

# Towards the Development of Wisdom in Business Leadership

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*I have counsel and sound wisdom; I am understanding; I have might.  
Kings reign with me, and rulers legislate righteousness.  
Through me princes govern, and nobles, yea, all judges of righteousness.  
I will love those who love me, and those who seek me eagerly will find me.*

*Proverbs 8:14-17*

Following the end of the Cold War, the advent of the digital age, and rapid shifts towards a pluralistic approach to international relations, leaders in the military sector concluded that the world was becoming more *volatile, uncertain, complex, and ambiguous*, or “VUCA” – terminology and thinking that has since made its way into the Harvard Business Review<sup>1</sup>. However, while many business leaders are aware that developing strategy, making decisions day-to-day, and managing change have become extraordinarily difficult, few tools and frameworks have been developed to make doing business easier in our brave new VUCA world.

While some reliable approaches exist, they tend to be restricted to expensive training programs offered by specialists, making it difficult to develop capacities across entire organizations and between levels of management. Thankfully, enough progress has now been made in academic fields such as expertise studies, education theory, neuroscience, and developmental psychology to develop a robust understanding of how human beings make decisions in complex scenarios, how they can improve their capacities of judgement, intuition, and foresight, and how those capacities can be trained and deployed within organizations for economic and social benefit.

## Developing an Expert’s Intuition

Most people know someone who could be considered an expert in certain tasks. From athletes who can react faster than the eye can see, to salespeople who can close tough deals half-asleep, the secrets of expert performance have been the subject of many popular business books, including Malcolm Gladwell’s *Outliers* and Daniel Coyle’s *The Talent Code*. Thanks to these works, we know that it takes thousands of hours of focused practice to build expertise, implying that it takes many years of business experience to qualify someone for a senior leadership position. However, the digital age has brought with it a cohort of young startup founders who are navigating some of the world’s largest companies with varying degrees of success, suggesting that business leadership – and particularly leading through change and growth – might belong to a different skillset. What is the truth?

To discover what truly drives expertise, we must go deeper than observations of athletes and interviews with chess masters. Indeed, the neuroscience behind expertise, and even the laws of physics behind that neuroscience, become highly relevant.

Without getting too far into the details, we are wired to notice anomalies in our environment<sup>2</sup>. For example, imagine you are at an open mic night and the person on stage hits a wrong note in a song that everyone knows well – you can’t help but notice it. Indeed, things that are *different than expected* stick out in our minds, essentially because the brain uses our level of surprise as a computationally-efficient proxy for how well things are going<sup>3</sup>. But how do our brains know what constitutes a surprise?

For a moment, think of someone you know well. What do they like? What do they dislike? How might they react if you started blasting Cher’s *Believe* while on a road trip? This collection of information you’ve just collected in your mind, along with a hypothetical scenario involving Cher, is an example of a *mental model*, which your brain has been creating since birth to figure out what the world is like.

We have a mental model for everything in our lives, but especially for our businesses. If you are a business leader, your mental model includes your projections about the market, the internal discussions happening within your company, your financial projections, and a whole range of other factors that influence your decision-making with or without you realizing it. This is one reason why businesses will often hire outside consultants – to provide fresh perspectives, new ways of thinking, and even to point out “blind spots”, better understood as gaps or errors in someone’s mental model that impairs effective decision-making.

## Sophistication of Mental Models

Over the past seven decades, a line of developmental psychologists beginning with Jane Loevinger have been studying the relationships between language and cognition, and particularly as they pertain to the sophistication of someone’s thinking, problem-solving, and relationship-building behaviors. What they found was, essentially, that human beings exist on a continuum marked by increasing sophistication of mental models, and that accelerated development along this continuum is possible<sup>4</sup>. Unfortunately, these insights have not yet filtered into our education systems, leaving most graduates without key capacities required for success in management and strategic roles<sup>5,6</sup>. Furthermore, the training programs that do exist are prohibitively expensive, with assessments costing hundreds of dollars per employee and workshops in the tens of thousands, as these technologies represent tremendous value to the

academics who developed the early iterations. In short, there is tremendous value here that has yet to make its way into the business mainstream, as well as unexplored territory in terms of delivery and content.

## What is Wisdom? What is Intuition?

When the concept of wisdom and its academic literature is placed within the context of these other discoveries, it seems that the hard-to-define quality we have called “wisdom” is really just *generalized life expertise* and involves well-developed mental models for issues involving human nature, right and wrong, the “ways of the world”, and other socio-environmental patterns typically acquired over many decades of life experience. However, researchers have consistently found that some people in their twenties are demonstrably operating at the highest levels of the sophistication continuum, again suggesting that accelerated development is possible. But how?

Perhaps comfortingly to many, the trend is that people with traumatic or intense life experiences tend to experience accelerated development, a phenomenon called “heat experiences” by corporate trainers<sup>7</sup> and “post-traumatic growth” by psychologists working with extreme cases. In a world where words like “trauma” have become part of the modern lexicon, it may be surprising to learn that the majority of people who experience traumatic events do in fact grow from them, a trend elucidated in a variety of contexts by Nicholas Nassim Taleb’s bestselling *Antifragile*. Within the more gentle realms of education and expertise studies, the literature and my research with postsecondary business students has revealed that *cycles of high-stakes simulations*, especially when gamified or made “fun” in some way, allow for the rapid exploration of new territory and the development of mental models that are extraordinarily sophisticated for their demographic.

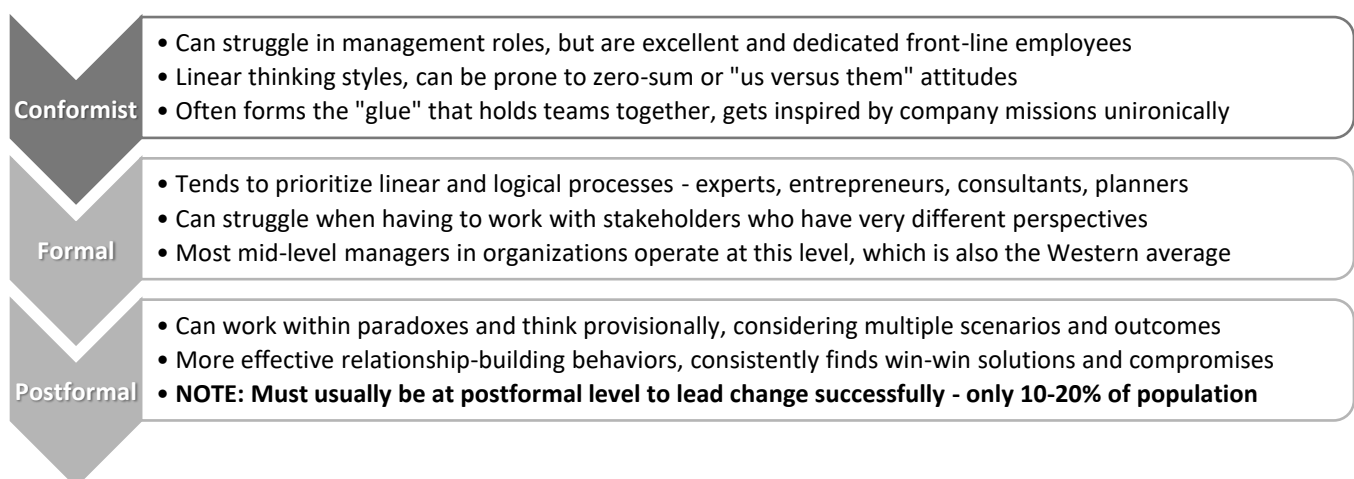
Regarding the sense of expert intuition that sets some professionals apart from their peers, researchers across many fields are beginning to concur that our intuition represents conclusions from our mental model developed in the intuitive and metaphorical right hemisphere which have yet to be fully translated over to

the language-dominant left hemisphere<sup>2</sup>. This explains why experts can “know” something without being able to explain how they know it, and an indication that intuition is a neurological mechanism designed to work faster than language. Given the West’s cultural emphasis on explicitly-stated logical conclusions, it is likely that intuition, more favoured by indigenous, non-Western, and feminine thinkers, has been devalued unnecessarily, and to the detriment of business performance.

## Towards Accessible Solutions

Thanks to many years of research and development in these fields, as well as in education, corporate training, and adult learning, it is now possible to develop and deliver scalable and effective solutions for businesses looking to empower their employees with advanced strategic and relational capacities. The good news is that many standard approaches to learning and development, such as mentorship and stretch projects, are already supporting development along this continuum. However, by making targeted investments in this kind of employee development, organizations can not only generate returns through employee performance and company culture, but on strategic agility, process efficiency, and forecasting ability. Indeed, researcher Frédéric Laloux has found that organizational structures and decision-making processes within organizations exist on a continuum very similar to the developmental one first identified by Jane Loevinger, with more sophisticated structures yielding higher and more efficient performance<sup>8</sup>.

In terms of unlocking this value for your business, there are many paths forward, including a train-the-trainer approach that supports leaders in cascading these capacities through organizations, a strategic planning facilitation that weaves in developmentally-focused training sessions, and accessibly-priced measurements to help you assess your leadership bench and identify hidden potential in your junior cohorts. Depending on your context and needs, completely custom solutions can be developed, including onboarding materials to support a consistent company culture. Contact me for more information on costs, deliverables, and ROI.



<sup>1</sup> Bennett, N., Lemoine, G.J., “What VUCA Really Means for You”, Harvard Business Review (2014)

<sup>2</sup> Strong, Z.R.J., “The Bicameral Expert”, ZacharyStrong.net (2021)

<sup>3</sup> Alexander, S., “God Help Us, Let’s Try to Understand Friston on Free Energy”, SlateStarCodex.com (2018)

<sup>4</sup> Rooke, D., Torbert, W.R., “Seven Transformations of Leadership”, Harvard Business Review (2005)

<sup>5</sup> Strong, Z.R.J., “Micro-Universities: A Grassroots Vision for Higher Education”, ZacharyStrong.net (2021)

<sup>6</sup> Kegan, R., “In Over Our Heads: The Mental Demands of Modern Life”, Harvard University Press (1994)

<sup>7</sup> Petrie, N., “Developing Leaders for a Complex World”, Center for Creative Leadership (2014)

<sup>8</sup> Laloux, F., “Reinventing Organizations”, Diateino (2014)