate structures and competitive markets.
- **Sensing** – Networked organizations.
- **Presencing** – “Ecosystems of innovation.” Many successful high-tech firms, including Google and Nokia, operate via these ecosystems, where numerous individuals can connect across boundaries and form a single “vehicle for seeing current possibilities and sensing emerging opportunities.”

Obstacles to Change

As you begin to change, you’ll encounter three kinds of internal opposition, in the form of three different voices:

- **“The Voice of Judgment” (VOJ)** – This voice blocks openness to new ideas with rational argument.
- **“The Voice of Cynicism” (VOC)** – This voice warns against opening your heart.
- **“The Voice of Fear” (VOF)** – This voice turns you away from opening your will.

“Most cross-institutional change processes fail because they miss the starting point: co-sensing across boundaries.”

On the social level, fundamentalism blocks change. Fundamentalism can be religious, political and economic; all three have these four characteristics:

1. **“Not seeing”** – Strict observance of certain beliefs and a refusal to shift from the status quo.
2. **“Desensing”** – Intolerance; an “us versus them” view of the world.
3. **“Absencing”** – The opposite of presencing. Instead of seeing the source of problems and ideas as interior, fundamentalists see it as exterior.
4. **“Destroying”** – Overly zealous; the idea that those with differing points of view must be exterminated.

“Performing means to operate from a larger field that emerges from our deep connection with the audience and the place around us.”

Fundamentalist cultures venerate the past and deny that change is possible. They inhibit growth and transformation by manipulating messages of hope, poisoning brainstorming sessions, spreading disinformation about new prototypes and generally bullying anyone with new ideas. They demonize avatars of change, deny the humanity of those who differ from the norm and even lash out violently.

The Role of the Leader

Leading change is especially challenging today, for these reasons:

- **“Dynamic complexity”** – Extended chains of cause and effect.
- **“Social complexity”** – The stakeholders in any situation all have different interests.
- **“Emerging complexity”** – The problem is ongoing and evolving, and the identity of the stakeholders is not clear.
- **“The split between mind and matter”** – People believe and therefore behave as though these are separate entities, when in fact, mind and matter – perception and action – are inseparable. Change may start as abstract thought, but to implement it, you must embody it.

“The capacity to access the subtler and deeper dimensions of social fields in a more reliable and transparent way requires a new social grammar.”

You are your most important leadership tool. Therefore, you must lead from your deepest, most authentic self. Start your day with private time during which you connect with that self through meditation or prayer. Build similar time into organizational activities. Model the practice of observation and reflection before action.

“When people experience a transformational shift, they notice a profound change in the structure, atmosphere and texture of the social field.”

“Every human being is not one but two.” You became the person you are because of your history. However, you also have the future within you, like a seed that has not unfurled. Through the practice of presencing, you can get in touch with a positive vision of the future and begin to make choices that will make your vision into a reality. However, you cannot and should not do it all alone. True transformation does not come from the top down. Instead, you must collaborate. To bring about a specific change, assemble a diverse group of people, provide the space for them to build connections and communicate. Listen to what they say.

“Iterate, iterate, iterate: Create, adapt and always be in dialogue with the universe.”

Guide your organization through the U-shaped path and its various levels of knowledge. Facilitate its movement from depending on explicit knowledge to honoring the implicit knowledge within each individual and finally to “self-transcending knowledge.” Too often, corporate cultures push people to ignore what they see and to keep silent about what they really think. They promote a discontinuity between what people say and what they do. As a leader, help your organization reverse these conditions. Welcome people who say what they think. Encourage them to act on their values and uphold their commitments.

About the Author

C. Otto Scharmer is the founding chair of the Presencing Institute, a senior lecturer at the Massachusetts Institute of Technology and the co-author of *Presence*.
