

# The Elderful Leader™

## Developing Rank Capabilities for Effective Leadership

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# Abstract

This paper presents an inductive and theoretical exploration of rank and organisational leadership. The thesis analyses process oriented rank concepts along with contemporary theories of power and authority and applies these to organisational leadership. The notion of elderful leadership is described as an exemplar of highly effective leadership, one that arises through merging the strengths of structural, psychological and spiritual rank to develop better working relationships and create a more deeply democratic environment. Five key rank capabilities are defined and described that are significant for the development of elderful leadership.

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# Structure of Thesis

This paper is constructed in three parts:

Part I comprises an introduction, research questions, background to the development of this topic and a discussion of the methodology used.

Part II contains theoretical background and concepts pertinent to this study. This section includes working definitions of power and authority from contemporary literature, along with explanations of terms and concepts relating to process oriented theories of rank.

Part III focuses on the application of process oriented rank concepts to the field of organisational leadership. This section develops the concept of elderful leadership, and describes in detail five rank capabilities significant for the development of elderful leadership.

Part IV concludes and summarises the paper, and explores implications of this research.

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# Part I

## Introduction

This thesis is an exploration of process oriented rank theory and its application to enhancing organisational leadership. The paper utilises research synthesis, conceptual analysis, case study exploration and critical reflection to develop the concept of elderful leadership and five of its key rank capabilities. Elderful leadership is promoted as an exemplar of highly effective leadership that merges the strengths of structural, psychological and spiritual rank. The capabilities for elderful leadership that are explored are:

1. Understanding the Power of Structural Rank.
2. Enacting Structural Rank.
3. Developing Psychological Rank.
4. Building Awareness of Low Rank Triggers.
5. Connecting to Spiritual Rank.

Human interactions are steeped in rank dynamics. Developing better insight, awareness and skills for working with rank is fundamental for effective leadership. Yet it is often difficult to engage in discussions about power and rank in Australia. We don't want to know about rank and power, and we struggle to acknowledge our own rank or allow others to be powerful.

Australian culture has 'egalitarian values and anti-authoritarian narrative' (Aigner and Skelton, 2013 p117). Our culture can make it unappealing to occupy positions of power, or to examine and develop our use of rank.

This paper attempts to redress this gap in our understanding with a focus on rank capabilities for organisational leadership. The focus is formal leaders operating at any level of an organisation, from team leader to chairperson of a board. Formal leadership is a role occurring in a particular context 'where a leader and followers share a purpose (vision, mission) and jointly accomplish things (e.g., goals, objectives, tasks) ... (and) where there is some type of authority structure or power difference' (Yammarino et al., 2012 p383). It would be equally worthwhile to examine rank challenges and capabilities in organisational followership, but that would be the subject of another paper.

In focusing on organisational leadership, this paper joins a large and expanding body of work dedicated to this topic. Leadership has become a fashionable object of study, with significant development of leadership theory and practice in recent times. This may have come about because leadership is inherently a fascinating area. It may also be that the world is craving better leadership, and the hope is that by developing new models for leadership, we may contribute to the improvement of its practice. This is certainly my hope and a significant motivation for my choice of thesis focus.

I am deeply interested in the field of organisational leadership. I have held various leadership roles and currently work in the field as a consultant, coach and mentor in leadership best practice, which affords me considerable rank and power in relation to my clients. I am acutely aware that I frequently do not meet my own standards of leadership. I often work at the edge of my own capacity, and am constantly learning and developing. Thus, as I undertake this exploration, I am embarking on a learning journey with the reader.

I am fascinated by the dynamics of rank, power and influence in organisations. The most effective leaders that I have witnessed all have the ability to use their rank in a way that is well received, and to build influence with their subordinates. The research supports this view. It

shows that the most effective leaders are those who understand that in order to get things done they must have influence (McClelland and Burnham, 1995). These studies reveal that when leaders hold a focus on influence, not only are they more effective, but their teams also have higher morale, exhibit greater responsibility and team spirit, and have significantly clearer understanding of their priorities and how these link to organisational goals (McClelland and Burnham, 1995).

In contrast, less effective leaders rely heavily on the rank attached to their position, expecting or demanding compliance rather than building influence. This correlates with an emphasis in contemporary leadership theory and practice on the exercise of the hierarchical power attached to particular roles. This perspective significantly undervalues the contribution of other forms of rank in achieving outcomes.

While hierarchy is an important element in a leader's capacity to get things done, it is only part of the story. Process oriented rank theory suggests that the power a person holds in any given moment is influenced not only by their position in the hierarchy but also by their use of social, structural, psychological and spiritual rank. Understanding and learning to work with the multifaceted nature of rank can transform leadership.

## Research Questions, Rationale and Methodology

This thesis is an inductive and theoretical research project, drawing on various methodologies including research synthesis (Cooper et al., 2009), conceptual analysis (Wallis, 2014), case study analysis (Cronin, 2014) and critical reflection.

I undertook this project to explore the domain of rank and power in organisations. I have worked for several years in the fields of organisational development, leadership development and workplace conflict, and have long been fascinated by power dynamics, and in particular the tendency for power to be downplayed despite its centrality in workplace dynamics. My aim was to use conceptualisations of rank, power and authority, and in particular the lens of process oriented rank theory, to bring new understandings of leadership and better equip me in my work.

My initial research focus was broad, encompassing a multitude of rank dynamics between and amongst leaders and followers. I then narrowed this focus to rank and leadership to enable a greater depth of exploration. In the course of this analysis I became fascinated by the notion of rank capabilities in leadership - if there existed an ideal leader, how would they enact their structural rank? How would they understand and experience their own rank and that of others? What would be their psychological and spiritual ranks, and how would they use these ranks in their leadership?

These became the research questions. The project has been inductive (Ketokivi and Mantere, 2010) in nature, commencing with observation and gradually building to the formulation of theoretical conclusions. Aside from the data of my own experiences and observations in organisations, I have drawn extensively on research synthesis and conceptual analysis. I undertook a literature review into current theories intended to explain rank and power dynamics

within and beyond organisations. This review included contemporary theories of authority and power, including conceptualisations from social science, political science, and organisational and management theory. I compared these with process oriented conceptualisations of rank and power, and then synthesised this research in order to better understand, analyse and integrate the various theories. I also undertook research into various academic explorations of leadership, management, teamwork and organisational development. These complemented my own understanding of the field of leadership and helped develop my ideas about the relevance of rank and power in leadership.

I have included several case studies as part of the exploration. These case studies are amalgams of actual leaders and situations that I have encountered in my work in organisations. The cases are provided to assist the exploration of each rank capability. These case examples present common scenarios and help illustrate the importance of each rank capability. The person presented in each case example is fictional, created from an amalgam of several leaders I have known. I do not seek to include or explain the full complexity of any case, but rather to explore some significant aspects of the situation through the lens of process-oriented rank theory.

The thesis explores the notion of elderful leadership through the explication of five key rank capabilities. These capabilities provide an application of process oriented rank theory in the domain of leadership development. My hope is that this paper makes a contribution to both the field of leadership development and to process oriented psychology.

# Part II: Theoretical Concepts

## Introduction

The central focus of this paper is an exploration of rank in organizational leadership using the lens of process oriented rank theory. While an exhaustive analysis of power and authority is beyond the scope of this paper, it was vital to explore some of the key theoretical conceptualisations of power and authority to provide clarity and context for the exploration of rank.

A literature review revealed that contemporary definitions of power and authority overlap and the terms are often used interchangeably. It was important to select a working definition of each concept in order to proceed with our exploration. The literature review underpinning the following definitions is detailed at Appendix.

For the purposes of this paper, authority is defined using the group relations perspective. According to this definition, authority is power legitimised by role, and is comprised of three types: positional, personal and supported authority.

Power is defined in such varied ways that it is more difficult to select a single definition. For me, the most useful definition of power is a conglomerate of a number of definitions: Power is the overall capacity or potential to act. Power draws from all that is within our control, along with the support and resources we can rally to our cause, as well as personal attributes that enable the capacity to intimidate, charm or otherwise influence others.

Contemporary theories of power and authority provide helpful ways of understanding the dynamics of power, control and influence in organisations. However, these theories do not

provide a complete explanation for these dynamics, nor do they discuss power and authority as capabilities that can be developed. Process oriented rank theory provides a more comprehensive analysis of this domain that takes into account the complex and multifaceted nature of rank and power.

## **A Process Oriented Theory of Rank**

Process Oriented Psychology, otherwise known as Processwork, is 'an evolving, trans-disciplinary approach supporting individuals, relationships and organizations to discover themselves' (Mindell and Mindell, 2013). It is an awareness paradigm that centres around unfolding the flow of process or momentary experience (Diamond and Spark Jones, 2004). The Processwork approach encompasses multiple elements of any situation including subjective and subtle experience as well as social, political and transpersonal dimensions.

Process Oriented Psychology offers a theoretical analysis of rank and the power that ensues from rankfulness. This analysis is based on the recognition that rank, power and authority are contextual, multi-dimensional and changeable from moment to moment. From a process oriented perspective, power arises from rank.

Mindell (1995 p28) defines rank as the 'sum of a person's privileges'. These include the 'conscious or unconscious, social or personal ability or power arising from culture, community support, personal psychology and/or spiritual power' (1995 p42). Process Work identifies four main types of rank, including the rank accruing from inner attributes and abilities. These four categories of rank are social rank, contextual rank, psychological rank and spiritual rank.

Social rank is the rank bestowed on us by our society. It is derived from our culture's mainstream values and biases. Our social rank can be roughly measured by how closely we meet societal norms regarding what constitutes an "ideal" person. In any given society there are favoured attributes that are highly ranked relative to other attributes, and these will accrue more status, authority, reward and support for the person who is seen to hold them.

In Western society, attributes that attract the highest social status tend to be those of maleness, whiteness, and heterosexuality. The attainment of a tertiary education and professional standing also rate highly and are associated with a white-collar job, economic affluence and upwardly mobile socio-economic circumstances. In alignment with mainstream imagery, the more successful man will be one who is considered to be handsome and athletic. A man who displays a more rational mindset will also be favoured more than a man who exhibits emotionality.

Social rank also includes the relative ranking systems within different subgroups of a society. These relative ranks also tend to define how we should be and behave as a member of that subgroup. For instance, women generally accrue significantly more social rank if they fit the contemporary stereotype of beauty and behave in a sweet, friendly, helpful and receptive manner.

Social rank norms are self-perpetuating. They are maintained by images promulgated in media and marketing, and can be internalised as beliefs and assumptions, shaping critical commentary and judgments that are often expressed internally in our self-talk. These norms and internalised beliefs also fuel the criticisms and judgements that we make about others. Social rank norms create considerable pressure to conform. They thus also shape our attempts at impression management (Goffman, 1956), whereby we maximise our desirability and reputation through behaviours, appearances and symbols of social rank intended to influence others' perceptions of us.



One ready-made profile of high social rank can be found in prime time television. The people portrayed on television as likeable or in positions of authority generally hold the highest rank attributes in that society at that time. For example newsreaders, interviewees, heroes and heroines in Australian television are mostly white, attractive, able-bodied and heterosexual. Commercial television can be thought of as a gauge of social desirability, particularly the images portrayed in advertising. These images both reflect and perpetuate social rank norms.

Social rank and its privileges are often taken for granted or invisible to those who have this rank in 'spades'. This is partly because the experience of this rank exists only in the effect it has on others. Additionally, very few of the attributes of social rank are earned. They tend to arise from a person's place of birth, familial wealth, physical attributes, and other inherited or genetically based aspects. Schuitevoerder (2000 p76) explains the somewhat blinding effect of his own inherited privileges: 'the rank of being white in South Africa was an unearned privilege that I was not always aware of, but from which I benefited greatly and which assisted me in developing other rank benefits such as education and greater material comforts'.

Contextual rank is another key form of rank. This is the rank we hold that pertains only to particular situations or environments. We all have moments of low contextual rank. They occur organically when in settings where we feel uncomfortable. This might be because of a lack of familiarity, language or other communication barrier. They can arise when we don't understand and therefore struggle to behave in alignment with the protocols of that situation. An example is when visiting a foreign country in which we are not conversant in the language and attempting to navigate an unfamiliar public transport system, without assistance. Such experiences can be quite stressful! If we are accustomed to holding high social rank, we may be thrown by situations like these, and may even use our social rank to avoid such scenarios by hiring a private chauffeur or tour guide.

The structural rank connected to the position one holds in an organisation is a form of contextual rank in that it belongs only to that context. However, in societies such as ours, in which there is a heavy emphasis on occupation and professional standing within particular vocations, structural rank is also a form of social rank. Social rank is the most recognised form of rank in society generally, but structural rank is almost always the most valued rank in hierarchical organisations.

Contextual rank in a workplace also arises from how closely we match the stereotype for our role. For instance, a leader will usually have more contextual rank if their style and skills closely align with the prevailing leadership paradigm of decisive action and the pursuit of outcomes. Our contextual rank is also increased if we are in favour with people who hold positions of high structural rank. This favour may arise because of our work style or skills, but also can be the result of other factors, including having a closer personal relationship or 'connection' with those in high structural rank.

All these ranks are contextual in that they do not carry over to contexts outside the organisation. Even work related events such as conferences can be of such significantly different context to nullify or alter the contextual and structural rank held by leaders within their organisations. For instance, speaking abruptly to an organisational subordinate may be tolerated or normalised within the organisational setting, but may be frowned upon if overheard at a broader networking event.

All ranks are at least partly contextual and can shift from moment to moment, as our rank exists only to the degree that it is relevant or valued in the context as well as the degree to which it exceeds the rank held by those around us. However, whereas social rank is fairly stable across our day-to-day experience within our own society, contextual rank is so situation-specific that it

tends to be easier to notice. It is thus generally more possible to be aware of our contextual rank than it is to develop and maintain awareness of our social rank.

Social and structural ranks are the most recognised and valued in our society. Discussions about rank and power traditionally focus on social and structural rank. However 'we are only scratching the surface when we speak of social, economic and national privilege' (Mindell, 1995 p59). In order to explore rank more fully, we need to also look at other forms of rank.

Psychological rank is the power that comes with self-knowledge and comfort with oneself, as well as the ability to experience, comprehend and function within changing emotional states. The ability to process our emotions quickly and publicly contributes significantly to our psychological rank, as does our capacity to accurately detect, predict and understand other's emotional states. This psychological capacity is to some extent described by the term emotional intelligence, 'The capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and our relationships' (Goleman, 1998).

Psychological rank can develop through having a loving parent who validated our perceptions as a child, leading to a well-developed sense of self and self esteem. This type of rank is also built through personal development. Self exploration brings awareness of one's behaviours and tendencies, as well as the ability to know how to best handle oneself in challenging situations. When we experience resilience in the face of challenge, conflict or change, and when we feel comfortable expressing our own perspectives and needs in difficult situations, chances are that we have a well developed level of psychological rank. Thus, high psychological rank can make one a powerful opponent in an argument (Schupbach, 2007).

The fourth broad category of rank is spiritual rank. People with high spiritual rank tend to bring a broader, wiser and more detached perspective, and 'an understanding of interconnectedness that values all perspectives for their contribution to the whole' (Collette, 2007 p22). Spiritual rank

can also be thought of as transpersonal rank, in that it is a rank derived from beyond the personal, individual or usual limits of ego and personality. This rank can be elicited from a connection to something bigger than ourselves, whether that be a religious conviction, strong sense of purpose, or a spiritual connection or 'transcendent state which creates a detachment and experience of freedom outside of the wheel of ordinary life' (Schuitevoerder, 2000 p79). Yet some people develop spiritual rank not through religiosity per se, but by experiencing and surviving hardship and attaining a level of perspective, meaning, purpose or connection that transcends their sense of self and their own suffering.

Young children tend to have an abundance of spiritual rank. With their innocence and free thinking, children can bring unique and transformative perspectives to situations. Think of the child in the tale The Emperor's New Clothes, who was the only person in the kingdom who noticed, trusted and voiced his perception that the emperor was actually naked.

Spiritual rank helps us to understand experiences and dynamics in a new and more constructive way. It enables us to navigate through interactions in a way that makes others feel good about themselves, while also respecting our own needs.

Spiritual rank can also arise from feeling right, or having needs that should rightly take precedence. This is another way that very young children tend to have high spiritual rank. Despite their generally low social rank, they have the astonishing ability to control situations through the strength and inflexibility of their needs. This aspect of spiritual rank is sometimes misused or misdirected when we become righteous, morally superior in our attitude, or when we take the high moral ground in order to win out in a situation.

Spiritual and psychological rank both contribute greatly to our personal authority and our personal power. These ranks can significantly improve our effectiveness in our work. Without them, it is very difficult to build and maintain trusting relationships. Without some level of self-

awareness and detachment our positional authority will not be supported or experienced as legitimate. In the situations where we have low structural rank yet need to exert influence to get our job done, these types of rank are the secret to success. People who are great influencers tend to have a lot of psychological and spiritual rank, and know how to use them in a way that benefits others.

Social, contextual and particularly structural rank may have greatest currency in our society and institutions, but their power is not transferable beyond the organisation. This makes them a potential weakness. 'Psychological and spiritual ranks, however, are flexible and powerful: they can be transferred across all situations and contexts. If someone has psychological rank, she feels that in the classroom, in the grocery store, and walking along a city street' (Diamond, 2004 p16).

### **Drawing Together Theories of Power, Rank and Authority**

There is a clear overlap between the process oriented theory of rank outlined above, and contemporary theories of power and authority. It is also evident that power and authority theories are lacking in dimensionality. A significant contribution of process oriented rank theory is that it explicates different dimensions of rank and power to create a broader and more comprehensive foundation for understanding and working with rank.

Process oriented rank theory enables a useful extension of our earlier definitions of power and authority. Power can be thought of as the capacity or potential to act that arises from rank. We have power and therefore the potential to act when we have rank, and the sum of all our ranks provide us with our overall power.

Our authority is the legitimised power we hold in our role. It arises as a result of both our level of rank and the effectiveness with which we use that rank. This rank can be structural, social, psychological and/or spiritual. We can therefore be authoritative without having positional authority or structural rank.

Applying these working definitions, we can develop a model of effective leadership focusing on the development and use of rank, power and authority. Effective leadership draws on the strengths of structural, psychological and spiritual rank in a manner that builds legitimacy, thereby developing authority and enabling the leader to capitalise on the potential of their power.

# **Part III: Rank Capabilities for Elderful Leadership**

## **Introduction**

This section focuses on the application of process oriented rank concepts to the field of organisational leadership. The notion of elderful leadership is described as an exemplar of highly effective leadership, one that arises through merging the strengths of structural, psychological and spiritual rank to develop better working relationships and create a more deeply democratic environment. Five key rank capabilities are defined and described that are significant for the development of elderful leadership.

In developing the rank capabilities, I have focused on the five that I consider to be the most pertinent in the majority of organisational contexts, based on my experience working with leaders in organisations. I acknowledge that there are other rank capabilities that may be equally significant in certain leadership contexts.

## Elderful leadership

*'I have always endeavoured to listen to what each and every person in a discussion had to say before venturing my own opinion. Oftentimes, my own opinion will simply represent a consensus of what I heard in the discussion.'*

Nelson Mandela (1994 p18-19)

Rank and power in leadership are too often discussed as if they are synonymous with hierarchical power or structural rank. Indeed structural rank is potent, yet it does not in itself provide adequate explanation for the power held by effective leaders. Process oriented rank theory argues that rank is complex and multidimensional. The power that a leader has in any given moment is influenced not only by their structural rank but also by their social, psychological and spiritual rank. The leader's power is also shaped by how they use their rank and how their rank relates to the momentary context and to the various ranks held by others.

In the current social and economic milieu it is not appropriate to lead using only hierarchical power or structural rank (Wheatley, 2005). Leaders who attempt to do so tend to be experienced as authoritarian rather than authoritative, and cannot facilitate the agile, responsive workforce that is vital in these complex, high risk and rapidly changing times. People at all levels of modern organisations need the capacity to think and act on their own authority. As leaders we have a 'growing interdependence' (Hirschhorn, 1990 p196) with our subordinates and stakeholders, one that requires a sophisticated and multi-dimensional leadership approach. Our authority needs to be negotiated and developed rather than enforced.

To be effective in the modern context, we need to marry the structural rank of our role with psychological and spiritual rank, and use all of these ranks in service of our work. When we acknowledge the importance of psychological and spiritual rank in ourselves and others we become more realistic about the limits of the power that derives from our position as leaders, and instead recognise and operate from our interdependence with our team members. When



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we do so we become elderful leaders, merging the strengths of structural, psychological and spiritual rank to develop better working relationships and facilitate the people we work with to have more access to their own rank regardless of their position.

A leader is elderful when they are able to 'communicate across hierarchies, and to influence across communities ... (The elder) can make partners and allies out of competitors... Eldership can empower all voices in an organization, and is the key to remaining centered and good-hearted while leading' (Schupbach, 2004). Eldership is by nature a benevolent act, yet it also serves our own purposes as leaders. Leading through eldership increases our effectiveness. It enables us to create an environment in which diverse viewpoints and approaches are valued and better workplace outcomes become possible through engagement, collaboration and empowerment.

The elderful leader operates by the principles and attitudes of deep democracy, a mindset of valuing all perspectives and voices, even those that are disturbing or disagreeable. 'Eldership is the place within us that is deeply democratic – that can hold and hear all the parts, all the levels, both in the world and within ourselves' (Hamann, 2007 p62).

The stance of deep democracy moves the leader to use their rank to ensure that all parts of the system in which they operate are considered, including marginalised aspects and perspectives. 'When all the parts can be honored and viewed as valuable and necessary, a forum can be created in which voices previously unheard might find a place for expression' (Rose, 2000 p64). Elderful leaders utilise their rank to value, support and bring out differences in style, culture, need and opinion, and engage with this diversity so the unique contribution of all can be realised. Doing so has a profoundly positive impact on the culture, morale and cohesiveness of teams, and can bring about highly productive collaboration.

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Engaged and collaborative team cultures invariably produce better outcomes. Since the early developments of participative or democratic leadership and management methods in the 1940s, studies have repeatedly shown these methods to be more effective in influencing behaviour, reducing resistance and bringing about change (Pasmore, 2001). Kurt Lewin (1951), one of the founders of action research and a forefather of several democratic models of management, consistently showed that democratic work groups had the lowest levels of conflict and highest productivity. Much more recently, Professor Julian Le Grand (2013), of the London School of Economics, asserted that 'Experts and professionals work best when they have a broad freedom of action; when they can make judgements as to how to provide a good service; when they can exercise their discretion in making decisions; when they can act entrepreneurially, and innovate independently.'

Similarly, Yammarino (2012 p384) argues that 'in today's organizations ... whether business, military, governmental, or not-for-profit organizations, the pace of technological change, increased complexity, competitive demands, challenging economics, and risks involved in decision-making have made it difficult for one individual acting alone, or even with limited interactions in formal units, to exert and display effective leadership.... broader based and more comprehensive leadership approaches ... that involve more extensive multi-person interactions are imperative.' Many other writers and researchers have likewise argued for more inclusive leadership practices (Raelin, 2012), (Hirschhorn, 1997), (Pasmore, 2001), (Allen, 2013), (Wheatley, 2005), (Obholzer, 1994), (Ringer, 2001).

While much has been written in advocacy of democratic leadership approaches, very little has been said about how to use such an approach while ensuring accountability and clarity of roles, tasks, authority and boundaries. In hierarchical contexts, different roles carry different levels and limits of authority and responsibility and these differences must remain clear and explicit. Unless the intention is to alter or remove the actual hierarchical structure, nothing is gained by

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minimising or attempting to equalise structural rank differences. Instead, we need to support the inflexibility of structural rank with clarity and transparency (Diamond, 2010). When we are explicit and consistent in our use of structural rank, we make it possible for those around us to use the rank they have in relation to the situation while being clear about the limits of that rank. This is the real work of empowerment: clarifying the power differential and facilitating people to access their own rank in service of their role (Diamond, 2010).

Thus, in order to facilitate constructive collaboration and empowerment, the leader needs clarity about their structural rank and its purpose, scope and limitations. They need to hold awareness of the power of structural rank, as well as its potential for misuse and magnified impact on those lower in the organisational hierarchy. As Schuitevoerder (2000 p91) points out, '(r)ecognizing when one has power is a prerequisite to the effective use of this power.' This is the first rank capability for elderful leadership: understanding the power of structural rank.

While being mindful of the responsibilities of structural rank use, the leader needs to ensure they enact this rank consistently and transparently. It can be tempting to try to avoid the pitfalls of structural rank by disavowing or abdicating it. Doing so does not serve the role of leadership. To be effective, the leader needs to overcome their reluctance to wield power. Thus, the second rank capability is enacting structural rank.

Elderful leaders need highly developed psychological capacity in order to uphold and exercise their structural rank while also invoking participation and facilitating collaboration. Hence, the third rank capability for elderful leadership is developing psychological rank. Elderful leaders draw on this rank to manage themselves in the face of the stresses and challenges of leadership. They use it to navigate through complex and conflictual situations, and to accurately read and understand situations and people. They also draw on their psychological rank for honest self reflection and appraisal.

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Elderful leadership also calls on self awareness and innerwork skills to notice and work with the triggers that have the power to throw even the most highly ranked leader into a low rank state. Such a state can greatly diminish a leader's capacity. Hence, the fourth rank capability is building awareness of low rank triggers.

Elderful leaders also develop their spiritual rank, their capacity to connect with a mindset that brings helpful perspective and detachment to everyday situations. Spiritual rank enables the leader to access more humility, acceptance for their own limitations and appreciation for the diverse contributions of others. It also helps the leader to tolerate uncertainty and to hold open a space for discovering, rather than having to grasp for knowing. Thus the fifth rank capability is connecting to spiritual rank.

The elderful leader works to develop all these rank capabilities, and calls on a marriage of their structural, psychological and spiritual ranks. This marriage enables them to maintain a deeply democratic mindset and enact this mindset effectively in the workplace. Their connection to purpose guides their conduct and decision-making, and their psychological sophistication helps them to communicate about their actions in a way that builds understanding and commitment. They develop effective working relationships through authenticity, openness, empathy and transparency. They communicate with clarity while at the same time making space for others' thoughts and perspectives to evolve. They manage themselves effectively under stress and continuously hone their self awareness and psychological capacity through inner work and engaging in feedback. They use the rank of their position in service of the organisation's ideals while also attending effectively to its immediate pragmatic needs. They accept and invest in their interdependence with their teams.

## Leadership Rank Capability 1: Understanding The Power of Structural Rank

*'...Recognis(e) the power you have and tak(e) responsibility for it and what it can do. The most effective CEOs I have met and worked with understand this. In their presence you have a full appreciation of their authority and it doesn't make you feel small. In a way it's a kind of effortless grace. (Aigner, 2011 p38)*

Structural rank is the authority delegated to a role to enable the role holder to fulfil specific purposes toward the achievement of organisational goals. This rank has the potential to be one of the most powerful tools at the disposal of a leader. Yet to make use of its potential, the leader must understand the potential ramifications and impacts of that power, as well as its limitations. It is a rank that must be wielded with skill, respect and sobriety.

Our structural rank provides us with the *right* to exercise positional authority. However, it does not provide us with the *ability* to exercise that authority. In all but the most authoritarian institutions, authoritative action requires that we build support for or legitimise our structural rank. We do this by developing effective relationships, establishing credibility, building commitment and exercising influence. Without these actions, we must rely solely on our structural rank to get things done.

Leading through structural rank alone requires an autocratic leadership style. In most contemporary Western organisations, such a leadership style has many undesirable consequences, including resistance, poor team cohesion, disengagement, reduced commitment, lack of innovation and low morale (De Cremer, 2007), (Peterson, 1997), (Lewin et al., 1939). Effective leadership requires continuous engagement and influence. Thus regardless of our level of structural rank we are dependent upon our subordinates to be effective. If we do not convince them that something is important, it will likely be undermined.

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The structural rank attached to any role has intended purpose, scope, responsibilities and limits. If we are lucid about these parameters, we can use structural rank explicitly and credibly. Yet such lucidity is not easy. Structural rank tends to have additional power attributed to it than is appropriate because of our shared cultural assumptions about hierarchy. These assumptions can also make it very difficult to clarify or question the boundaries of structural rank. Collectively we tend to project mystique and omnipotence onto hierarchical power, and this projection makes it difficult for leaders to be sober about the intent and limits of their rank.

Our culture has notions of hierarchy that encourage us to assume that those higher in the hierarchy have not only more rank but also more entitlement and superiority generally. This thinking goes beyond institutional hierarchy. Our understanding of biological systems is also hierarchical, with species at the top assumed to have superiority of development, intellect, power and entitlement. Additionally, the word hierarchy itself tends to create an air of mystique and unknowable power. This word derives from the concept of hierarch, a sacred ruler whose authority derives from a divine source. Such a divine source 'is unknowable to others (and) therefore remains unquestionable ... so too this authority becomes unquestionable for those who have roles below' (Chattopadhyay, 1995 p14).

Indeed, it is uncommon for staff lower in the hierarchy to enquire into the boundaries of the rank held by their superiors, and staff tend to imagine that those above them hold higher power than is the case. Power thus tends to be amplified in how it is experienced by those below.

'Everything we do, in a high ranking role, is experienced by others through the magnifying glass of our power' (Diamond, 2014). This also means that structural rank has a significant potential for misuse, and the more structural rank we have the greater the impact of its misuse on others. Unfortunately, because those in leadership roles often lack clarity about the scope and limits of their rank, some leaders seem to assume and behave as if they have 'almost boundless authority' (Chattopadhyay, 1995 p15).

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This sense of boundless authority can also arise if we lack awareness of our structural rank and its amplified effect on those below us in the hierarchy. Using structural rank responsibly requires us to be sober and aware of our rank. This is a difficult challenge, as generally the more rank we have the less awareness we have of it. 'Rank is a drug' (Mindell, 1995 p49). Rank can make us feel good and diminish our awareness, and the more of it we have the more blind we tend to be to the impact of its power. We also lose sobriety about the contextual and limited nature of rank. This is especially the case with structural rank.

The power of structural rank is actually very limited. It is contextual and belongs entirely to the role, and if the role changes, so too does the rank. Yet over time we tend to mistake the power of structural rank for our own. As leaders we can become identified with our role and think it is us that people need. We come to think that we are somehow more important, with more important opinions and thoughts, than is actually the case. Often we do not even realise that we are entertaining this delusion of importance until an event diminishes our structural rank. If we resign, or are retrenched or redeployed to a less powerful role, suddenly it becomes painfully clear how much our power came from the rank of the role. As one ex-CEO once explained, 'my days had always been like speed chess, running on adrenalin, ushering people in and out of my office and making lightning quick decisions on things that really mattered. The day I handed over to an acting CEO, I noticed that everyone was beating a path to her office next door. Suddenly my diary was empty! Rationally I knew that those decisions needed signing off by someone else now. But what hit me was the relational side of it - that I was now irrelevant and people didn't even stop by the office to say hi.'

Thus we tend to become enamoured and identified with the potency of structural rank. At the same time, as leaders we tend to progressively lose awareness of the amplified and potentially negative impacts structural rank can have on the people below us in the hierarchy. As we get accustomed to wielding power we can lose sight of its effects, particularly if we surround

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ourselves with people who affirm and go along with our worldview. We naturally have a preference for 'favoured ways of thinking' (Morgan, 1997 p269) and can fall into the trap of using our structural rank to support our own views. To some extent leadership provides us with the opportunity to limit the feedback we receive or the conversations we will have. Using our structural rank to support our own favoured ways of thinking can also lead us to interpret disagreement and criticism to suit our thinking. If we don't realise that it is structural rank that makes it possible for us to narrow our lens in such a reaffirming way, we are likely to become increasingly inaccurate in our perceptions.

We can also lose awareness of our high structural rank if we have lower rank in other areas. Rank is complex and multi-faceted, and we can simultaneously have high and low rank. We may have a lot of structural rank but low psychological or spiritual rank compared to others around us. An incident at work can throw us into a low psychological rank state. We may be in a leadership role but experience significant social marginalisation or discrimination. If we are having difficulties in our personal life we may feel more sensitive, defensive or vulnerable to criticism at work. 'Under the robes of our rank, we can feel small, hurt, insecure and threatened' (Diamond, 2014). Consequently there can be a gulf between how we feel inside and how others experience our actions.

Many leaders describe the daily grind of management work as more an experience of low rank than high. Attempting to implement and sustain even minor improvements in the workplace can involve multiple disheartening setbacks. These setbacks tend to highlight the limits of the leader's structural rank, rather than the power and potential impact of that rank. Additionally, all but the most senior executive in an organisation have a number of people 'above' them who therefore have higher structural rank. Their experience of those rank relationships can make them feel disempowered. As Obholzer (1994) explains, how powerful a leader feels counts for more than how powerful they actually are, because of the profound impact of demoralisation on



their capacity to act. Low rank experiences tend to be felt far more acutely than high rank experiences. Suffering, challenge and experiences of powerlessness have significantly 'greater emotional valence' (Diamond, 2014).

The problem with feeling powerless and becoming identified with lower rank when in a leadership role is that this identity does not remove our high structural rank. Whether we own it or not, when in a leadership role we are experienced by others as having high rank. In order to use our structural rank effectively we must acknowledge that we have it. 'Our behavior shows how conscious we are of ... rank. When we are heedless of rank, communications become confused and chronic relationship problems develop' (Mindell, 1995 p49). Rank is a tool, and wielded unconsciously it can become a weapon, at least in how it is experienced by others.

We need to understand the power of our structural rank in order to see how it affects others below us, and to shape and measure our use of it to suit the context. Without this insight we will almost inevitably misuse it at times, and we may be experienced as out of touch, autocratic, cavalier or cruel.

**Case example<sup>1</sup>**

*Stuart had been a successful manager in the health sector for many years, and had recently stepped into an executive role for the first time. His new role required him to oversee a large and geographically disparate department. The department had been somewhat languishing and had a reputation for mediocrity. The expectation was that Stuart would implement structural and*

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<sup>1</sup> The people described in this and all case examples are fictional, amalgams of several leaders I have known or worked with. I do not seek to include or explain the full complexity of any case, but rather to explore some significant aspects of the situation through the lens of process-oriented rank theory.

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*cultural change across the entire department, toward more innovative practice and better client outcomes.*

*This was the first time Stuart would be responsible for services with which he had limited contact. The department was well known for being difficult to manage, and Stuart knew it would be challenging. However, he was both ambitious and self-assured of his management expertise, and expressed confidence that he could achieve what others had not.*

*Stuart launched himself into his new role with gusto, and it wasn't long before he had designed a grand plan for overhauling the department. The change was to involve significant redesign of every role and would require staff to work in a far more collaborative and adaptive manner with each other as well as their clients. Stuart formed a committee to oversee the change, filling it with managers from his department who stood out to him and who he described as 'stars'. These people all seemed to share his views on how the department should function.*

*During the planning phase of the change process, committee members voiced concerns with some aspects of the plan, including the lack of input from staff into their role redesign, and the inadequacy of information provided to staff about their new work practices. Stuart felt they should not need more clarity - this was a principle-based change and the intention was for people to collaborate to work out the details. He felt the problem was that staff lacked the capacity to handle uncertainty or work as a team. He hoped they'd be able to improve these skills, but he confided to committee members his opinion that in all likelihood some people would not be able to adapt, and would have to leave the organisation. The committee members heard this as a warning to them as well as their teams, and learned quickly to keep any dissenting views to themselves.*

*Over time, as the early stages of implementation unfolded, concerns deepened, and dissent amongst the rank and file began to bloom. Staff repeatedly asked for more clarity and practical*

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*support. Stuart became more entrenched in his perspective and viewed any divergent view about the planned changes as an indication that the person must be either inflexible, fearful of change, or controlling; all of which meant they would be unsuited to this new way of working. Staff complained privately of being misunderstood and labelled in such ways, but like their managers they quickly learned to conceal their concerns.*

*As tensions and confusion mounted during the extensive change process, both morale and work quality plummeted across the department. Stuart lost many staff and middle managers to resignation or retrenchment, and increasingly surrounded himself only with people who shared his cavalier attitude, or who acted as though they did. He thus received only agreeable input and feedback. His plans and actions became progressively more grandiose, and he seemed increasingly aloof from the chaos and dysfunction at the coalface of his department.*

*Ultimately Stuart's behaviour became so extreme that he was sacked from the organisation. After his departure, it became obvious that very little of substance had been achieved during the change process. Staff had found ways to get around the new requirements. They learnt to use the expected language and give the appearance of compliance, while tacitly undertaking the work in ways that were more familiar to them. A few may have been deliberately obstructive, but many had felt it was the only way to ensure they were able to deliver services. It was a huge relief to staff when the new head of department formally reinstated the previous ways of working, so they did not have to pretend any longer.*

The above case example illustrates the importance of understanding the power of structural rank and wielding it with skill, sobriety and respect. Failing to do so can have disastrous consequences, particularly during times of change, when leadership involves making decisions that significantly impact on staff. The situation was a complex one, and Stuart's lack of

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awareness of and respect for his structural rank were not the only contributing factors to the outcome. However, Stuart appeared to form a view of the situation that excluded any factoring of rank imbalance and its impact. This may have been a form of defence against the anxieties that his role evoked in him, particularly during the daunting change process. His ambitiousness may have made failure unthinkable. Perhaps he hoped that by quelling dissent he would ensure success.

Stuart's blindness to his structural rank led him to misuse that rank in some fundamental ways. He used it to dominate group discussion, to silence disagreement, to distance himself from the problems facing his department, and to gather like-minded people around him. All of these actions closed him off from honest feedback and much-needed information about what was occurring in his department. Staff and managers were repeatedly asking for more clarity about expectations, tasks and roles. His unwillingness or inability to provide such clarity (or to empower others to provide it) meant that the creativity and collaboration he had hoped for were not possible. Those below him in the hierarchy were severely impeded in their ability to exercise their authority to undertake their basic work functions, let alone address the considerable issues that emerged in such a substantial change process.

It is likely that the disparate nature of the department contributed to Stuart's lack of awareness of his rank. The geographical spread of his teams made it far more challenging to build effective relationships with staff. Managers tend to be more mindful and careful in their use of rank over people with whom they have closer working relationships. When staff are known only by name and role, it is frighteningly easy to forget about the impact of rank over them. We also too readily form false and negative conclusions about staff behaviours, complaints and critical feedback. Hence, investing in building relationships is key to the effective use of structural rank (Hill, 2003). Strong working relationships enable engagement and influence, legitimise structural rank and also greatly assist us to be awake to the impact, purpose and limits of our rank.

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Connecting more with staff and engaging with their work assists leaders to understand staff behaviours and to accurately 'represent and embody the interests of the system' (Hirschhorn and Gilmore, 1992 p112). This builds legitimacy for structural rank and support for leadership. Legitimacy also develops through democratic activities such as feedback processes and inviting input into decisions. Research has shown that when a more participative, democratic leadership style is used, subordinates are far more likely to support and have confidence in their leader even if the final decision taken by the leader is unpopular or seen as unfair (De Cremer, 2007), (Peterson, 1997). This shows that legitimacy is contingent on the way that structural rank is exercised far more than on the actual directions and decisions taken by the leader.

Diamond (2004 p23) emphasises that 'responsible uses of power and authority begin with valuing, acknowledging and making explicit the rank of one's role'. Understanding and accepting the power of structural rank can be a relieving experience. As we come to appreciate structural rank as a tool for leadership, we tend to become more relaxed and at home in our role. From this place it becomes easier to lead with eldership, utilising our structural rank wisely and supporting others to step into and use their ranks in worthwhile ways.

## Leadership Rank Capability 2: Enacting Structural Rank

*'Your playing small does not serve the world. There is nothing enlightened about shrinking so that other people will not feel insecure around you.'*

Marianne Williamson (1992)

Once we recognise and respect our structural rank, we must use it in service of our role. This may seem self-evident, but it can be very challenging to own and enact structural rank. There is a tendency particularly amongst inexperienced leaders to avoid or abdicate the use of structural rank.

Power and rank tend to be regarded negatively, perhaps largely because they are too often misused and stories of disenfranchisement at the hands of higher rank are far too common. It can be easy to come to believe that rank itself is hurtful or damaging. In Australia, the cultural tendency is to shun authority and emphasise egalitarianism and equality (Ashkanasy and Falkus, 1998), despite the fact that most of our institutions are highly hierarchical. The cultural practice of Tall Poppy Syndrome tends to ensure that overt displays of power or achievement are met with the 'great leveller' of critique, derision and scrutiny (Peeters, 2004 p19).

In this climate, many people in leadership roles are understandably reluctant to use their structural rank, for fear of causing harm or being disliked. 'We have a sensitivity about being seen to be 'power hungry' or on some kind of 'power trip' (Aigner, 2011 p38). Leaders aiming to avoid the use of their structural rank tend to emphasise support and collaboration as their leadership style, and 'shy away from taking a stand, being definitive, taking risks, or having tough conversations' (Diamond, 2013).

Yet 'rank is not inherently bad, and abuse of rank is not inevitable' (Mindell, 1995 p53), and it is a grave mistake to attempt to lead while avoiding the use of structural rank. Paradoxically,

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negative experiences such as disenfranchisement and abuse at the hands of those with higher rank occurs most frequently as a result of the use of disavowed rank (Aigner, 2011 pp37-8).

Disavowed rank tends to make people uneasy, because it is power wielded in a hidden way.

'When rank is not explicit, it is expressed in unintended, and hence, confusing signals'

(Diamond, 2004 p23). Nobody can be sure how such rank is being used or will be used.

Disowned rank can undermine productivity and infuriate staff. As Hirschhorn and Gilmore (1992

p110) observe, 'when managers abdicate authority, they cannot structure participation,

teamwork or empowerment effectively, which makes it impossible for their subordinates to be

productive'. Staff can also be disenfranchised by disowned structural rank, as its invisibility

means it cannot be interacted with, commented on or disputed.

Inexperienced managers tend to be most at risk of abdicating structural rank, due to lack of

management expertise or experience. It is difficult to enact rank if we have not learned how to

do so in a way that is well received. However, some experienced managers remain

uncomfortable with rank and develop long-term habits of abdication. Some organisations, too,

have cultures that do not support the use of authority and make it particularly challenging to own

and use structural rank. For example, organisations focused on social justice, empowerment or

ending violence can sometimes develop a culture that is anti-authoritarian. Rather than

differentiating effective from problematic use of authority, the culture serves to diminish any

capacity to engage with authority. Conversely, some workplace cultures are comfortable with

authority but rife with rivalry, competitiveness and jealousy. Such environments can also make it

tempting to abdicate authority, in an attempt to keep rivalry at bay. Yet all that is achieved

through such action is 'the undermining of the manager's authority, capacity to hold an overall

perspective and ability to lead' (Obholzer, 1994 p44).

**Case Example**

*Robin leads a small team in an administrative and client liaison department of a national business outsourcing agency. She is in her early thirties and has been a manager for three years. Her team is responsible for liaising with current clients, arranging meetings with clients, preparing contracts and other administrative tasks associated with maintaining client portfolios.*

*For the past two years, Robin's team has been steeped in conflict. Several team members refuse to speak directly to each other. The conflict tends to focus on two to three team members, but not necessarily the same members. Rather, the conflict moves around. When some individuals improve their relationships, the pattern of conflict re-emerges between other team members. Commonly the content of the conflict includes criticism of one another, with a lot of private conversations amongst more friendly co-workers serving to concretise critical perspectives. Criticism sometimes focuses on an approach to work, but also more generally on communication style. For instance, one worker became incensed when another worker repeatedly did not greet her or respond to her enquiries in a manner she deemed appropriate.*

*The conflict has over time taken an increasing toll on all members of the team. Some complain that the situation is affecting their health and others are considering leaving the organisation. The conflict has also impacted greatly on their work output. They need to collaborate as a team on some significant aspects of their work, and this has become so difficult that over time their roles have gradually morphed so as to allow minimal interaction while ensuring that to a limited degree the work is done.*

*Robin has made various attempts to manage the situation. She has instituted regular team meetings, or 'morning teas' as she sometimes calls them. These gatherings tend to be either poorly attended or stiff with tension. She has also tried to coach her team members to get along better, whenever one of them approach her to complain about the situation. This intervention*



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*has had no notable positive effect. Robin knows she needs to stop the occasionally severe behavioural outbursts, but as she tends to spend most of her days out of the building and rarely visits her team, she feels her options are limited. She wonders if she should work more closely with them, but she prefers to 'empower' her team and 'allow them to operate autonomously' and is thus reluctant to 'micro-manage' them.*

*One of the ways Robin copes with the situation is by downplaying its seriousness, using terms like 'it (the conflict) tends to blow over'. Recently, though, she experienced the conflict directly, when at a team meeting one staff member stood up and verbally attacked another, before storming out in tears.*

*Robin has sought the assistance of her manager, and they now both frame the problem as a case of interpersonal conflict amongst team members. When questioned privately by a consultant, Robin's manager acknowledges that he is not satisfied with Robin's management of this situation or her team's work performance generally. He has noticed significant inconsistency in the quality of their work, and at times his own work is impacted by poor coordination of client meetings. He wants Robin to manage her team more closely and hold them accountable for work outcomes. Yet he has not given her this feedback, and admits that he does not know how he could help her to manage in such a way.*

*Interviews with team members reveal a pattern of significant confusion about role differentiation and expectations, along with negativity about Robin's 'absence' from her team. They reveal that they 'like' Robin - 'she's nice' - but they haven't found her to be a very effective manager. They have given her feedback and explicit requests for assistance in relation to the conflict as well as their work roles, but 'nothing gets done'.*

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This case example highlights the central importance of enacting structural rank for leadership effectiveness. In this example, the presenting problem of team conflict is likely to be an outcome of abdication of structural rank. Robin's unwillingness or inability to exercise her structural rank in service of her team and their work appears to be leading to a lack of clarity of boundaries, work roles and accountability for outcomes. Likewise, Robin's manager has not held her accountable for her management role. This suggests that abdication of structural rank may be a broader phenomenon in the department, perhaps residing in the culture itself.

Clarity and accountability would assist the team in the case example to contain some of the inevitable anxieties that arise with teamwork. Lack of containment greatly diminishes team functioning (Krantz, 1989) and in this case appears to result in ongoing conflict and decreased wellbeing of everyone involved. Focusing purely on the conflict might allay some of the tension, misunderstandings and hurt amongst the team members. However, it would do little to address the underlying issue. In Jaques' (1995) view, poor system management renders individual incumbents unable to prevent themselves from dysfunctionally enacting anxieties, and no amount of focus on individual or interpersonal development will fix the problem.

When structural rank is not owned and exercised adequately, that rank does not simply disappear. What tends to occur instead is one of two scenarios: the leader may use their rank subconsciously and chaotically. Alternatively, the disowned aspects of the leader's role may be taken up by members of their team, usually unknowingly and unhelpfully.

In the above case example, it appears the latter dynamic may be at play. The most unwanted and uncomfortable aspects of management, in this case the exercise of structural rank, can be pushed downwards and taken up unintentionally by team members. Krantz (2001 p153) explains this observed phenomenon: 'Since power entails, to a degree, the ability to define reality, the direction of unwanted emotional elements seems to be usually downward in terms of

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hierarchy and status'. This could explain the dynamics in Robin's team, as staff could be enacting Robin's disowned structural rank in their inappropriate evaluation and criticism of each other. This phenomenon does not usually occur through any conscious intention; indeed most leaders would be horrified by the thought. It is more commonly an unexpected outcome of avoidance. Unwanted experiences usually express themselves in unwanted ways, and in hierarchies they are often carried and expressed by those with the lowest rank.

Structural rank can become an unwanted experience if the responsibility and risk that come with the exercise of this rank is overwhelming and intolerable. This can occur if we lack inner and outer support and role modelling for managing the anxieties of management or shaping our expression of rank. These anxieties can be confounded when we notice people relating to us differently because of our leadership role. Projection onto people in positions of power is almost inevitable, and can build respect but also foster criticism, attack and even rebellion. As Allen (2013 p15) explains, when we become managers we also become 'dinner conversation'. Our words and actions become a favoured topic of discussion and critique.

Projections onto leaders are 'a function of the role that one occupies ... and should not be over-personalized' (Gould, 1993 p61). Yet it can be difficult to see projection for what it is. We far too readily take it personally and allow it to diminish our inner experience and capacity to lead. A common response is to attempt to befriend staff in the hope that being liked will ensure the projections are positive. This is an understandable reaction, particularly in Australia where research suggests 75% of people believe that being liked by colleagues is the most important factor in career success (Fitzsimmons, 2012). Yet popular leaders tend not to be those who focus on affiliation, but those who occupy and utilise their rank clearly and consistently while using a relational and democratic style. Hill (2003 p97) asserts that 'a fundamental managerial tension (is) the difference between being respected and being liked. Resolving this conflict (is) critical in fully accepting the responsibility in being a manager and developing credibility'.

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Our life experiences can also get in the way of us exercising our rank, by making it difficult to accept any rank including our own. According to Say (2010 p26) 'early authority issues can easily translate into chronic problems with authority, both external and internally. If early authority can not be trusted, who can be trusted?' Authority issues can arise from being parented in an authoritarian or anti-authoritarian way, as well as through other significant negative life experiences at the hands of authority figures.

If we cannot come to terms with the challenges and tensions that accompany structural rank, it is tempting to redefine our role in a way that justifies an abdication of that rank. In the above case, Robin uses attractive terms to describe her management such as 'empowerment', 'fostering autonomy', 'devolvement', and 'delegation'. These are worthy goals for any leader, however they do not justify the avoidance of authority. Paradoxically, these outcomes are only possible if the leader owns and utilises their structural rank transparently and maintains clarity of boundary and expectations. Acts of delegation and empowerment entail 'lending ... authority, never relinquishing it' (Hirschhorn, 1997 p68).

Structural rank is essential to leadership in hierarchical systems. It empowers us to clarify tasks and expectations, define parameters, shape direction and align people to goals, protect team resources, contain anxieties and ensure accountability. When we enact our structural rank effectively, we can lead our teams in a way that builds collaboration, empowerment and productivity. To do so, we need the capacity to tolerate and contain the anxieties that come with the use of structural rank. This requires inner work: reflecting honestly on our beliefs and fears about rank, power and authority, and challenging ourselves to find ways to occupy and utilise our rank to its fullest.

## Leadership Rank Capability 3: Developing Psychological Rank

*'75% of careers are derailed for reasons related to emotional competencies, including inability to handle interpersonal problems; unsatisfactory team leadership during times of difficulty or conflict; or inability to adapt to change or elicit trust.'* The Center for Creative Leadership 1994

Psychological rank arises from our self-awareness, self esteem, and ability to work constructively with our emotions. It also relates to our capacity to read and empathise with people effectively. When we have high emotional capacity and awareness, we have high psychological rank because these capacities give us immense power in our relationships. They also support our resilience, judgment and cognitive abilities.

The power of psychological rank is multi-faceted. It plays a significant role in legitimising structural rank because it is our psychological capacity that enables us to relate to and connect with others, anticipate accurately how we are perceived, tolerate difference, tailor our approach to suit different contexts and facilitate meaningful discussion and feedback. Psychological rank is thus a central element of our ability to establish credibility and ensure commitment.

Emotional awareness and fluidity also add to the power of our psychological rank. Successful leadership requires us to have the ability to understand ourselves, others and complex situations effectively. We need to be able to notice and work constructively with our own emotional states in order to function effectively under duress, sustain ourselves through prolonged periods of turbulence and challenge, and navigate successfully through conflict.

'Emotional awareness is essential for the self-control that is so challenging in a fast-paced, highly stressful organizational role—knowing your feelings and making productive use of them makes it less likely that you'll be ruled by them' (Axelrod, 2012 pp345-6). Our capacity to accurately read emotions is also crucial in making sense of workplace dynamics.

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Despite the importance of psychological capacity in leadership, not all leaders have access to high psychological rank capacities. Workplaces do not always understand the importance of psychological skill. Selection for leadership roles often emphasises technical skills and knowledge, rather than interpersonal skills and psychological awareness.

In some settings this bias is appropriate. Leadership in authoritarian institutions tends to be primarily exercised through command and control, deriving strongly from bases of power rather than through negotiated influence. The focus is on certainty, knowing and acting. To succeed the leader must be adept at quick, decisive and unilateral action. She/he needs to communicate didactically and consistently marginalise uncertainty. Leaders in such organisations can rely largely on their structural rank to drive results and may neglect their development in other areas.

However, even in these autocratic settings, lack of psychological capacity can handicap the leader significantly, particularly when faced with complex situations or when leading change. Regardless of the style of authority authorised in the system, there are times when the ability to read and work with feelings and undercurrents is crucial to supporting oneself and others appropriately. All leaders also need to comprehend and work with complexity, to hold opposing viewpoints and to negotiate through conflict and diversity of needs effectively. Leaders with a high level of psychological skill and self-awareness are far more successful at navigating these aspects of their role.

Most contemporary organisations require democratic rather than authoritarian leadership. Increasingly complex and unpredictable challenges require people at all levels of the organisation to exercise judgment rather than simply taking orders. This leads to an increased expectation of negotiated authority, and an inevitable interdependence that means unilateral decisions are often ineffective. In this context, psychological rank becomes all-important for effective leadership. Without it, the leader cannot establish trust and rapport, demonstrate

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empathy and understanding, or adapt their style to changing contexts. Leaders with low psychological rank tend to struggle to establish cohesive teams and are unable to influence or inspire commitment from their subordinates.

#### Case example

*Peter is a Chief Finance Officer in a state government statutory authority. His role is primarily to ensure the department's financial and risk policies, procedures and activities comply with accounting standards and legislative requirements. He provides advice to senior and executive management as well as the board on complex matters of risk and financial management. Peter leads a small team of five finance officers. This team are responsible for undertaking financial research and data analysis as well as preparing reports and audits.*

*One member of Peter's team has recently accused him of bullying. This is not the first time such complaints had been received about Peter. He is gaining a reputation for being overly tough and inhuman in his managerial approach. Staff complain that he lacks flexibility and has very unreasonable expectations of their availability and productivity. One staff member protests that he 'seems to think I have no life outside of work - he doesn't care if his demands mean that I have to work a 70 hour week'. Under previous management the team were well regarded for their work quality and timeliness. More recently they have become less reliable in delivering reports on time, and the quality of their work has diminished.*

*The human resources department has tried several times to work with Peter to improve his leadership style by giving him feedback and coaching. He has been unable to integrate the negative feedback and has failed to develop his interactional skills. He does not think he needs to change; he considers the situation to be a problem of accountability and competency on the*

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*part of his team members. He thinks they have a poor work ethic and would likely 'do nothing' if he did not frequently 'hound' them to get work done.*

The case study above is a common scenario and highlights the importance of psychological rank for leadership. Peter's lack of psychological awareness impacts greatly on his ability to lead his team effectively. Despite his high structural rank, his lack of empathy and psychological awareness means he receives very little support for his authority and he effectively has very little power. His team appear to have rejected his leadership. He has been unable to build a cohesive team; instead his leadership style appears to be resulting in low morale and diminished work quality.

Peter's low level of psychological insight and introspective capacity may be a trait of his personality. It may also be an outcome of long-term pressures on him as a leader. There are forces at play in organisations that can drive leaders to cut off from feelings and nuanced perception. The survival of most contemporary organisations depends on relentless pursuit of results and profit. To support this need, leaders can be required to make decisions with very high human cost. Over time, leaders can become ruthless as a way of coping with this side of their role, and lose touch from their feelings. Leaders also face considerable scrutiny and criticism that can be crippling if felt too keenly. Ongoing high stress can also lead to emotional disengagement. For leaders in these contexts, 'the chronic experience of high levels of stress in their drive for results and pursuit of personal reward constitute significant barriers to achieving emotional awareness' (Axelrod, 2012 p355).

This tendency to cut off from emotions is unfortunate, as organisations are rife with emotional content, and working effectively with these experiences can bring insight that assists our leadership. Because organisations comprise people who engage interpersonally and in groups



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to tackle challenging tasks, the organisational atmosphere is alive with tensions, conflicts and uncomfortable feelings. Emotions are pervasive and largely shape our experience (Armstrong, 2004). They are often thought of as disturbances that need to be minimised to ensure productivity in the workplace. Yet contemporary social neuroscience suggests that 'affect and emotion are integral to the very nature of cognition, infusing reasoning, learning, decision making, and action' (Hodgkinson and Healey, 2011 p1503).

Emotions are also a form of communication and a valuable source of intelligence that can tell us much about the dynamics of a situation. As Armstrong explains, 'alertness to the emotional undertow of organizational life can be a powerful source of information for managers and leaders in enlarging understanding, reviewing performance, foreseeing challenges and opportunities, and guiding decision and action' (Armstrong, 2004 p11). In other words, emotional awareness is a tool for understanding not just ourselves but the situation around us, and can greatly help us in our reasoning and decision-making.

Likewise, being comfortable and awake to emotion allows us to provide appropriate leadership during times of turbulence and threatening change. It is only possible for people to tolerate significant change if they can work through the inevitable anxieties that are evoked by such uncertainty. Effective change agents are open to the existence of these anxieties, and create opportunities to discuss feelings and concerns about the change (Ambrose, 1989), (Hodgkinson and Healey, 2011).

Even if we believe we have significant psychological capacity, we need to take stock of the impact that leadership can have on self-awareness. Self-awareness is generally thought to comprise two elements. Firstly, it involves understanding oneself, particularly one's strengths, weaknesses and behavioural tendencies. Secondly, self-awareness entails the capacity to accurately perceive how one is experienced by others and how one's behaviour is likely to

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impact on others (Taylor et al., 2012). This means that we cannot really know how well we know ourselves unless we receive genuine feedback and can integrate this into our self-perception. We can add to our knowledge of how we are perceived by noticing how closely our encounters match our expectations and fulfil the goals we have for those encounters. In other words, we can learn much about ourselves if we take note of the quality of our daily relationship interactions and the influence we are having on others through those interactions.

Yet leaders far too rarely invite critical feedback or take note of implicit communication signals that can educate them about how they are being perceived. It is perhaps unsurprising that a 2002 study (Sala, 2001 p4) showed that 'higher-level employees are more likely to have an inflated view of their emotional intelligence competencies and less congruence with the perceptions of others who work with them often and know them well than lower-level employees.' The researchers surmised that this result might be due to people in higher roles receiving less feedback due to having less people higher than them, and a tendency for peers to refrain from providing constructive or candid feedback (Sala, 2001).

This distortion of self-perception may also be due to what Diamond (2013) describes as 'buying your own pitch': falling 'prey to your self-confirming beliefs'. This is a form of self-perpetuating thinking. As discussed in an earlier chapter, our high structural rank can shape our interactions so that we become protected from challenge. When our only measure for self-evaluation is our own limited view and this view is reinforced by acquiescent people around us, we become out of touch and also increasingly deluded in our self-perception.

Conversely, when we work to improve our self-awareness and expand our psychological capacity, we connect more with ourselves and with our environment. We can be more comfortable and at ease with ourselves when we are open to discomfiting experiences and challenging feedback. From this place we can lead with more authenticity and congruence

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between our personality, behaviours, values and goals. 'This internal alignment becomes evident in the capacity to articulate and pursue a direction with energy, commitment, purpose, and integrity' (Axelrod, 2012 p345).

Psychological rank is essential for effective leadership in contemporary organisations, and a key to elderful leadership. 'We need ... a "culture of openness" in which, through our psychological presence to one another, we acknowledge the centrality of our relationships' (Hirschhorn, 1997 p87). Only through self-awareness and empathy can we connect effectively with those who are affected by our structural rank, and use that rank with nuance, care and sensitivity.

## Leadership Rank Capability 4: Building Awareness of Low Rank Triggers

*“Make peace with your past so it won't destroy your present.” Paul Coelho (2011)*

Building awareness of low rank triggers could be viewed as a subset of leadership rank capability 3, developing psychological rank. However, the critical importance of the leader managing themselves when triggered into low rank states, and the advanced psychological capacity this requires, warrants this additional but complementary capability.

Even the most experienced and talented leaders can be triggered by stressful situations into states of anger, envy, vulnerability, moodiness, defensiveness or dissociation. When we are in the grip of our emotions and unable to function well, we tend to lose access to our high rank and many of our capabilities. We thus enter a low rank state, in which we identify with our feelings of vulnerability or threat.

The danger of being triggered into a low rank state is that without access to our contextual, psychological or spiritual rank we lose the capacity to lead effectively. We start to think, react and behave in ways that can undermine our leadership. ‘Successful leaders need to be aware of their own stress triggers and consciously modulate their behavior during these periods to make sure they are acting in ways that are consistent with their beliefs and core values’ (Kaplan, 2007 p91).

When we are triggered, we tend to project the rank we cannot access onto others, experiencing them as powerful and their power as persecutory or threatening. This can make us argumentative, defensive or aggressive, sometimes with people who in reality we have significant power over. ‘Feeling powerless and weak makes you overcompensate...Whenever we feel one-down, we use extra force. We don't see that we come across as an aggressor, and

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then we interpret the other's defensive response as proof that they are the aggressor' (Diamond, 2013). Yet regardless of our perception, our high structural rank means that our actions are experienced in a magnified way by those below us.

Common triggers for low rank states include rivalry, coming under scrutiny or criticism within or beyond the organisation, or being overlooked for opportunities or promotion. We can also be triggered by setbacks such as having an important presentation go poorly or making a significant mistake. Triggers can also be more subtle, such as being addressed in a particular tone of voice, or not being listened to.

Low rank states often hark back to our personal history. When something occurs that is reminiscent of an uncomfortable or difficult experience in our past, the feelings from that time can resurface so we experience the present as if it were the past, and react disproportionately to the current event. We are usually not consciously aware of the connection to the historical event, and too often not aware that we have been triggered.

Unless we have the psychological capacity to notice and work ongoingly with the triggers that have the power to throw us into a low rank state and thereby diminish our capacity to think and act, our capacity as leaders will be diminished.

#### **Case Example**

*Sandra is a general manager of People and Culture at a financial services institution. She is responsible for developing and leading the implementation of human resources and organisational development strategies across the organisation. Much of her time is spent managing her team through a matrix model which embeds People and Culture staff in the*

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*business, as well as offering high level and strategic advice and support to managers in relation to their people management.*

*Sandra is well regarded, with a reputation for a strong work ethic and a capacity to deliver. She has highly developed communication and influencing skills and by and large has good relationships with her stakeholders, colleagues and team. However, lately she has been struggling with a member of her team, Karen, a young woman of high potential who she regards somewhat as her protégé. Sandra has mentored Karen from her beginnings in the organisation as an intern, and under her guidance Karen has grown into a highly capable, dynamic operator with a talent for innovation.*

*Karen is ambitious, and hopes one day to have a role like Sandra's. Recently Karen was selected to sit on an influential project committee, which has raised her profile across the organisation considerably, and notably brought her to the attention of the CEO. She is understandably excited by her enhanced profile, and has been taking every opportunity to share her experiences with her team mates and Sandra.*

*Sandra has always enjoyed watching Karen develop her expertise, but lately she has been feeling increasingly irritated and has become short tempered with Karen. In one exchange she snapped most uncharacteristically at Karen, admonishing her to 'spend a little less time grand-standing and a little more time focusing on your work'.*

*Sandra brings the problem to confidential coaching, initially pinpointing her irritation as being in reaction to Karen becoming 'suddenly so inflated. Karen may be talented, but a lot of her wins are very supported wins. I shield her from some of the most challenging parts of the work, but I don't tell her that, so she thinks she's achieved some pretty impressive things independently.'*

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*When Sandra's coach enquires as to why Sandra 'carries' Karen in that way, Sandra describes her own development as a young adult, which was starkly different. She didn't receive any 'leg ups'; there was nobody to mentor her. After a moment Sandra becomes teary and reveals that it was always this way - her own parents did not actively support her, nor cheer her on or even show any significant interest in her. Sandra apparently learnt from an early age to be self-sufficient and create her own opportunities.*

*Sandra reveals that part of her motivation for mentoring Karen has been to provide her with the type of support she believes she never had herself. However, she acknowledges that it feels painful to now witness Karen having 'success come so easily'. It doesn't seem fair somehow. Sandra's relationship with the CEO is functional but she feels under enormous pressure and doesn't remember the last time she received any acknowledgement of success or work done well. It seems to be just expected of her, as though she is a workhorse, and in comparison Karen seems to be treated like a 'star'.*

*The coach points out that Sandra is describing Karen as a competitor, despite Sandra having significantly more rank in their work relationship. Sandra reflects on this feedback and acknowledges the truth in it. They talk about the importance of Sandra obtaining some support and a 'leg up' of her own, in the form of some professional counselling for the issues that are surfacing for her. Sandra agrees to pursue support.*

*After participating in counselling, Sandra becomes less triggered by Karen's success. She also begins to see that some of her approach has been overly protective and hasn't allowed Karen to experience some important struggles. She begins to mentor Karen a little differently, notably letting Karen grapple more with difficult challenges rather than giving her the solution. She frames this change positively with Karen, describing it as timely development of a new skill-set, for which she can see that Karen is ready.*

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This case example illustrates that it is all too easy to lose sight of our rank when we are triggered into a low rank state. Sandra was thrown back in time to when she had insufficient support or opportunity, and when she viewed the current scene through these eyes Karen appeared to be a threatening competitor. Sandra managed to keep most of her struggles to herself. However her perception was distorted and she lost contact with the rank of her role.

In snapping at Karen, Sandra used her structural rank to help regain her sense of high rank in relation to Karen, rather than using it for its intended purpose of supporting the work of her team. This is a common form of defence against the discomfort or anxiety of a low rank experience. Asserting our hierarchical position allows us to scramble to the safety of higher ground and protect us from the feeling of threat. Ilia (2014 p97) hypothesises that 'a threat triggers our awareness of vulnerability, which in turn activates a process of using our power to protect and defend ourselves'. Unfortunately using structural rank in this way has its own price. In Sandra's case it exposed her insecurity and jealousy to her team and also threatened to undermine the team culture that she has worked so hard to create.

It is the responsibility of leaders 'to consider how they may be accessing their privilege to protect their vulnerability' (Donovan, 2014 p194). It is not appropriate to use structural rank to assist us out of an experience of low rank. It is also ultimately ineffectual. Instead, we need to reconnect internally with our higher rank by accessing our psychological capacity to work on and support ourselves when in that low state. When we can work on ourselves in this way, we gain some perspective on our state - we are not only in the state, we are also observing it. Such perspective is an important step in reducing the impact of the trigger in future.

This focus on inner work and psychological development is somewhat counter-cultural in the leadership development field, which tends to emphasise knowledge and behavioural skill



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development. However, many experts point to the critical importance of personal insight and psychological development for leadership effectiveness (Bennis, 1998), (Drucker, 2005), (Kaplan, 2007). A recent McKinsey report (Gurdjian et al., 2014 p4) identified that underestimating the impact of mind-sets is one of four key mistakes in leadership development. The report asserts that 'too often ... organizations are reluctant to address the root causes of why leaders act the way they do.' ... 'Identifying some of the deepest, "below the surface" thoughts, feelings, assumptions, and beliefs is usually a precondition of behavioral change' (Gurdjian et al., 2014 p4).

Kaplan asserts that 'part of the process of maturing as a leader is learning to step back and think about what creates pressure for you, being self-aware in these situations, and disciplining your behavior to ensure that you act in a manner consistent with your core values' (Kaplan, 2007 p95). Such reflection and psychological development greatly builds our ability to access and utilise our various ranks appropriately even under duress.

## Leadership Rank Capability 5: Connecting to Spiritual Rank

*'We don't have time to be uncertain. We don't have time to listen to anyone who expresses a new or different position. In meetings and in the media, often we listen to others just long enough to determine whether we agree with them or not. We rush from opinion to opinion, listening for those tidbits and sound bites that confirm our position. Gradually we become more certain but less informed. We can't continue on this path if we want to find approaches and solutions to the problems that plague us'. (Wheatley, 2005 p210)*

Spiritual or transpersonal rank relates to the capacity to connect with a mindset that brings helpful perspective and detachment. This rank is not about being religious. While for some people it arises through spiritual or religious beliefs, for others it stems from a connection to nature or a reflective or meditative practice. Some people develop spiritual rank through 'a connection to a greater power or having a sense of ones "calling" in life' (Amerasekera, 2012). It can also arise from a deeper perspective or attitude that we bring to our work, such as a connection to a sense of purpose or mission.

This spiritual dimension can be overlooked in leadership development. Yet it is central in several important aspects of leadership, and key to the practice of elderful leadership. Spiritual rank enables the leader to develop an attitude of humility, a mindset of deep democracy and the capacity to tolerate uncertainty<sup>2</sup>. With these abilities, the leader can navigate effectively through significant challenges and build a work culture in which space is created for discovering, learning, innovating and collaborating across significant difference.

Leadership frequently takes us to our edge of competence and even beyond, into the terrain of significant uncertainty. It is here that leaders need the capacity to tolerate the discomfort and

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<sup>2</sup> There is a lot more to spiritual rank than these benefits and outcomes. It has many other potential applications in leadership, such as improving access to wisdom and intuition, grounding work practice in higher purpose. I am focusing on these three applications of spiritual rank because I believe they are critical and generally under-developed skills for leadership.

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anxiety that accompanies the unknown, and resist the temptation to grasp for certainty by drawing on prior knowledge or dispersing into unhelpful action. Leading in challenging and uncertain situations requires an ability to discern between action and reaction. The leader who is able to exercise restraint and instead turns their focus to noticing and enquiring, is often rewarded with the emergence of new and more comprehensive knowledge, from which innovative and appropriate action can arise.

Prevailing organisational culture favours a style of management and leadership centring on reason, control, certainty, confidence, knowing and decisiveness. 'We all – and leaders more than most – experience pressure to be seen to know, perhaps so that we do not make complete fools of ourselves in front of clients, staff or colleagues' (Simpson and French, 2006 p246).

Many leaders take on this cultural norm and assume that it is the benchmark against which they should measure their own effectiveness. Leadership can also provide us with a compelling and somewhat illusory experience of importance and certainty. Parker (2004 p51) reflects on this experience in his reflective piece on leadership: 'Always meeting, colliding, conspiring. Feeling important. Feeling as if my opinions mattered. Feeling that I should be there, in that room. Planning other people's lives by talking confidently about things that I understand.'

With this as the cultural norm of leadership, there is a risk of being misunderstood as incompetent or weak if we reveal ourselves to not know. Indeed, it is important to know what can be known, to stay informed and wherever possible provide clarity, certainty and direction. It is also important to be able to act decisively. Yet effective leadership action does not arise only out of a state of knowing. All leaders are taken to the edge of their competence on a regular basis, such as when managing change or executing organisational cut backs, implementing new technology, or building relationships with diverse stakeholders.

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Such complex challenges are made more so in the context of contemporary life, which is turbulent and ever-changing economically, socially, technologically, environmentally and culturally. In contemporary leadership, ignorance is 'a permanent and unavoidable systemic reality to be worked with and potentially to be learned from' (Simpson and French, 2006 p246). The challenge is to 'value our powerlessness as much as our expertise ... to let go of control and engage with what is' (D'Souza and Renner, 2014 p174).

Even collaboration, the most fundamental of leadership skills, is extremely difficult to do well, because it calls on us being able to exercise sense-making through interaction and implicit communication, rather than by following a pre-ordained plan. Aigner (2011 p137) calls collaboration our 'big incompetence'. He uses this term not only because collaboration is so challenging, but also because 'most skilled and successful people don't know how to be incompetent ... to learn something genuinely hard' (Aigner, 2011 p137). Learning requires us to be open to not yet knowing, and to bring humility and curiosity to that which we do not understand or cannot do, rather than shying away from it.

If we are overly accustomed to competence, knowledge and being in control, experiencing incompetence and uncertainty can be very threatening to our identity. Being in any way lacking, whether that lack be in authority, certainty, rightness, capability or knowledge, becomes unthinkable. These experiences can feel dangerous and compel us to defend ourselves against the threat.

Some leaders defend against such discomfort through distracting activity. Being busy and filling the space with speech and action can bring relief and lessen the risk of being seen to not know. Others grab onto their structural rank and draw on its power to avoid the uncomfortable experience of uncertainty. They might become controlling, inappropriately process-driven or bureaucratic. They may take offence to any challenge and bristle with haughty self-

righteousness. They might feign certainty and confidence. They may escalate rapidly with an attack against the real or perceived challenge. They might shut down conversations or silence feedback, or blame and criticise those lower in the hierarchy. Or they may shun learning opportunities such as training, deriding these as beneath their capabilities and feigning being too busy to participate.

Yet structural rank is intended to be used in service of the tasks for which the leader is responsible, not in service of self-protection. Misused structural rank tends to be experienced by others as unreasonable at best, and tyrannical at worst. The leader tends to be diminished in the eyes of others, with a jarring incongruence between the strength of their high structural rank and the evident fragility and brittleness of their self-confidence.

The case example below demonstrates the impact that uncertainty and feelings of incompetence can have on a leader more accustomed to known ways of working.

#### **Case Example**

*Brian is a general manager for a national not-for-profit organisation delivering disability support services. Brian leads the supported accommodation department, which employs nearly two hundred people to run and staff twenty-two residences across Australia. His role reports directly to the CEO.*

*Brian had been in the role for seven years when a new CEO was employed. The organisation had been underperforming and accumulating an increasing deficit for several years. The board of directors had attempted to address this problem by replacing previous CEOs; this new incumbent was the third CEO in five years. Each CEO brought a different solutions to the underperformance. The new CEO soon commenced implementing several strategies to address*

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*the financial problems, including introducing more integrated back-of-house operations, and a significant restructure to enable teams to largely self-manage. One implication of these strategies was cutbacks of staffing at middle management level.*

*Brian's department was at the time seen as one of the core under-performing units of the organisation, despite his many attempts to improve financial management. The CEO asked him to implement the new strategies in his department immediately. Brian had never led changes of this kind before, and had no experience in supporting self-managed teams.*

*Initially Brian felt out of his depth to the extent that he did not even know where to begin. The CEO struck him as a very knowledgeable person, but some of his ideas seem outlandish to Brian. He wondered at first if perhaps he should lay low for a while, and give the CEO's enthusiasm a chance to wane. Hopefully the requirements would then become more conceivable.*

*However, it did not take long to become evident that the CEO was committed to his plans. Some other departments were beginning to move forward successfully. Brian tried to reason with the CEO that those departments were so different to Brian's that their experiences were not relevant to his. His arguments were not very persuasive, though. They even seemed unconvincing to Brian, although he continued to use them and bide his time.*

*In interview two years later, Brian reveals that those initial months seemed extremely busy and yet he achieved very little. He recalls experiencing such severe anxiety that at times he felt crippled. 'I didn't even know I was anxious; I was just in free-fall. It totally changed how I managed.' He recalls spending long hours reviewing the accounts again and again, and hounded the finance department relentlessly. 'I also spent an inordinate amount of time trawling the internet, reading change management blogs but not really taking any of it in. I just wanted it all to go away'. In meetings he felt distant from his staff. 'I thought it was them who were*

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*different - I assumed they must be stressed out. And for sure they would have been. But once I started enquiring and actually listening again, people told me that I'd spent entire meetings talking at them.'*

*'Looking back now, most of what I did during that initial period was about distracting myself and making myself busy. If you had've asked me at the time I would have had some great justification for why it was all so important. But the truth is, I didn't know where we were going, I had no idea how to do implement these new strategies, and it made me really uncomfortable. Some of it was about my own job security, but it was more than that. It's a bit embarrassing to admit, but I think I'm a bit addicted to being the hot-shot leader. I like it when people look to me, when I'm central to discussions, and when I know just what to say and what to do. When I couldn't lead like that I hated it! But since this experience, I've started wondering about that... how much my leadership style is about massaging my own ego. It shouldn't be about that. So I've become a bit more interested in developing other people, a bit more able to sit back.'*

*The break-through for Brian occurred one day in private conversation with the CEO. The CEO asked him directly whether he was committed to implementing these new strategies in his department. Brian responded with an emphatic yes, to which the CEO asked him why he wasn't actually doing so. Brian found himself admitting that he didn't know where to start. He quickly covered his tracks by assuring the CEO that he knew how to do it all, it was just that he was struggling to create a plan for the order of it all. The CEO laughed and told him 'if you know how to do all this, you are the only one who does!' He went on to explain that these changes were significant and represented a paradigm shift in the way they all worked. The key was going to be developing new ways of working, not reapplying what people already did in slightly altered ways. Apparently the CEO had talked about this before on several occasions, but Brian hadn't heard it. This time he did take it in, and despite still not knowing what to do, he experienced some relief.*

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*He realised he could not remember ever having received any guidance from his manager. Then again, perhaps he had never asked for help. This CEO seemed to be comfortable with Brian's uncertainty. Brian decided to take the risk and ask more questions. It wasn't long before they were mapping out the problem and brainstorming ideas that began to open up new pathways. The CEO had a spacious, unhurried way of thinking about things, which helped Brian to do likewise instead of trying to rush to solutions. Their exploration generated more new questions than it answered, but Brian began to see some next steps for his leadership role. From thereon he embarked on a long road of research, dialogue with his own teams, his colleagues in other departments, and many fruitful discussions with his CEO.*

*Brian was an experienced leader, which might have helped him to recover his leadership once he began to manage his own anxiety sufficiently to work with the uncertainty of his situation. He used several strategies during that time that he found helpful. These included forcing himself to turn away from the computer screen and sit quietly. He also went for frequent short walks, during which he took more notice of nature and was able to think about his work challenges with more helpful distance. He found that calming himself down, focusing on building stronger relationships and being more open about his own struggles helped create an atmosphere of trust and resilience.*

*Brian's department is now in the process of a significant change process, one that was designed collaboratively with his staff. It is going well, and Brian attributes this largely to his staff rallying together and coming up with some creative solutions. 'Once I stopped talking at them and started listening, I was amazed at the ideas people had. We've become a much tighter operation, both in terms of managing our costs, and also in the way we work together.'*



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This case example highlights the pitfalls of defending against uncertainty, and the transformation of a situation when we can access spiritual rank to manage our anxiety and open the space for discovering ways forward.

Like many leaders, Brian's initial reactions and grasping for certainty made him less able to attend to the actual problem. He was certainly facing a significant challenge for his leadership. However, his biggest hurdle was more personal. In order to lead through that period, he needed to develop spiritual rank, to practice self-restraint and humility so he was better able to facilitate solutions to emerge.

It is perhaps unsurprising that Bennis (1998 p140) has noted that successful leaders 'learn early in their careers to be comfortable with ambiguity'. When a leader can tolerate ambiguity, they build negative capability, a skill that is enormously helpful to their effectiveness when working in turbulence or uncertainty. Negative capability is a term first coined by the poet John Keats, who described it as a state 'of being in uncertainties, (m)ysterries, doubts, without any irritable reacting after fact & reason' (Keats, 1970 p43). Whereas leadership is usually thought of in terms of positive capabilities, such as those that bring about decisiveness and action 'even in the face of uncertainty', negative capability is 'the capacity to sustain *reflective inaction*' (italics in original) (Simpson et al., 2002 p1210). It is the capacity to resist dispersive, reactive or defensive action in the face of uncertainty.

Practicing negative capability brings engagement and receptivity, and opens us to noticing more of what is happening around us. We can thus take in more of the complexity of a situation including its context, relationships and subtle aspects (Segal, 2011). It is possible that when we hone our negative capability, we are simply improving our ability to think. 'Thinking is about being willing to dwell amidst confusion, letting understandings dissolve and giving up certainty in preference to an abyss of not knowing... To be able to act as needed but also stop and wait

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when that is needed, and only coming back to the people with the clarity born in the quiet thinking space' (Smythe and Norton, 2007 p79 & 86).

Brain studies into left and right brain functioning show us that 'the left hemisphere's *raison d'être* is to narrow things down to a certainty... The left brain perceives the world mechanistically. The right brain sees things as they are, and can integrate multiple points of view, feelings, implicit communication and uncertainty into its evaluation of what it perceives.' (Rowson and McGilchrist, 2013 p14). The left brain tends to predominate, and its simple explanations to complex problems are seductive even when they are illusory. Perhaps when we practice restraint and patience in the face of uncertainty, we are dampening the dominance of our brain's left hemisphere sufficiently to allow the right hemisphere to factor more into our perception and evaluation of situations, and thus bring more integrated information into our decisions and actions.

It takes courage, humility and self-discipline to practice such restraint in pressured organisational settings. These qualities are greatly helped by having a strong sense of purpose or meaning that transcends those pressures and keeps us connected with something bigger. Developing this connection builds our spiritual rank, and helps keep us helpfully detached and centred. Freed from the need to act in defence or in offence, we can maintain equanimity and continue to think about the situation at hand in a useful way.

Spiritual rank also enables the development of a deeply democratic attitude, the 'belief in the inherent importance of all parts of ourselves and all viewpoints in the world around us' (Mindell, 2014 p13). Deep democracy opens us to our own and other people's experiences of uncertainty. It also helps us value and encourage differences of opinion, style, culture and need to emerge in the workplace. Leaders who operate from a place of deep democracy understand 'the wisdom

### **PART III: RANK COMPETENCIES FOR ELDERFUL LEADERSHIP**

that evolves through the facilitated interaction among all parts of a system' (Audergon and Audergon, 2008 p25).

Thus drawing on our spiritual rank allows us to foster a culture of openness, diversity and learning, whereby it is possible to give voice to differences, uncertainties, marginalised perspectives and doubts. This makes for far more interesting interactions, in which people can openly discuss difficult issues, learn from each other, admit mistakes and accept guidance and feedback. Teams are also better enabled to collaborate effectively across difference and diversity, and can work together to develop new and innovative outcomes.

We all have the ability to develop and connect with our spiritual rank. This rank is built through activities that quieten the mind and bring more detachment or equanimity, as well as any practices that connect us to purpose, mission or meaning. All such activities can be helpful during moments of particular challenge and uncertainty, although their potential benefit is better realised through regular and deliberate practice. The more consciously and frequently we work to connect with our spiritual rank, the more our capacity as an elderful leader will develop.

## Part IV: Conclusion

The aim of this thesis has been to explore rank and organisational leadership. This thesis synthesised conceptual research along with case study exploration and critical reflection to explore organisational leadership through the lens of process oriented rank theory.

The study has sought to place process oriented rank theories in the context of other contemporary theories of power and authority. Various academic perspectives on leadership, management, teamwork and organisational development have also contributed to the exploration, alongside the author's own knowledge and expertise in these fields.

The research into theoretical concepts showed that the literature available on leadership effectiveness does not adequately explore the multi-faceted nature of rank and power. There also does not appear to be any consideration in the literature of rank and power as capabilities that can be developed for better leadership.

This thesis attempted to redress this gap in understanding by applying the multifaceted process work theory of rank to leadership. Specifically, the aim was to answer the following questions:

- If there existed an ideal leader, how would they enact their structural rank?
- How would they understand and experience their own rank and that of others?
- What would be their psychological and spiritual rank, and how would they use these in their leadership?

Addressing these questions led to the development of the concept of elderful leadership and five of its key rank capabilities. The capabilities centre on understanding, awareness, development and skilful use of several dimensions of rank. The elderful leader is described as

one who skilfully draws on the strengths of structural, psychological and spiritual rank to build legitimacy for their leadership and create a deeply democratic work environment.

This paper has shown that the development of awareness and capability across multiple rank dimensions is pivotal to leadership effectiveness. The implications of this research are that the development of these capabilities should form a central component of leadership development initiatives. The nature of organisational challenges is likely to involve ever-increasing complexity, technological change, competitiveness and risk. The leadership required in this terrain is one of psychological sophistication, fluidity, clarity, detachment, humility, sobriety, integrity and courage. Developing rank capabilities will enable leaders to enact these qualities in order to navigate contemporary leadership challenges effectively, while simultaneously facilitating their team members to build their capacity to access and use rank skilfully. To this end, further work is needed to create tools for leadership development in the domain of rank capability.

The focus of this paper has been limited to rank capabilities for organisational leadership. It has not addressed followership or the rank capabilities that contribute to effective followership within or beyond organisations. This paper begs the retort that the development of rank capabilities for followership is equally important as that of leadership. Followers need to have understanding, awareness of and the ability to skilfully utilise their various ranks, as well as the ability to work constructively from their lower structural rank. Additionally, interactions between leaders and followers are alive with rank dynamics. Studying these dynamics through the lens of process oriented rank theory would greatly enhance what has been contributed by this paper.

Other areas for further research include the application of process oriented rank theory to informal leadership, and the rank capabilities that are needed for this domain. Research focusing on leadership rank capabilities for particular sectors, or for specific leadership challenges, could also greatly enrich our understanding. Similarly, focusing on particular

demographics of leaders such as gender, age and background could provide nuanced data about particular rank challenges faced, and may lead to specific rank capabilities for these demographics.

There are many barriers to effective use of rank in leadership roles. Australian cultural tendencies such as egalitarianism and tall poppy syndrome make it challenging to discuss or acknowledge power and rank, and can create considerable resistance to owning and enacting high rank transparently. Yet this paper has shown that developing better insight, awareness and skills for working with multifaceted rank is fundamental to effective leadership.

This thesis has shown that learning to work with the multifaceted nature of rank can transform leadership. The paper has developed a model of effective leadership that draws on the strengths of structural, psychological and spiritual rank in a manner that builds legitimacy and fosters a more deeply democratic working environment. The hope is that this thesis makes a contribution to the theory and practice of leadership as well as advancing the application of process oriented rank theory.

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# Appendix

## A Review of Contemporary Theories of Power And Authority

Many studies of power focus on its tendency to repress, and to perpetrate and perpetuate inequality and injustice. As Lord Acton (Dalberg-Acton, 1907) famously wrote, 'Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men.' Foucault (1988 p1) discusses this tendency of power in *The History of Sexuality*: 'Relations of power are not in themselves forms of repression. But what happens is that, in society, in most societies, organizations are created to freeze the relations of power, hold those relations in a state of asymmetry, so that a certain number of persons get an advantage, socially, economically, politically, institutionally, etc. And this totally freezes the situation. That's what one calls power in the strict sense of the term: it's a specific type of power relation that has been institutionalized, frozen, immobilized, to the profit of some and to the detriment of others'.

Others, particularly those studying power in organisations and political life, tend to have a bias toward support for power and its capacity to ensure action. Obholzer (1994 p42) claims 'authority without power leads to a weakened, demoralized management.' Sennett (1980) explores power and authority as processes that have the potential to be destructive or constructive. Sennett describes the negative impacts of both power misuse and rebellion against power, and counters this with an exploration of the important process of empowerment and mutual recognition that can arise through struggle and engagement between those with and those without power.

But what is power? Weber (1958), the influential sociologist who was a pioneer in the exploration of power and authority, defined power as the ability to control the behaviour of

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others, even against their will. Similarly, in one of the most widely noted studies of social power, French and Raven (2008) described social power as the ability to influence or bring about change in others. They identified five bases of power:

1. Legitimate power derives from social norms. Legitimate power includes positional power. A person who holds a role of positional power has the formal right to make demands and expect compliance.
2. Reward power stems from the ability to provide tangible or intangible rewards for compliance.
3. Expert power - the power ensuing from the role of the expert, based on a person's skill, knowledge and experience.
4. Referent power arises from being seen as someone to be admired and emulated. If we identify with, or belong to a group that is seen in this way, we accrue referent power. Referent power can come from charisma, attractiveness, or popularity. It can give rise to phenomena such as nationalism, patriotism and cult followings.
5. Coercive power is that which derives from threat. This includes the threat of punishment, rejection or disapproval.

In 1965 Raven (2008) added a sixth basis of power: information, which is the power based on holding information that can bring about change. Obholzer (1994) also emphasises the power we derive from the connections we have that can be used to support our stance.

Weber (1958) defined authority as power accepted as legitimate by those who are subjected to that power. This construct is generally agreed to by modern management and organisational theorists (Grimes, 1978), (Pfeffer, 1981), (Clegg, 1989), (Mintzberg, 1983).

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Authority is a term sometimes used interchangeably with power. However it is more often specifically defined as the right to give orders. This is a right obtained through a legitimate and accepted role, conferred generally from above, thus flowing downwards. Weber saw this as a specific means of authorisation, which he termed rational-legal authority and which is akin to French and Raven's concept of legitimate power. Others have used the terms positional, delegated or formal authority for this form of authority. Gould (1993 p51) defines positional authority as 'the authority that is delegated to roles, and therefore it gives the role occupant the right-to-work ... within the boundaries of the role'. Thus, positional authority is derived from one's role. In a hierarchical system this comes from the roles above who delegate that authority downwards.

In contemporary organisations, delegation of positional authority tends to be in the form of general goals and 'guidelines rather than ... specific orders and requirements' (Gould, 1993 p51). This necessitates significant discernment and initiative. Mintzberg (1999) also describes less well-defined forms of authority in organisations. These relate to the person's work, but are not formally bestowed from above. Instead they arise when a person's role includes coordination, linking or facilitation. These forms of authority are usually poorly defined and can even be tacit. Nonetheless they confer real authority and provide people with a legitimate right to work.

To Weber (1958), authority arises either through rational-legal means or through strength of personality and charm (charismatic authority). It can also arise via tradition or custom, such as the authority bestowed on monarchies. Weber termed the latter traditional authority. On the other hand, group relations theorists view authority as always arising from one's role, which 'transforms power into authority' (Reed, 2001 p6). Role in this context refers to the formal organisational position held by the person, or more specifically the way in which the person takes up this position.

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Along with the delegated or positional authority conferred with a position in an organisation, group relations theory recognises two other factors that have significant impact on our authority. The first is how we take up that role. This can be thought of as personal authority; our capacity to authorise ourselves to take initiative, and to manage our anxiety about being accountable for our actions (Gould, 1993). Personal factors such as our relationship to internal authority figures, personal history and beliefs about authority play a significant role in determining our ability to access our own inner authority.

Personal authority can allow us to act beyond our positional authority or in situations where our level of positional authority is unclear, as it allows 'a form of self-authorisation in settings where tradition, precedent, procedure and policy are insufficient to eradicate the element of uncertainty and where agency therefore inevitably involves risk' (Hoggett et al., 2006 p8). It is perhaps personal authority that enables the legitimacy that Mintzberg describes above in work roles involving coordination and facilitation.

The concept of personal authority has some resonance with that of personal power, a term commonly used in the lexicon, but rarely discussed in sociological or management theory. Schuitevoerder (2000 p55) has noted that some researchers, mostly psychologists, have described this form of power as 'an inner attribute which develops as the result of socialization, inner work and psychological development. The ability to exert influence on our inner world and attitudes is seen by these researchers ... as the development of personal power.'

Personal power is a realm of power that differs considerably from the sociological concept of power, which focuses only on one's ability to control or exert influence on others. As Firestone (2009) emphasises, 'Personal power('s) primary aim is mastery of self, not others. Personal power is more an attitude or state of mind than an attempt to maneuver or control others.'

Personal power perhaps gives rise to personal authority; by managing one's inner experience

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the person potentially feels 'entitled to express their interests and passions. This is especially enhanced when the person feels that their vitality and creativity belong in the world, and when they readily accept the power and vitality of others as contributions to their own experience' (Gould, 1993 p52).

Group relations theory posits that regardless of our level of positional or personal authority, there is a third significant factor in whether our actions are experienced as legitimate. This 'supported authority' describes the authorisation that the system confers to enable us to utilise our authority. The concept of supported authority helps explain how our authority can be diminished through lack of support. There are many factors that contribute to supported authority. They include political landscape and issues affecting the organisation. The culture of the system hugely shapes support or lack of support for authority. Organisational culture, after all, comprises the ways of being that are assumed as 'the correct way to perceive, think and feel' (Schein, 1984 p3). Any other way of being is often experienced as intolerable and consciously or unconsciously deauthorised in order to maintain the status quo of the culture.

Another influential factor determining the level of supported authority is how we enact our personal and positional authority. Different styles of authority are supported in different settings. For instance, a leader in a grass-roots organisation may find that they are supported to exercise their authority only if they do so in an indirect, collaborative way. In contrast if they work in a military organisation they might have to adopt a more authoritarian style in order for their authority to be supported.

Insufficient supported authority can derail the efforts of even the most senior leaders. Hence, a critical factor in exercising authority is obtaining support for that authority. According to Hirschhorn and Gilmore (1992, p112), our authority arises chiefly from our 'ability to represent and embody the interests of the system'. When people feel their interests are heard, understood

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and identified with, they are far more likely to authorise and follow leadership. Supported authority is also greatly affected by the quality of relationships and trust the leader has with those affected by their authority. If rapport is low, leadership actions tend to be experienced and interpreted through a lens of distrust, which further erodes supported authority. Thus, supported authority requires us to be connected to people on an emotional level as well as through the formal role relationship.

The literature suggests that authoritative action in an organisational setting is intrinsically linked to how we take up our role. How we do this requires a dynamic, continuous interplay of system sanction in the form of formal authorisation, in conjunction with self-authorisation. According to Obholzer (1994), action also requires power. Power provides the capacity to act. For Obholzer (1994 p42), power is 'an attribute of persons rather than roles', and arises from what we can control (such as money, job security and the privileges that we can provide). It also includes the sanctions that we can impose, as well as influence ensuing from inner factors such as the strength of our personality, our ability to intimidate, charm or otherwise influence others. How powerful we feel and appear to others significantly influences our power. This description of power resonates strongly with that of French and Raven (2008).

Power has the potential to be destructive or constructive, depending on how we use it. When we exercise our power within the bounds of authorisation, we are able to capitalise on its capacity to ensure action and have that action accepted as an authoritative intervention. When we act outside the bounds of authorisation 'all the trappings of authority are experienced by others as power' (Reed, 2001 p5). Acting beyond these bounds creates risks associated with the exercise of power. These risks include the potential to stifle debate, inhibit feedback, perpetrate and perpetuate injustice, and trigger revenge. We need power in order to act, but we need to use it in a way that is experienced as legitimate within the system in which we operate. This legitimacy requires an ongoing interaction and combination of positional authority, supported authority and

## **APPENDIX: CONTEMPORARY THEORIES OF POWER AND AUTHORITY**

personal authority (Obholzer, 1994). Operating in this way is defined by Obholzer (1994 p41) as the state of mind of 'good-enough authority'.