

THEORY U:

**Leading Profound Innovation and Change
By Presencing Emerging Futures^a**

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^a This paper is based on the introduction of a forthcoming book with the same title (2005).

Introduction

Where does our action come from? Where does our attention come from? What are the sources from which our individual and collective actions and our fields of attention originate?

Is it possible to learn to see these sources of our attention and action as individuals, groups, organizations, and institutional ecologies? What is the process, or the mechanism, through which the social reality that we experience and collectively enact comes into being moment to moment?

These questions may sound abstract or esoteric. Yet finding answers to them may help us to address the central issues of our time: the massive institutional failures across levels and systems and our inability to create profound change in many areas of our life is a defining characteristic of our age. We have collectively created a social reality that we don't want.

In this book I propose and explain a theory I call Theory U, named for the shape of the journey it takes us on. With Theory U, I suggest that all human and social entities have a variety of sources and attention fields they can operate from and that the crises of our time relate to not being aware and not fully actualizing this variety of sources and qualities of attention. For the source of our attention and action remains invisible to our normal mode of observation; that is, the source of our attention resides in our collective blind spot.

Our quest on this journey is to illuminate the blind spot. What emerges is a sketch of an evolutionary process viewed from a new perspective: the perspective of the evolving self.

In Front of the Blank Canvas

How we look at social reality can be likened to how we look at the work of an artist. At least three perspectives are possible: We can focus on the *thing* that results from the creative process—say a painting; we can focus on the *process* of painting; or we can observe the artist standing in front of the blank canvas. In other words, we can look at the work of art *after* it has been created (the thing), *during* its creation (the process), or *before* creation begins (the blank canvas).

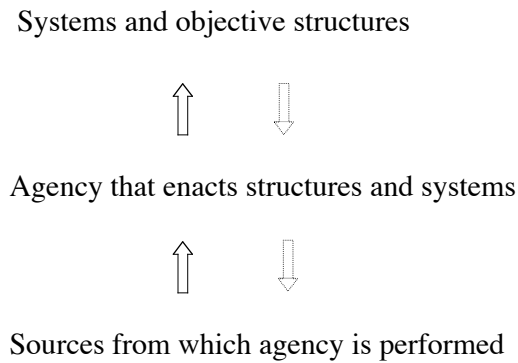


Figure 1: Three perspectives on social reality

Accordingly, we can look at social reality from those same three perspectives: (1) as a thing, a set of objective structures and systems; (2) as an intersubjective process through which structures and systems are enacted by an agent; or (3) from its *source*, the place where agency originates (seeing the blank canvas) (see Figure 1).

The founding fathers of sociology in the 19th century, Emile Durkheim, Auguste Comte, and the early Max Weber, based their work on the first perspective, focusing on objective social facts, structures, and systems. Twentieth-century sociology and social sciences shifted to the second perspective, intersubjectivity, the process by which structures and systems are enacted by an agent (as seen in the work of Giddens, Habermas, and Luhmann). But what would a social theory reveal that illuminates the next deeper level of social reality creation?

The Blind Spot

As we move further into the 21st century, we may see the rise of yet another fundamental perspective on the social process—a perspective that illuminates what up to this point has remained a blind spot: the source—that is, the inner

place from which agency originates when individual and collective actors bring forth their world.

I first began thinking about this blind spot when talking with the former CEO of Hanover Insurance, Bill O'Brien. He told me that his greatest insight after years of conducting organizational learning projects and facilitating corporate change was that "the success of an intervention depends on the interior condition of the intervenor." That sentence struck a chord. What counts, it dawned on me, is not only *what* leaders do and *how* they do it, but that "interior condition," the *inner place* from which they operate or the source from which their action originates

The blind spot at issue here not only manifests itself in leadership and social sciences. It also shows up in our everyday social experience. In the process of conducting our daily business and social lives, we are usually well aware of *what* we do and what others do; we also have some understanding of *how* we do things, the processes we and others use when we act. And yet there is a blind spot. If we were to ask the question, "Where does our action come from?" most of us would be unable to provide an answer. The blind spot concerns the (inner) *source* from which we operate when we do what we do—where the quality of attention that we use to relate to a situation and to bring forth the world resides.

In working with leadership teams across sectors and industries, I realized that leaders could not meet their existing challenges by operating only on the basis of past experiences. I wondered whether there could be a deeper learning cycle based on one's sensing of an emerging future, rather than on one's past experiences.¹ I began to conceive of a learning process that tunes into pulls us into future possibilities rather than simply reflecting our various experiences of the past.

A number of people to whom I proposed this idea considered it wrongheaded. The only way to learn, they argued, is from the past. Learning from the future is neither possible nor a useful avenue to pursue, they said. Despite those warnings and admonitions, I forged ahead in the belief that my idea had validity. This study and the jointly with Peter Senge, Joseph Jaworski and Betty Sue Flowers co-authored book *Presence* are the main results.² The existence of this deeper source and cycle of learning, its uncovering and articulation, will serve as the main thread of this investigation.

This study is based on ten years of research on leadership in business, from 1994 through 2004. It integrates 150 interviews with leading thinkers and practitioners in strategy, knowledge, innovation, and leadership around the world, numerous "reflection" workshops with colleagues and co-researchers, as well as the results

of “action learning” and research projects with leaders of companies like Fujitsu, Daimler-Chrysler, GlaxoSmithline, HP, McKinsey & Company, Shell Oil or Federal Express as well as with grass-roots movements in the United States, Europe, and Asia.

In order to lead and learn from the future as it emerges, I believe that individuals, groups, and institutions have to shift the inner place from which they operate. That is, in order to enhance the capacity for creating profound innovations, leaders have to find that blind spot; they have to become aware of and change the inner place from which they operate as individuals, as teams, and as larger collective entities.

An Issue at the Heart of Our Time

The blind spot is relevant because it is connected with an issue at the heart of our time: that we are at a collective existential threshold—socially, ecologically, and spiritually. How to cross this threshold is a global and collective issue, and on a smaller scale a personal and a systems issue. Individuals, organizations, nations, and civilizations are all faced with and challenged by situations with some of the same characteristics: situations that require letting go of our old realities and selves, and then opening up to, embracing, and embodying new ones. Being able to cross the threshold requires knowing how to let go of the old in order for the new to emerge.

The key issue of our current global crisis—the widening social, ecological, and cultural divides—is not that we lack the resources to address the pressing challenges. It is that we do not have the individual and collective capacity to cross the threshold from the past to the future. In other words, we do not have adequate leadership. The root of the word *leadership* is **leith* which means “to go forth,” “to cross the threshold,” or “to die.”³

The question at the heart of our time is how to go forth and cross the threshold that we face globally, institutionally, socially, and personally.

The Furrows of the Field

I call the source level of social reality creation a “field” because a field is, as every farmer knows, a living system—just as the earth is a living organism. I grew up on a farm in northern Germany. One of the first things my father, one of the pioneers of biodynamic farming in Germany, taught me was that the living quality of the soil is the most important thing in organic agriculture. Each field, he explained to me, has two aspects: the visible, which is what we see

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above the surface; and the invisible, which is what is below the surface. The quality of the yield—the visible result—is a function of the quality of the soil, of those elements of the field that are mostly invisible to the eye.

My thinking about social fields starts exactly at that point: that fields are the *grounding condition*, the living soil from which grows that which only later becomes visible to the eye. And just as every good farmer focuses all his attention on sustaining and enhancing the quality of the soil, every good organizational leader focuses all her attention on sustaining and enhancing the quality of the social field that she is responsible for.

Each Sunday my parents took me and my brothers and sister on a *Feldgang*—a field walk—across all the fields of our farm. Once in a while my father would stop and pick up a clump of soil from a furrow so that we could investigate and learn to see its different types and structures. The living quality of the soil, he explained, depended on a whole host of living entities—millions of living organisms living in every cubic centimeter of soil—whose work is necessary for the earth to breathe and to evolve as a living system.

Very much in the same spirit, this study is a about a field walk across the social fields of our contemporary global society. And just as we did during the *Feldgang*, once in a while we will stop at a furrow and pick up a little piece of data that we want to investigate in order to better understand the subtle territory surrounding the thresholds of social fields.

We haven't yet learned how to see below the surface of social fields, how to decipher the subtle structures of the deeper territory. As every business leader and experienced management consultant knows, it is this invisible territory that is the most important in creating the conditions for high performance in teams, organizations, and larger institutional ecologies. As McKinsey's Jonathan Day once noted about his experience helping global corporations through the process of fundamental change: "What's most important is invisible to the eye."⁴

The purpose of the field walk is to learn to see what so far has largely remained invisible: the full process of *coming-into-being* of social action—the deeper layers as well as those at the surface. Just as a plant starts growing long before we see the sprout above the soil surface, the coming-into-being of social reality starts long before people behave and interact.

What do the deep structures at the source of social reality creation look like?
What is the topography of that territory—the territory of the blind spot?

My investigation has led me to conclude that this deep field structure consists of seven different elements of attention and action, each with a different source. And each act or *gesture* yields a very different outcome and result in the world. The seven different actions and their sources are:

- Paying attention: beginning to open up
- Seeing: the view from outside
- Sensing: the view from within
- Presencing: the view from a surrounding presence
- Crystallizing vision and intent
- Prototyping living microcosms
- Performing and embodying the new

Each of these seven acts and ways of paying attention is a *field quality* in the structure that forms the relationship between oneself and the world.

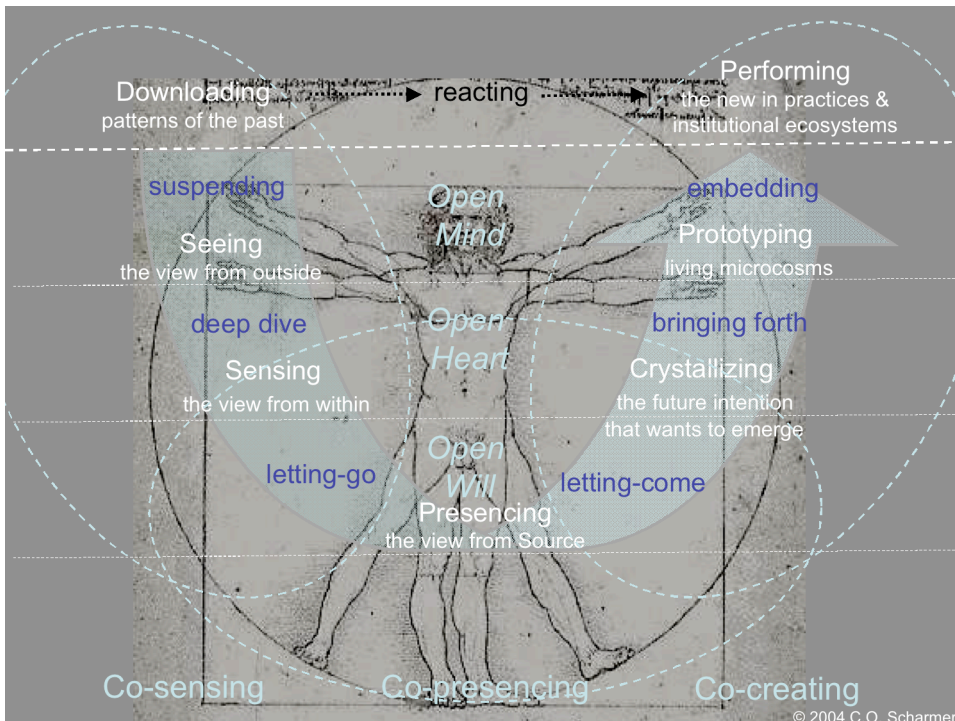


Figure 2: The U-Process of Presencing: Seven Field Structures of Attention

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Some of these field qualities will be familiar to the reader. The one probably least familiar is *presencing*, a term that blends the two words “presence” and “sensing.” It means to sense and bring into the present one’s highest future potential—the future that depends on us to bring it into being. Presencing is a critical capacity for confronting the essential threshold of nothingness. As Nietzsche wrote, “Man is a rope, tied between beast and overman—a rope over an abyss.”⁵ The capacity of presencing is to discover that one element of ourselves that is *already present* on the other side of the abyss, and to use this element as a vehicle for crossing the threshold with our full being.

Every great creator, innovator, leader, writer, or musician that I have interviewed has a version of accessing the deeper human capacity to create. Likewise we may say that every great team, organization, community, or social movement has taken its initial power and magic from tapping into this deeper force.

What differentiates beginners from the masters in each profession and field—be they teachers, managers, coaches, educators, scientists, engineers, healers, farmers, architects, writers, musicians, elite athletes, or social activists—is the capacity of the masters to operate from this deeper place, to tap the deepest human capacity for creation, for co-creating the world anew—and to create environments that help others to do so as well.

Presencing is both an individual and a collective phenomenon. For a social system to be transformed and for a profound innovation to come into being, the process must cross a threshold at the bottom of the U. That threshold can be referred to as *the eye of the needle*.⁶ It is the location of the Self—one’s highest future possibility, both individually and collectively. At the moment we face that deep threshold, as economist Brian Arthur once put it, “everything that is not essential has to go away.” Having crossed this threshold, we experience a subtle and yet fundamental shift of the social field. In German, I would call this shift *Umstülpung*, in English *inversion*. Instead of operating from a small localized self at the center of our own boundaries, we change our focus to operate from a larger presence that emerges from a sphere around us.

The seven field qualities listed above represent archetypal patterns that, as I will show below, apply to the evolution of systems at all levels (individuals, groups, institutions, ecosystems, and so forth). They capture an *evolutionary grammar* of emerging systems from the viewpoint of the actors who actually bring about this process.⁷

Playing the Macro-Violin: Three Movements

One of the main threads of this investigation focuses on how this evolutionary grammar—Theory U—can become a practical tool when applied to the pressing challenges of individual and collective leadership today. The U-process that emerges from this investigation involves three different movements of awareness:⁸

- co-sensing: opening up to the world outside and activating a capacity of seeing in which the observer is no longer separate from the observed;
- co-presencing: opening up to what wants to emerge and accessing a capacity of stillness that no longer separates what wants to emerge from who we are;
- co-creating: bringing the new into reality by activating a capacity for co-creation that no longer separates the intelligence of the head, heart, and hand.

The three movements describe a journey of crossing three different boundaries: (1) crossing the bubble of one's habitual perception to open up to the unknown world around (co-sensing); (2) crossing the bubble of one's habitual self (ego) to open up to one's higher presence and Self (co-presencing); and (3) crossing the bubble of one's habitual action to begin operating from an emerging future field (co-creating).

The movements and boundary crossings involve a special type of transformational change that is best captured by the term “inversion” (*Umstülpung*). The first inversion shifts the place *where* perception happens from within our brain (inside our head) “to the whole field,” as cognitive psychologist Eleanor Rosch has put it.⁹ The second inversion shifts the place from which our will originates—from within our small self and will to our highest future Self, our “Grand Will” (as Martin Buber put it in *I and Thou*). And the third inversion shifts the place from which our praxis originates, from our small work to our true life's purpose (our Work), which co-evolves with the larger collective field.

This threefold movement through the U-process can be likened to constructing and playing a musical instrument. Three conditions must be met in order for an instrument to produce its best music. First, it must have a well-built structure or body of resonance. No musician would give a concert with a violin that had a half-completed or broken body of resonance. However, in organizations, that's exactly what we do all the time. Time and again teams try to address problems without the appropriate body of resonance (an appropriate body of shared

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experience). This is what the first movement of the U-process is all about: broadening, deepening, and tuning the collective body of experiential resonance according to the situation at hand.

Second, the musician must have a deep intuitive or inspirational capacity. Likewise, the second movement of the U-process is about entering a place of deep silence and listening in order to collectively open up to the source of inspiration and knowing. At this stage, all of the co-sensing experiences constitute a collective body of resonance that, if attended to from a deeper place, allows us to become aware of music that hasn't yet been heard or played.

Third, the musician must have the capacity to play the macro-violin, that is, to stay attuned to the emerging flow of the larger field while at the same time performing. Here is how violinist Miha Pogacnik described this experience:

When I gave my first concert in Chartres, I felt that the cathedral almost kicked me out. "Get out with you!" she said. For I was young and I tried to perform as I always did: just playing my violin. But then I came to realize that in Chartres you actually cannot play your small violin, but you have to play the macro-violin. The small violin is the instrument that is in your hands. The macro-violin is the whole cathedral that surrounds you. The cathedral of Chartres is built entirely according to musical principles. Playing the macro-violin requires you to listen and to play from another place. You have to move your listening and playing from within to beyond yourself.¹⁰

The composer and pianist Michael Jones describes this experience as simultaneously "playing the music and being played by the music."¹¹

Each of the three movements is based on a distinct body of methodology that violates some fundamental assumptions that underlie the current mainstream Western worldview. The first movement violates the Cartesian assumption that observer and observed are separate; it is based on the phenomenological tradition of science and sense-making. The second movement violates the assumption that cognition and thinking are bounded by the head-centered rational mind; it opens a new space in which thinking and knowledge creation emerge from a deeper source of inner knowing—from the opening of the heart. The third movement violates the analytical assumption that we first have to "figure it out" and then "implement" the solution. Real innovation mostly works the other way round: we start acting before we fully understand what we're doing. Or rather: we begin to think with our hands, which are "wiser than our heads will ever be."¹²

These three bodies of methodology—phenomenology, global wisdom traditions, and fast-cycle prototyping—challenge various fundamental assumptions in conventional Western science and technology. None of these three counter-traditions is new in itself. What’s new is an integral framework that blends all three into a single process and field-logic of sensing, presencing, and bringing-into-being. Such a process may grow over an extended period of many months, or it may also happen in an instant, as for example in the case of martial arts.

To Lead Is to Shift the Focus and Structure of Attention: Practicing A Collective Reality Meditation

With that we are back to the question of our time: what does it take to cross the threshold in situations that we face across cultures, levels, and systems? I believe that it requires a new form of collective leadership: leaders must develop the capacity to shift the inner place (the source) from which a system operates. That is what leaders do—and what the most effective leaders have always done: reconfigure the focus and structure of collective attention. Shifting the structure of attention does for organizations what meditation does for individuals: it deepens the process of becoming aware and increases the number of options for responding to a given situation. Meditation is paying attention. And so is leadership. The art and practice of leadership is about helping to shift the structure of collective attention—as a collective reality meditation that happens moment to moment.

The cultivation of this leadership capacity involves an inversion (*Umstülpung*) of one’s field quality of attention. Crossing the thresholds as one moves down the left arm of the U requires one to transform old patterns of thought, emotion, and intention by:

- *opening the mind*: through appreciative inquiry rather than judgmental reaction;
- *opening the heart*: by providing a gateway to sensing rather than reacting emotionally;
- *opening the will*: by opening up to one’s higher self and letting go of old intentions and identities.

Performing this new art of leadership effectively requires developing and refining a new leadership technology—a social technology of freedom. In contrast to a social technology of manipulation or control, a leadership technology of freedom focuses on methods and tools that help diverse groups of actors to see, sense, and create together in a way that transforms past patterns

and actualizes future possibilities. The most important tool of this technology is the leader's self, his or her capacity to shift the inner place from which she operates.

Interweaving 1st-, 2nd-, and 3rd-Person Views

The methods deployed on the field walk ahead are three: phenomenology, dialogue, and collaborative action research. All three methods address the same key issue: the intertwined constitution of knowledge, reality, and self. All three follow the dictum of Kurt Lewin, the founder of action research, who observed: "You cannot understand a system unless you change it." But each method has a different point of departure: phenomenology uses the first-person point of view (individual consciousness); dialogue uses the second-person point of view (fields of conversation); and action research uses the third-person point of view (enactment of institutional patterns and structures).

As this investigation unfolds, I will increasingly interweave these three perspectives both individually and collectively, putting particular emphasis on the "collective second person." An example of the collective second person is the circle: "circle work" cultivates people's abilities to listen individually and collectively, with the goal of bringing healing and positive change into the world.

When the movements of the U-process come forward, people usually enter into an experience of presencing by noticing a change of social space (a decentering of the spatial experience), of social time (a slowing down of the temporal experience to stillness), and of self (a collapsing the boundaries of the ego). The outcomes of this process include a heightened level of individual energy and commitment; a heightened field quality of collective presence and energy, and profound long-term changes and innovations in their operating systems.

Structure

The first part of the field walk deals with different aspects of the blind spot. I argue that there is a blind spot in the current theory and practice of leading, learning, and effecting change across systems—and that the blind spot concerns the deeper source, the inner place from which an individual or a system operates.

The second part of the field walk explores the deeper mechanics and dynamics of this territory—the territory of creating a different social reality by shifting the source of a collective field (Theory U). I argue that this deeper territory is marked by seven archetypal field structures or places from which systems and social

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actions can originate. Each of them is exemplified by the experiences of organizations and by the insights of the 150 “thought leaders” I interviewed.

The third part of the field walk focuses on articulating a new social and managerial field theory that blends the field dynamics and shifts of individuals, groups, and larger institutional ecologies into a single and actionable framework and methodology. The framework of Theory U differs from earlier approaches in that it (a) integrates all systems levels, (b) differentiates among four ontological and epistemological levels, and (c) illuminates a new dimension of knowledge, innovation, and leadership: leading innovation by shifting the inner place from which a system operates.

¹¹ Scharmer, C.O. 2001. Self-transcending knowledge: Sensing and Organizing Around Emerging Opportunities. In: *Journal of Knowledge Management*, Vol. 5, no. 2: 137–150.

² Senge, P., C. O. Scharmer, J. Jaworski, and B. S. Flowers. (2004). *Presence: Human Purpose and the Field of the Future*, Cambridge, MA: SoL Press.

³ Pokorny, 672.

4. See the full interview at www.dialogonleadership.org/interviewDay.html

⁵ Friedrich Nietzsche, Thus Spoke Zarathustra, 126.

6. I owe the image of the eye of the needle to Bernard Lievegoed as well as to Jaworski and Senge.

7. I thank Reinhard Kahl for suggesting this expression to me.

8. Jaworski and Scharmer 2000. Senge, Scharmer, Jaworski, Flowers (forthcoming)

⁹ www.dialogonleadership.org

10. Pogacnik, personal conversation, [place], [date].

¹¹ Personal conversation with Michael Jones, September 20th, 2003, Boston.

¹² Bagger Vance in Robert Redford's movie "The Legend of Bagger Vance."