



WHITE PAPER



The EDUCATIONAL CASE for PRACADEMIA

A New Paradigm for Leadership Development

*Why Leadership Training Has Failed
and How to Fix It*

#1 in a Six-Part Series Shocking Truth

Massive Failure of Leadership Development



By Robert Porter Lynch, Ronald Steffel, and Joseph Scali

Version 2.0 August 2020

Purpose

Leadership Development has not fulfilled its promise to produce great leaders.

Its failure to evolve has resulted in more and more business executives being dissatisfied with the results of Executive Education.

The problem is compounded by the rapid change in the structure of commerce – a genuine paradigm shift. Leadership Development is needed now more now than ever to respond to changes, often adversarial in a world that needs more collaborative excellence.



This Six-Part Series examines the problems and obstacles and what can be done to invigorate the Leadership Development process, creating a Game Changer Strategy to shift the paradigm from Executive Education/Development to Advanced Organization Transformation:

#1 – The Shocking Truth: *The Massive Failure of Leadership Development*

#2 – What's Wrong: *Three Major Flaws in Leadership Development*

#3 – New Paradigm in Executive Education: *Transformative Action Learning Engagement*

#4 – Systems Architecture: *Reframing Organization Transformation*

#5 – Designing the Future: *Creating Breakthroughs & Shifting Paradigms*

#6 -- Long Term Shift Required: *"Colliberative" Education & the 12 Concordances*

DRAFT ONLY -- NOT For Release!



Executive Summary

The Shocking Truth about the Failure of Leadership Development

It's time to face the hard realities about Leadership Executive Education.

We are failing to produce the leaders that can create confidence in the institutions over which they preside. Mistrust in institutions in virtually every organizational sector is condemning evidence of the collapse.

This first in the series -- *The Massive Failure of Leadership Development* is aimed at identifying the magnitude and pervasiveness of the problem of Leadership Development. The evidence is overwhelming and it's appalling – over the course of the last fifty years, leaders have completely lost their ability to guide our most cherished institutions. The loss of confidence is cataclysmic in:

- business,
- education,
- government,
- religion, and
- healthcare

Both the content of instruction and the process of delivery of Executive Leadership Development are evidently missing the mark by a wide margin.

However, apparently academia is not paying attention.

In this series of 5 White Papers focusing on *A New Paradigm for Leadership Development*, we examine both the problem and solutions in depth.

Notes:

Focus: We have chosen to focus this paper on one single factor – Trust in Institutions. We could have used a much broader range of factors, such as productivity, employee turnover, job dissatisfaction, and so forth. While these are bona-fide issues, they would represent just a mountain of data confirming our thesis. Too much data all leading to the same conclusion would simply cloud the picture and take away the focus from what's really important: a New Paradigm for Executive Development.

Evidence: Our team has gathered ample data to support the propositions and conclusions in this series. We understand that the primary readers of these White Papers will not be academics, but rather senior executives in front-line organizations. Thus we have spared our readers of volumes of data analysis. Should anyone wish to turn this series into a doctoral thesis, our team would be happy to provide such support.



Contents

Executive Summary	2
Part One: Something is Terribly Wrong with Leadership Development	4
Worsening State of Trust in Institutions	5
Big Business	5
Healthcare	5
Education	6
Government	6
Religion	7
More than Statistics	7
The Exception Provides the Solution	8
Part Two: What Went Wrong?	9
Shift from the Traditional Liberal Arts	10
Compelling Need for Trusted Leadership	10
Caught in the Paradigm Chasm	11
Part Three: Fast Moving Business World & the <i>Collaborative Shift</i>	12
The New Era of Change, Speed, & Complexity	13



Part One: Something is Terribly Wrong with Leadership Development

Are we developing great leaders capable of being highly effective in today's fast moving, rapidly changing world, where uncertainty, complexity, and ambiguity reigns?

The evidence points to the tragic conclusion that we are producing terrible results.

As leaders and managers in today's world, we should be deeply concerned. Our Leadership Development strategy is clearly on the wrong track, our leadership development programs are failing, but worse: we are failing to recognize the problem itself.

Executive Development programs throughout the world proudly continue to extoll the importance of leadership while producing disheartening results in the field of action.

Each year authoritative journals and magazines publish their ratings of presumably the best learning programs across the globe. These ratings mask the underlying realities.

The decline in trusted institutions over the last five decades has been precipitous. The deterioration is a stark reality (see Figures 1-5). The reality contradicts the hype:

"We don't trust our institutions because we don't trust our leaders, period."

Great leaders create organizational environments that are generators of confidence from stakeholders – managers, employees, suppliers, customers, investors, and the nearby community. Trusted leaders build cultures that are magnets for employees because the culture fosters a strong sense of personal well-being and collaboration that results in productivity and innovative adaptation to changes, which in turn ensure greater sustainability and security.

Distrust is like rot, it spreads if not checked.

Distrust is a major cause of Millennial turnover, with 25% deserting their companies each year.

According to Linked-In's analysis of a half billion professionals, the annual professional turnover

rate is 11%. In healthcare, nearly one in five nurses leave their hospitals annually.

Study after study for decades has shown that money is only a part of the personnel retention issue. People who have a sense of well-being stay in their jobs to a very high extent. Just increasing trust by a factor of 10% increases a person's sense of well-being by a factor of 40%.

Something is terribly missing, which we will explain throughout this series.

***Distrust in Institutions is the
barometer of Distrust in Leadership***

***When Institutions are not trusted,
civilization is on the rocky road to ruin.***

**Trust Determines the Course of History, the
Destinies of Nations, and the Fate of People**

-- Paul R. Lawrence, Professor, Organization Behavior,
Harvard Business School

***When leaders are not trusted, organizations
become less collaborative and more
transactional or adversarial, resulting in loss
of performance, productivity, innovation &
profitability.***

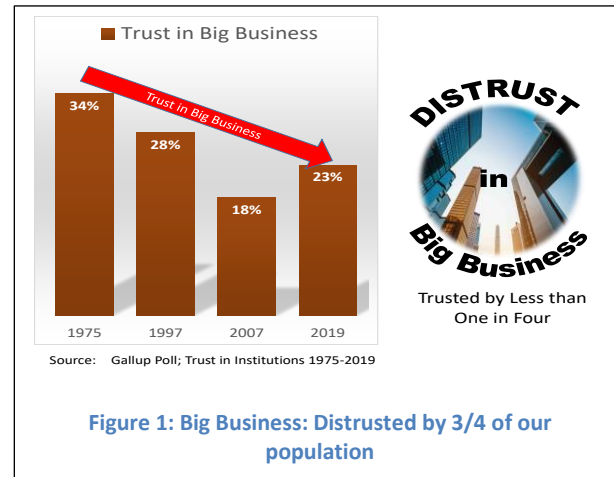
A New Paradigm for Leadership Development



Worsening State of Trust in Institutions

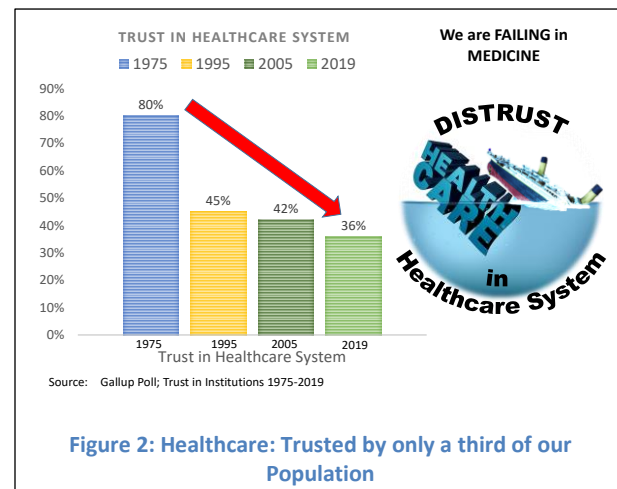
First let's look at the concrete evidence of our worsening state of leadership in America. Our institutions are crumbling, and there is one primary common-denominator: LEADERSHIP. In all but one sector, our cherished institutions are in a terrible state of decay.

Big Business (Figure 1), never a strongly trusted institution, has been distrusted for years. Consider, in the United States, we graduate over 100,000 MBA students from our esteemed business schools. That's a million intelligent managers every decade being inserted into the business world. Our business schools are clearly not delivering good value – to neither the new managers, nor the company, nor the investors, nor the customers. And what are the costs of poor leadership and distrust? High turnover, more overseas outsourcing, poor productivity, lower return on investment, and the addition of non-value added work (transaction costs, duplication, rework, faulty forecasts, poor decision-making, etc.)



Healthcare is one of the largest sectors of our economy, with nearly 20% of our GDP. It too is a mess. (Figure 2) As a nation, the United States spends about twice as much on healthcare as other top-ten developed countries in the world, without producing better outcomes in terms of costs, recovery times, longevity, or any other critical factor.

Why? In simplistic terms, the adversarial relationships between doctors and administrators eats away effectiveness. Moreover, most health care has become highly transactional. The personal touch is often missing. Just recall your last visit to the doctor's office: Did the receptionist greet you with a warm welcome and a heartfelt smile, or was it an impersonal "your name and health insurance card please?" Did your doctor take the time to really understand your condition holistically, or was it an "in and out in 10 minutes, take this pill or get this lab test."



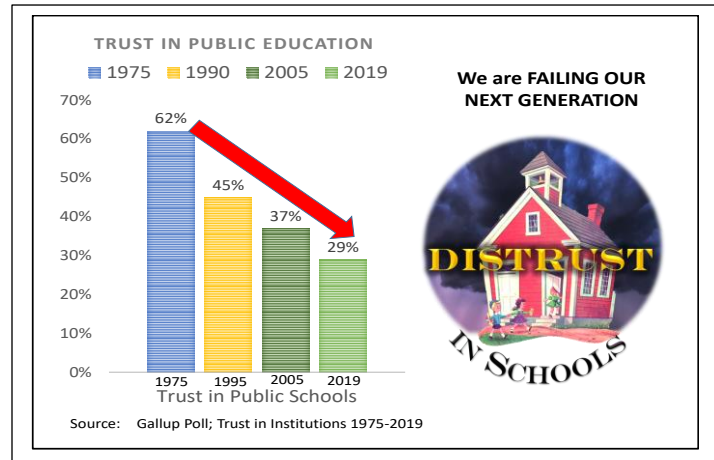
The entire healthcare system, including insurance, lawyers, government, and unions seem to be at odds with each other – none of the system is aligned, coordinated, and integrated. The system is clogged with adversarial and transactional behavior and burdensome regulations to try to keep fraud and cheating at bay. This is a leadership problem of the first magnitude. Not solving this cross-functional fragmentation is why healthcare costs keep rising at a 5% annual clip with no end in sight. Healthcare could bankrupt our nation. More laws and regulations won't fix the structural problems.

What's Wrong & How to Fix It

#1 Massive Failure of Leadership Development

Education is one of the most important institutions in any civilization. It is also one of the oldest, and, historically has been one of the most esteemed. But, like its sister social establishments, it is no longer trusted by the people it presumably serves (Figure 3).

Education serves multiple purposes: to develop good citizens in a democracy, to inculcate solid values, to provide knowledge and skills to be employed, among others.



When the public loses trust in education, it is an indictment of the leaders, the direction, and methods of teaching. There are good reasons for this decline in trust, including a high percentage of dropouts in many school districts as well as disillusionment and depression among those who graduate. This drop in trust does not bode well for the future of democratic civilizations.

Government has suffered the most cataclysmic freefalls of all the standard-bearing institutions in the last half century. It is a severe condemnation of the leaders that we have chosen to manage our mutual affairs.

The biggest deficit in government is the trust deficit.

Years of selfish use of government funds, politicizing everything, divisiveness, and using fear-based campaigning has taken its toll on public confidence.



Figure 4: People's Trust in their Government is Tragically Low

Simply put, political leaders no longer instill assurance that their decisions will be beneficial to the general electorate, nor will their motives seek to build unity and solve problems. A populace that lacks assurance their leaders will make decisions that will attain the greater good of nation, state, city, or community. This too bodes ill for the future of any economy or social system that functions within this democracy. When people don't trust government, they don't see a system of governance that will modulate extremes, built a spirit of cooperation, act in a fair and just manner, or even listen to their needs and concerns.

A New Paradigm for Leadership Development



Religion serves a powerful purpose in any society, particularly to set the moral standards that are necessary to provide a stability and a dignity to social discourse and interaction. For centuries religion has served as the institution that set ethical standards, higher values, and caring for our fellow man.

Like other institutions, religion has been a point of disillusion in today's world. Part of the downward spiral has been self-induced, particularly the failure to discipline prelates who violated ethical principles with money and sex.

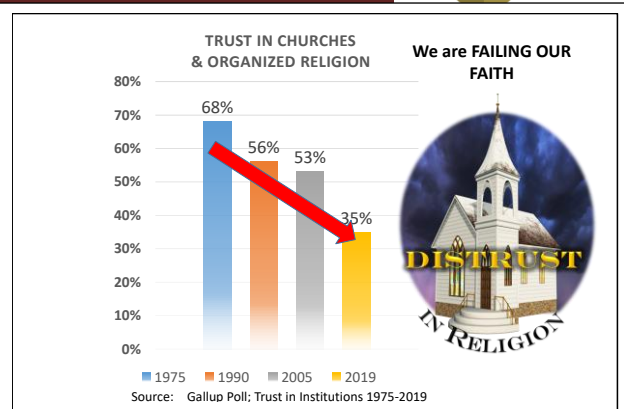


Figure 5: Trust in Religion is Falling Fast

But other factors are also at play, particularly the failure of most religious preaching to speak personally to the use of religious principles to solve day-to-day problems. Too much energy is focused the glorification of God and on salvation when one dies, without a commensurate balance on how one lives the daily routine of their lives from Monday through Saturday.

Institutions form the backbone of every civilization. The collapse of trust in our cherished institutions is the most serious leadership failure of our generation. It opens the pathway to a collapse in civilization, as institution after institution fails to retain the trust and loyalty of its members.

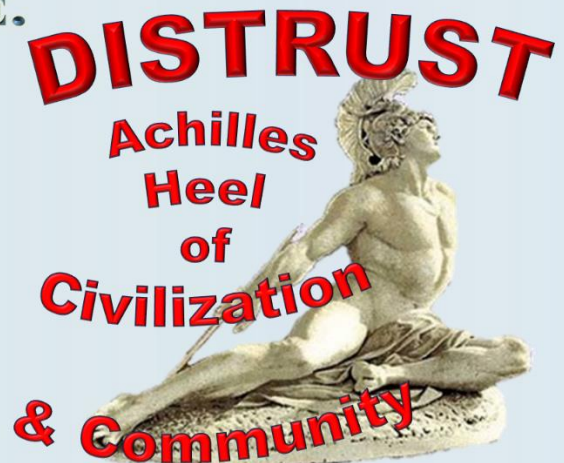
**TRUST DETERMINES THE COURSE OF HISTORY,
THE DESTINIES OF NATIONS,
AND THE FATE OF PEOPLE.**

-- Paul R. Lawrence, Professor,
Organization Behavior, Harvard Business School

**DISTRUST – THE LACK OF
CONFIDENCE – MORE THAN
ANYTHING ELSE DESTROYS
CIVILIZATION.**

**WE CAN KILL CIVILIZATION
BY CYNICISM JUST AS
EFFECTIVELY AS BY BOMBS.**

-- Kenneth Clark, Civilization



More than Statistics

While these statistics are certainly disillusioning, it's easy to regard them passively, which is self-deception. The harsh realities are much more gut-wrenching: the cataclysmic crash in confidence in our institutions a more than a measure of the failure of leaders – people learn leadership *in* their organizations. In other words, day-to-day learning takes place as one leader passes their mindsets along to

What's Wrong & How to Fix It

#1 Massive Failure of Leadership Development

their subordinate managers, who then evolve to become leaders. Clearly what is being learned is on a downward spiral.

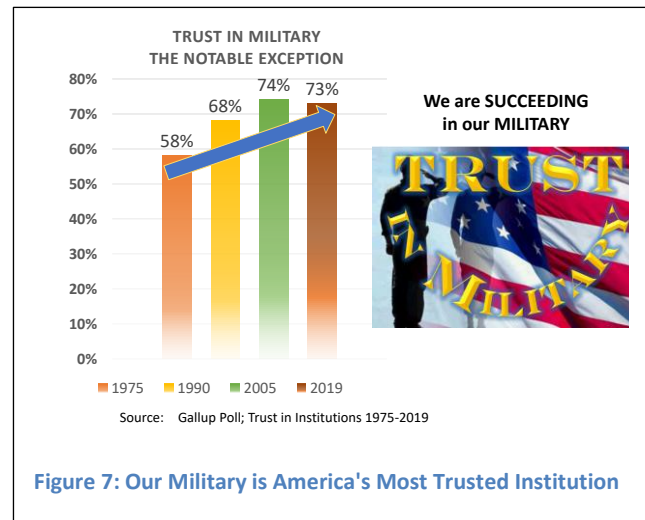
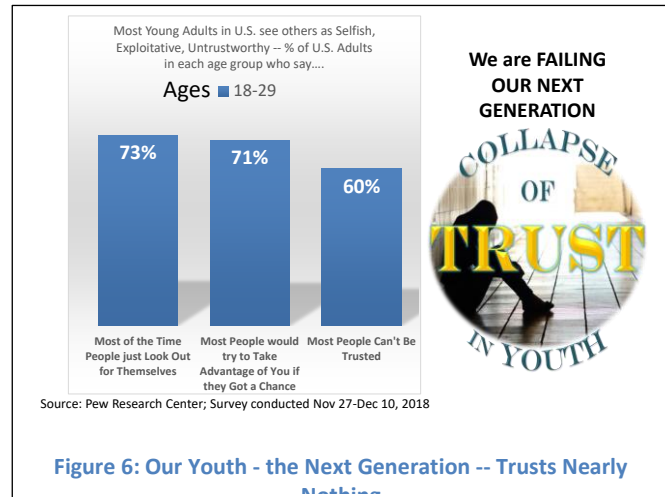
Perhaps the most damning of statistics illustrates this problem in tragic terms. We have spawned the most distrusting generation of young folks in our nation's history. (see Figure 6) trusts no one. Of all the age categories from 18-65+, Millennials suffer the highest level of trust. The most trusting generation, surprisingly, are senior citizens, who would be predicted to be the most distrusting

This bodes ill for the future. As Millennials take leadership positions across the land, they will expect distrust, and create a massive breakdown of self-fulfilling prophecies. Be ready for a rock road ahead.

The Exception Provides the Solution

After recovering from the difficulties of the Vietnam era, the military has returned to be the most esteemed institution in America.

Why? The reason is embedded in the quality of the training of military leaders – they are taught the key principles of *moral character* -- to be truthful, honest, fair, courageous, honorable, non-partisan, dedicated to the greater good -- the very qualities of that people want and need to trust their leaders, especially in times of crisis.



We hear the clarion call for Transformational Leadership, but fail to link it with a dynamic Transformational Learning Experience.

A New Paradigm for Leadership Development



Part Two: What Went Wrong?

Universally people know that we are dismally deficient, but most don't know what has happened and what to do to fix this. To understand the decline, one must take an historic perspective.

Education in America and most of the western world in the 18th and 19th centuries was guided by classical thinking that placed a strong emphasis on a *liberal arts* education, particularly at the college level where most leaders received their formal post-secondary education. A liberal arts education had a very distinct meaning as represented by America's first educational philosopher:

Thomas Jefferson, in designing the precepts of modern democracy, wrote extensively about imbedding the qualities of trust, character and virtue into a good education, regarding them as essential to the foundation of a great democracy:

Laws will be wisely formed and honestly administered in proportion as those who form and administer them are wise and honest; whence it becomes expedient for promoting the public happiness that those persons whom nature has endowed with genius and virtue should be rendered by liberal education worthy to receive and able to guard the sacred deposit of the rights and liberties of their fellow citizens.

-- Thomas Jefferson: Diffusion of Knowledge Bill, 1779. FE 2:221, Papers 2:527

Among the benefits of education [is] the incalculable advantage of training able counselors to administer the affairs of our country in all its departments, legislative, executive and judiciary, and to bear their proper share in the councils of our national government: nothing more than education advancing the prosperity, the power, and the happiness of a nation.

-- Thomas Jefferson: Report for University of Virginia, 1818

Jefferson's concept of liberal education was very different from what we think of education today. Then, education's purpose was to make better citizens by focusing on both character and wisdom.

In the same theme, George Washington, in his letter to Brown University's President, Reverend Manning, in 1790 reflects his views on education: it has three core elements: Literature, Morality, Rights.....

Gentlemen, I rejoice ...to find in the measures adopted by the guardians of literature in this place, for improving the morals of the rising generation, and inculcating upon their minds principles peculiarly calculated for the preservation of our rights & liberties. You may rely on whatever protection I may be able to afford in so important an object, as the education of our Youth. -- George Washington

This construct of a liberal arts education was defended well into the twentieth century. Eminent scholar and university president, Henry Merritt Wriston, stated:¹

"A liberal education ... is a profound experience ... something fundamentally happens within a person [that] makes some organic change in the structure of the student's life and thought, and leaves him or her permanently different. The effects are not transitory; they are part, thereafter, of that mysterious entity which we call 'personality' ... it is a manifestation of growth itself."... simply a normal response to the fundamental yearning for a glimpse at the reality and significance of life... for health and strength... for the love of truth, the beauty of an intellectual pattern, or the

¹ Wriston, Henry Merritt; excerpts from *The Nature of a Liberal College*, Lawrence University Press, 1937 and *Wriston Speaking*, Brown University Press, 1957

What's Wrong & How to Fix It

#1 Massive Failure of Leadership Development

spirit of adventure and discovery. The substitution of mere training for genuine [liberal arts] education ... has disastrous consequences.

“Your education is wasted if you do not develop morally. If you do not acquire the moral courage to take some position and stand on it – to call what is right and wrong and take the consequences....things of the spirit are preferred over the pleasures of the moment ...having meaning for the American people [who must never] lose their sensitiveness to concepts of right and justice and human dignity.

“The greatest gift of this University is ... its accent upon values.... "In 'Deo Speramus." [In God We Trust] is a measure of value which puts all the intangibles at the head of the list -- *human dignity*...From that central postulate flows the demand for freedom, for justice, for truth. If that scale of values is valid, then other things may have to be sacrificed to maintain them. The physical standard of living, the ease and comfort, the pleasures may have to be sacrificed for a time in order that things of more exalted value may be preserved.”

Shift from the Traditional Liberal Arts

After the First World War, the “values-based” classical liberal arts education came under assault from the far more practical, “competency-based” professional schools that taught programs such as business administration, law, medicine, and engineering. These programs focused on how a professional could “master” their field of expertise (this person received a “Masters” degree or higher).

This assault gained significant momentum by the early 1970s, and then infiltrated undergraduate education. By the dawn of the twenty-first century, high schools throughout America began rejecting the classical values-based education, doing away with programs such as civics, substituting STEM: Science, Technology, Engineering & Math. The result, while not generally acknowledged by educators, is to “train” rather than “educate” a cadre of highly competent, depressed, distrustful, disillusioned youth. Practicality triumphed over the spirit of human dignity, and we now pay the price.

While competency-based education provided the critical skills for professional education, it lacked the emphasis on *values* – character development, ethics, human empathy, social skills, etc. – of the liberal arts education. The flaw in educational thinking was a failure to integrate the values-based education with competency-based education – the synergistic potential integrating values with competencies. (other papers in this series address this strategy and implementation of this integration)

Note: In final White Paper #6: ***Colliberative Education & the Twelve Concordances***, we will revisit this issue with a bold new vision for education.

Compelling Need for Trusted Leadership

In today's fast moving, rapidly changing world, where uncertainty, complexity, and ambiguity reigns, there is a compelling requirement a leadership development.

However, the kind of leadership we need isn't what was served up in the past. It's a new form – a *Collaborative Leadership* that goes beyond transformational aspirations to produce real synergies,



where people are more than just “engaged” – they are excited to interact in teams to innovate and add value every day – all the time finding meaning and purpose in both the work itself and the people.

Corporate leaders must direct this unfolding -- making people aware of the design architecture that needs to be implemented, giving people the strategies, mind-sets and tool-sets for building innovative and adaptive organizations, creating the cultures that reinforce collaborative performance, and rewarding people for teamwork and alliance building.

Today’s company is challenged to make the shift from old transactional, hierarchical structures, with its guarded functional siloes to a more integrated, networked system of cross-functional teams that can utilize the power of digital “adhocracies” based on alignment with corporate strategy and trust-based culture. Front line leaders are faced with a monumental task of transforming their organizations into agile, innovative, value-creators. To do this, they must bolster their ability to tap into the huge potential in their workforce. This is done by better understanding how to use *culture as a strategic lever*, where trust and teamwork are the central organizing principles.

It’s a paradigm shift requiring new mind-sets, skill-sets, tool-sets, and something that goes unheralded: “systems-sets,” the design architectures that support a new paradigm.

Caught in the Paradigm Chasm

Leadership today is caught in the chasm betwixt the old and the new— the chasm presents three basic options:

- 1) a freefall into hell, or
- 2) a retrogression as we try to reclaim a past that is quickly becoming a reflective illusion, or
- 3) a proactive adventure to design a bold new future capturing opportunities while learning new things at the organizational, team, and individual levels.

To exercise the third option, we need both a vision and a system design architecture that is well articulated at all levels.



Reinvention is not for the dispassionate or weak of heart.

So too must the Learning and Development profession adapt its approach. Executive Education must align with the bold but disruptive changes climbing our doorsteps; so far it is not rising high enough.

While change is never easy; paradigm shifts are doubly more difficult because there are more unknown factors that need addressing from multiple points of

When collaboration and trust are missing, failure is destined for paradigm shifting.

view, and more point of implementation innovation is required at every moment of engagement. These are best. Companies and staff shy away from mastering what is dramatically different, knowing what they’d rather preserve from the past than what they’d like to invent for the future.

What's Wrong & How to Fix It

#1 Massive Failure of Leadership Development

Part Three: Fast Moving Business World & the Collaborative Shift

Paradigm shifts are neither quick nor simple fixes, primarily because the *organizational systems* must change, not just a few adjustments to a processes and basic improvements to some practices.

Making paradigm shifts is compounded by the legacy thinking, hierarchical structures, vested interests, and infrastructure investments that stand to lose power and prestige if the shift occurs. It is these people who will resist the shift most strenuously, providing all the old reasons why incremental change is more “reasonable.” The reality of disruptive paradigm shifts is that making the change is hard work, filled with risk and uncertainty, and often unforgiving. Many people are simply not dissatisfied enough to take the chance on change.

Organizational change requires multi-dimensional orchestration. It starts with an acknowledgement of the problem, a desire to invest the time, resources, and pain to make the change, and the willingness to deal with the unintended consequences that may emerge. In collaborative cultures, those unintended consequences often are positive, while in more adversarial conditions, the culture will foster chaos and confusion. Often the shift will require the replacement of significant numbers of leaders, particularly those who contributed to the problems and have no willingness to move forward.

With the advent of strategic alliances in the 1990s, a burst of enthusiasm emerged. CEOs then recognized the value of collaboration. Some industries, particularly Japanese autos, pharmaceuticals, and high tech made great gains.

Using alliance best practices, companies tripled their success rates, from 25% to 75%.

However, despite the stellar increase in alliance success rates, something stalled. Alliances were expected to be the “lead arrow,” catalyzing a larger “collaborative shift” in business. That shift has never really materialized, but neither it’s not, by any means, dead.

What is necessary to unleash the power of collaboration?

What’s holding things back?

What shifts in thinking are required?

What gains are possible?

Who should be leading the shift?

***We must not attempt to solve problems
with the same level of thinking
that created the problem.
Einstein***

The business world is changing at a bewildering pace. In no other period in the history have we encountered so much change so fast (with the exception of wartime). At a time when we need the agility of Collaborative Leadership more than ever, we are flat-footed and seemingly hapless.



The New Era of Change, Speed, & Complexity

Change, speed, and complexity are the by-words of our age. In workshops conducted over the last twenty years, our team has asked over twenty thousand senior executives all over the U.S., Canada, and Europe to graphically express the impact was of the rate of change/speed/complexity since 1970.

Amazingly, for well over 90 % of the executive responses, the curve looks thus:² (see Figure 1). The implications of this phenomenon, from a predictable, slow-time world to an integrated fast-time world are massive. It affects every aspect of management.

This astounding concurrence represents the dazzling shift that has rocked the very foundations of organizational thinking. But with this shift, executives have been caught flat-footed.

In the first half of this era (1970-1995), the business world was slower moving, a period of relative predictable change, characterized by five and ten year strategic plans and three year sales forecasts. Organizations stood as independent entities that *transacted* business independently, alone and predominantly hierarchically. The rules of management in this earlier era have been developed from years of experience, handed down through generations of tradition, built into corporate culture, and augmented by the esteemed learning from our business schools.

However, the quantum nature of the shift has massive impacts on the nature of business. The conditions of rapid change, increasing speed, and heightened uncertainty have created a set of conditions where the old rules don't apply. (see Figure 2) But most corporate leaders were never equipped for this shift. And business schools are not providing new levels of thinking necessary to succeed.

What we have learned from the last thirty years on the front lines and in the trenches is that heightened levels of speed, complexity, and change are handled far more agilely in collaborative environments – where trust in key partners is high and sustainable.

However, an “installed base” of *legacy management* has limited not just the power of collaboration, but also the impact of potential new innovations, value creation, and using technology to increase speed of development and delivery. We learned that just using collaborative Best Practices in the

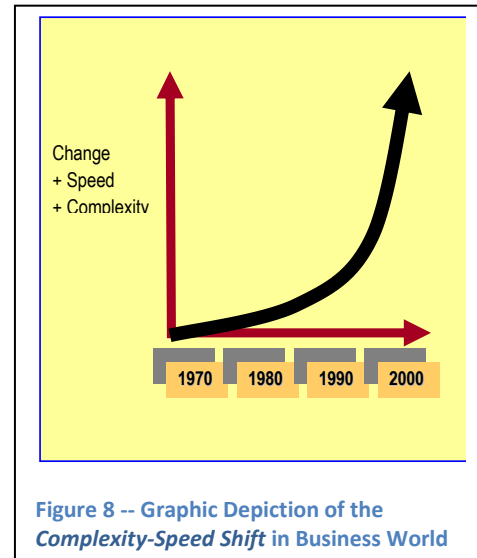


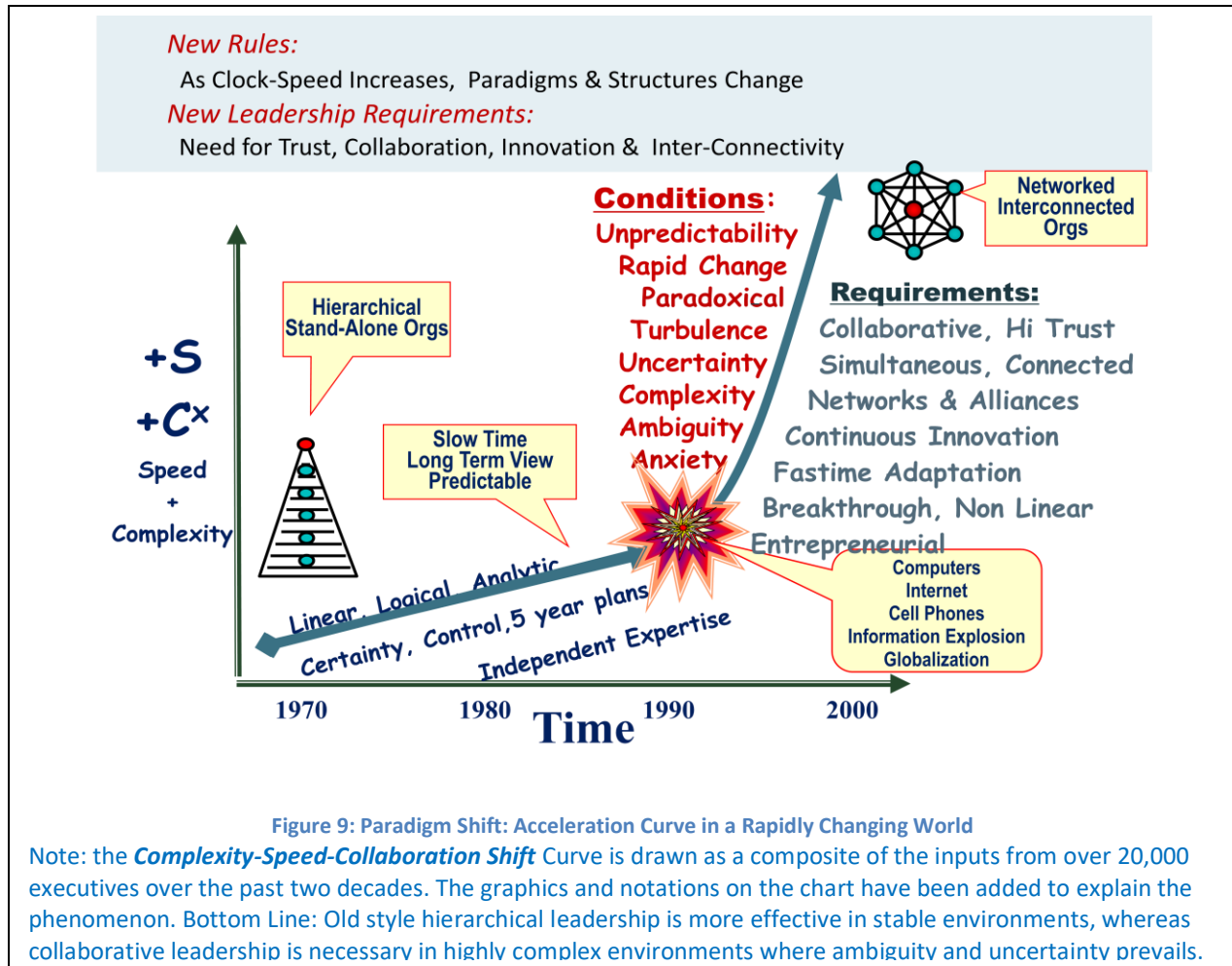
Figure 8 -- Graphic Depiction of the Complexity-Speed Shift in Business World

² The only difference among these 90% was the point of inflection where the curve changes direction radically. For those in very rapid change industries, such as high tech, the point was generally between 1986 and 1990. For those in slower changing businesses, such as petro-chemicals the point tended toward 1995-1998. The primary reasons for the shift cited by executives were: computers, faxes, globalization, cell phones, then the internet, each compounding upon the other. This curve is a “Baby Boomer” perspective. Ironically, those who entered into the business world after about 2000 draw only the skyrocketing part of the curve – they have no perspective on what the world looked like in the 1960-1980 period.

What's Wrong & How to Fix It

#1 Massive Failure of Leadership Development

alliance arena³ alone had little multiplier impact on the parent organizations, and were thus insufficient to influence the potential magnitude of the collaborative shift in general. Nor did the external alliance best practices morph into better internal alliances between different organizational functions; fiefdoms still reign as the normal mode of operation inside businesses. Rivalries between functions like engineering, sales, and finance are certainly still the norm.



While most senior executives still balk at the idea of culture having much value in the business world (mainly because engineers, accountants, and lawyers regard it a “soft” and thus discount its importance).

Our extensive studies of large-scale “mega-projects”⁴ we found over and over again, that collaborative project leadership (as opposed adversarial or transactional) increased the chances of bringing in a long-term project by a factor of 3-5X. And, at a total cost rate of nearly \$1 million/hour (yes you read that right), you would think all corporate leader’s heads would turn to attention and adopt the collaborative system immediately. Sadly, due to the installed base of legacy management thinking, few paid any attention. They could only see the world through the lens of a dying paradigm.

³ This author pioneered alliance best practices with *The Practical Guide to Joint Ventures & Corporate Alliances* in 1987, *Business Alliances: The Hidden Competitive Weapon* in 1993, and the *Alliance Best Practices Handbooks* that underpin the Association of Strategic Alliance Professionals (versions in 1995, 2001, & 2008).

⁴ See [Future Path of Mega Projects](#) by George Jergeas & Robert Porter Lynch



And, in the least inspiring of situations, many large corporations that made substantial money and gained considerable headway strategically by working in collaborative networks, abandoned their profitable ways⁵ because new executives, replacing the old champions, didn't see how they could "control" their alliances. This was further exacerbated when financial accountants, using legacy accounting, could not attribute standard cost and return analysis.⁶ So too were lawyers perplexed in using standard legal contracts to "protect" their clients.⁷

The collaborative excellence gap was all too evident. The corporate "palace guard" protected its leaders right back to legacy thinking, blinding them to the future.

They all suffered from "paradigm paralysis;" failing to grasp the **Complexity-Speed-Collaboration** connection, wrapped up in technological change without a commensurate shift in collaboration

The **Complexity-Speed-Collaboration Shift** is horribly misaligned and out of balance, especially on the collaboration dimension, and is thus unstable. This condition has been with us for at least a century. Thomas Edison remarked in 1928:



It's a troubled world -- full of doubt and uncertainty. You say men of science have been helping it. Are we going to discover, too late, that science was trusted too much? So that it has turned into a monster whose final triumph is man's own destruction?

Some of us are beginning to feel that danger. But it can be avoided.

I once had two dynamos [generating electricity that ran wildly out of control and] needed regulating. It was a problem of balance and adjustment. I feel that the confusion in the world today presents much the same problem.

The dynamo of man's God given ingenuity is running away from the dynamo of his equally God-given humanity.

I am too old now to do much more than to say:

Put those dynamos in balance, make them work in harmony as the Great Designer intended they should.

It can be done; what man's mind can [conceive],
man's character can [achieve].

Man must learn that. Then we need not be afraid of tomorrow.
And man will go forward toward more light.⁸



⁵The most egregious case was Chrysler, after its purchase by Daimler Benz in 1998. See Stallkamp; *Score*

⁶ In our Value Creation Architecture (described later), we demonstrate how value is created in collaborative systems, how profit is produced, and trust's impact on profits.

⁷ The best way to protect a client is to increase success rates, which is exactly what the Alliance Best Practices (pioneered by this author) accomplished. However, more often than not, lawyers fractured any sense of trust or collaboration with draconian legal documents, "poisoning the well" for future working relationships.

⁸ From "Thomas Edison, The Man"; movie starring Spencer Tracey, 1940

How do we know we are ready for a Paradigm Shift?

*When great intentions yield mediocre results,
When the tried-and-true ceases to work,
When every attempt to fix things is met with frustration and
failure....*

*Then likely the design has reached its limits; the paradigm is
ready to shift.*

*Opportunity is present; Creative vision is called for;
And Bold Action in New Dimensions is the nature of things to
come.....*

*While the Old Guard will staunchly defend the past....
As entrenched investments and legacy beliefs refuse to yield
their hallowed ground.*

-- Robert Porter Lynch

In the next White Paper: **#2 What Went Wrong – Three Flaws in Leadership Development**, we will dig into the fundamental causes of the problem in Leadership Development and address the solutions in the White Papers that follow.



DRAFT ONLY -- NOT For Release!