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Growing Better Leaders: 5 Developmental Stages

By Joe Hunt

The increasingly complex and chaotic marketplace poses an urgent need to grow better leaders. Companies that seek to maintain competitive advantages require strong leadership.

Leaders remain confused, however, about how to strengthen their competencies. Formal training and higher education haven't sufficiently prepared them for all of the 21st century's disruptive innovations and global challenges. While some leaders thrive, others barely survive. Many of today's executives feel as though they're in over their heads.

In their quest to unlock leadership potential, organizations invest millions in assessments, training programs and executive coaching. These investments seem to pay off, at least for a while. But for long-term growth, organizations must understand leadership's developmental stages.

How Leaders “Grow Up”

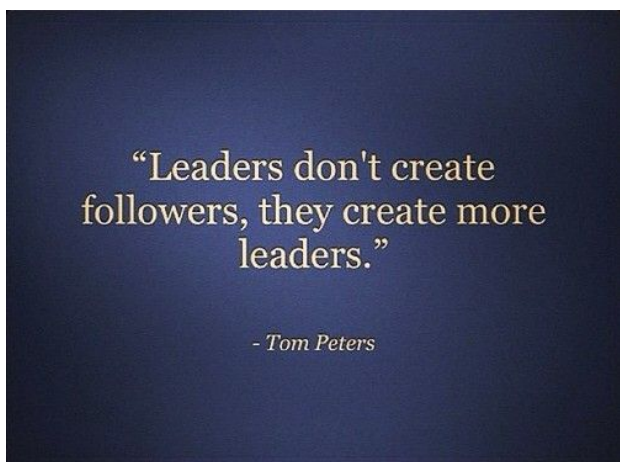
Like all maturing adults, leaders progress through sequential developmental levels. At each stage, adults gain greater awareness and cognitive capacities. Similarly, leadership effectiveness improves as one develops, matures and expands consciousness.

At the higher stages of development, leaders become more successful and their businesses enjoy greater results. With increased leadership effectiveness, there's a 38% probability of seeing higher business performance, according to one study. A 38% leverage is well beyond most companies' profit margins, so developing capable leaders should be a priority.

Developmental-stage theory is relatively new and even more cutting-edge when applied to leadership programs. Rather than focusing on training, skills and knowledge, it involves expanding one’s mindset and “forms of mind” (defined by New Zealand leadership coach Jennifer Garvey Berger as our changing capacity to cope with complexity, multiple perspectives and abstraction).

Yet, few leadership-development initiatives address the inner game: how leaders perceive, find meaning, make decisions and handle complexities.

Robert J. Anderson and William A. Adams, authors of *Mastering Leadership: An Integrated Framework for Breakthrough Performance and Extraordinary Business Results*, applied developmental-stage theory to create the Leadership Circle Profile, a 360°assessment tool that measures leaders’ developmental stages. Founders of The Leadership Circle consultancy, they also developed The Universal Model of Leadership.



Similarly, William B. Joiner and Stephen A. Josephs use developmental-stage theory as the foundation for Leadership Agility 360°, their 360° assessment tool, as explained in *Leadership Agility: Five Levels of Mastery for Anticipating and Initiating Change*.

These assessment tools are based on decades of psychological studies and are designed to accurately measure leadership effectiveness and identify a leader’s developmental stage. More than descriptive, the stages point to leadership behaviors that help target how to coax a leader to the next level.

By identifying stages of progressive development, we can create behavioral action plans and use coaching to expand a leader’s form of mind and modify behavior. Progressive organizations have adopted this strategy to promote leadership agility.

Foundations of Developmental Theory

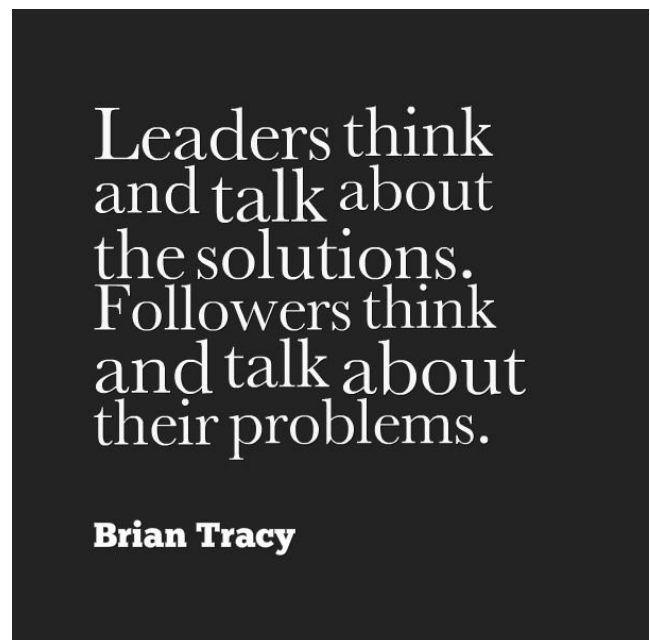
Developmental theories have been around for decades, based on 50 years of psychological research into how adults mature. Organizational psychologists have since applied the basic tenets to leadership development. Their conclusions are summarized here:

1. Just as children improve their cognitive capacities with age, so do adults.
2. Adults, however, develop according to needs and opportunities, not because of age.
3. Not all adults progress through all stages.
4. Some adults can function only at lower levels of development. A small percentage attains higher levels of awareness, wisdom and compassion.
5. As leaders progress through developmental levels, they expand their mental and emotional capacities and become increasingly skilled at handling complexity.
6. Each stage describes a form of mind: a way of thinking about responsibility, conflicts, perspective and assumptions (about self, others and the world).
7. Leaders may operate partially at one stage and occasionally at the next, but return to old habits before transitioning.
8. Transitioning requires changing one's previous assumptions to expand consciousness.
9. Leaders who function at higher developmental stages produce significantly improved business results.
10. Knowing a leader's developmental level, coupled with behavioral action plans and coaching, provides a measure of competitive advantage or disadvantage.

Levels of Leadership

The following table explains how four leadership experts define levels of leadership behaviors and mindsets.

Unfortunately, there is no uniform agreement on vocabulary, which has created a confusing array of names and definitions.



Comparison Chart of Leadership Levels

The Leadership Circle: Anderson & Adams	Robert Kegan	William Torbert	Leadership Agility: Joiner & Josephs
Egocentric	Self-Sovereign Mind	Opportunist	Expert
Reactive	Socialized Self	Diplomat	Achiever
		Expert	
		Achiever	
Creative	Self-Authoring	Individualist	Catalyst
Integral	Transforming Self	Strategist	Co-Creator
Unitive		Alchemist	Synergist
		Ironic	

(Please note: The rows of stages aren't equal that is, while there may be some similarities, the stages are not defined as equivalent to others across rows.)

Using a broad brush, we can summarize the various stages of leadership development as follows:

- **Level 1:** Leaders who operate at the first stage of development are focused on their own need to excel, which explains why it's referred to as an Egocentric, Opportunist or Expert stage. These leaders are acutely aware of what they need to do to succeed and how they must be perceived by others. Leadership at Level 1 therefore tends to be autocratic and controlling. A leader's mindset is limited at this stage because there's no shared reality. Growth requires one to become aware of, and interested in, other people's needs and to reach out co-relationally. This is a normal developmental stage for young adults, but ineffective for leaders (although 5% appear to operate at this stage).

- **Level 2:** Leaders' abilities to simultaneously respond to their personal needs and those of others is the hallmark of Stage 2, referred to as the Socialized or Reactive mindset by some, and the Diplomat or Achiever stage by others. At this stage, a leader plays by the organization's rules and expectations and builds alliances, but with a focus on how to best get ahead. One's emphasis is on the outer game to gain meaning, self-worth and security.

Leaders hone their strengths, but are nonetheless limited by them. At this stage, identity is defined from the outside-in and requires external validation in one of three ways: relationship strength, intellect, or results. Leaders fall into three categories at Level 2: Complying, Protecting or Controlling (reflecting overdependence on heart, head or will). When self-worth and identity depend on overused strengths, growth is self-limited, as behavioral options are restricted. Most leaders (nearly 75%, as with most adults) operate at this second level of maturity.

- **Level 3:** Referred to as the Creative, Self-Authoring, Individualist or Catalyst stage, Level 3 is marked by personal transformation from old assumptions/beliefs and a quest for external validation to a more authentic version of the self. These leaders want to know who they truly are and what they care most about. They're on a path to becoming visionary leaders, accepting that authenticity carries a risk of disappointing others, potential failures and hazards associated with contradicting accepted norms. Leaders trade their need to be admired for a higher purpose. They don't feel the need to be the hero and begin to share power. No longer the sole decision-makers, Level 3 leaders encourage groups to become more self-managing and meaningfully involved in organizational success. They focus on high performance through teamwork and a desire to develop others. Their leadership is truly collaborative. About 20% of leaders operate with a Level 3 mindset.

- **Level 4:** Called the Integral, Transforming Self, Strategist and Co-Creator stage, Level 4's hallmark is one's ability to focus not only on an organizational vision, but the welfare of the larger system in which a company operates. Servant leadership emerges, as one considers more interdependent components and systemic complexities.

- **Level 5:** Level 5 is referred to as Unitive, Alchemist and Synergist. At this level, leaders expand perspectives even further, focusing on higher purpose and common good. Beyond this level other stages may be unexplored, as very few leaders grow past the fourth level. To some theorists, Level 5 encompasses a spiritual focus.



Heroic and Post-Heroic Stages

The first two levels are based on leaders' ability to hold themselves out as heroes, providing answers and solutions. But operating with this mindset means you're intent on meeting your own needs, including wanting to be the recognized expert, achieving results and being admired.

When you can transition to the third stage (Creative, Self-Authoring, Catalyst), you no longer have an externally based self-worth. At this point, you aim for a higher purpose, are willing to share power, and can let go of previous assumptions and your hero complex.

Great leadership and business performance emerge at the "post-heroic" stages. In the top 10% of the highest-performing businesses (out of a half million surveyed), the average leadership effectiveness score falls into the 80th percentile, research shows. These leaders score better than 80% of their peers.

Surging Past the Norm

Most adults fail to progress beyond what's normative: the Socialized or Reactive mind. Only 10% of adults progress beyond the Achiever level, according to the Leadership Agility authors:

Developmental Stages (Leadership Agility)	
Expert Level Leaders	45%
Achiever Level	35%
Catalyst Level	5%
Co- Creator Level	4%
Synergist Level	1%

Viewed from The Leadership Circle research, only 20% progress beyond the Reactive stage, which points to the urgent need for leadership-development programs to address far more than skills and outer competencies.

Developmental Stages (Leadership Circle)	
Egocentric	5%
Reactive	75%
Creative, Integral, & Unitive	20%

Why All of This Matters

At higher levels of development, leaders can detect nuances, deal with paradoxes and respond with agility in lieu of being reactive. Today's volatile business environment demands higher levels of consciousness.

Developmental-stage theories are more than descriptive tools. The stages chart a path that can help leaders develop more complex forms of mind. The framework also helps match a leader's mindset at any given time with that required by a particular task.

As they progress from one level to the next, leaders expand their strengths and abilities. They can grow into the next developmental stage, recognizing there will be a learning curve and inherent challenges.



“Leaders with different forms of mind will have different capacities to take the perspectives of others, to be self-directed, to generate and modify systems, to manage conflicts, and to deal with paradox.”

~ Jennifer Garvey Berger

Changing on the Job: Developing Leaders for a Complex World

As a leader, your ability to make sense of greater levels of complexity continues throughout the lifespan and has a significant impact on both leadership and development. You acquire special competencies and skills with experience, as well as a mind that sharpens over time. Only when leadership development programs take developmental stages into account will you grow into a better leader.

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