Four-Quadrant Leadership[1]:
Thinking About Administration, Management, Leadership and Profound Societal Change
by
Ruben Nelson

"The first work of governance is the rectification of names."
Chinese Proverb

Whatever else we do, we – North American managers – litter our lives with concepts. Consider: *administration, management, leadership, strategic leadership, strategy, planning, master planning, corporate planning, long-range planning, strategic planning, results, objectives, policies, values, corporate cultures, mission, vision, paradigms, metaphors and myths.*

These are not just vague ideas. We live by these concepts. We hold conferences and pom-pom rallies in their names. We use them to create job titles: e.g. vice presidents of strategic planning are now legion. We judge those who cannot move easily among these ideas to be less than worthy. Consider that President Bush's 1992 admission that the "vision thing" eluded him was widely seen as an admission of failure. We use them to name our organizations: e.g. the Planning Executives Institute joined with the North American Society for Corporate Planners to become the Planning Forum, which has just now become the Strategic Leadership Forum.

In short, for good or for ill, management concepts play powerful roles in our lives.

Accordingly, it would seem to follow that well-defined understandings of these ideas should be common among us. Alas, this is not the case. Honesty requires that we admit that these concepts are often understood to mean quite different things in different organizations, and even within different sub-cultures of the same organization. At least in North America, all too often we have denied, rather than acted on, the wisdom of the Chinese proverb quoted above. We have acted as if it does not matter what things are called; as if things will be what they are regardless of what we name them. But, the proverb reminds us, it is not possible to govern well if one does not grasp the true nature of that with which one is dealing. It follows, if we are to avoid faddishness, if we are to sustain serious work, that we need a powerful way of thinking about such concepts--a way which enables us to understand them deeply, use them appropriately and distinguish among them consistently.
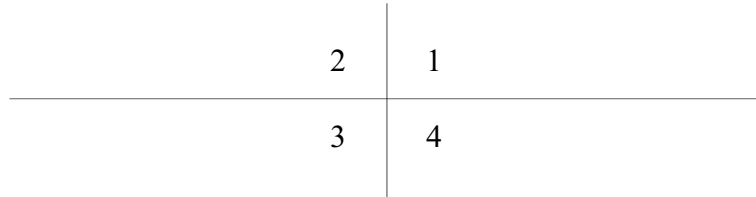
The material which follows is intended to serve this end.

---

[1]Based on a presentation to the Strategic Management Forum in Dallas, 1993 – the year it re-named itself the Strategic Leadership Forum.

the Strategic Leadership Forum.

SQUARE ONE MANAGEMENT LTD.

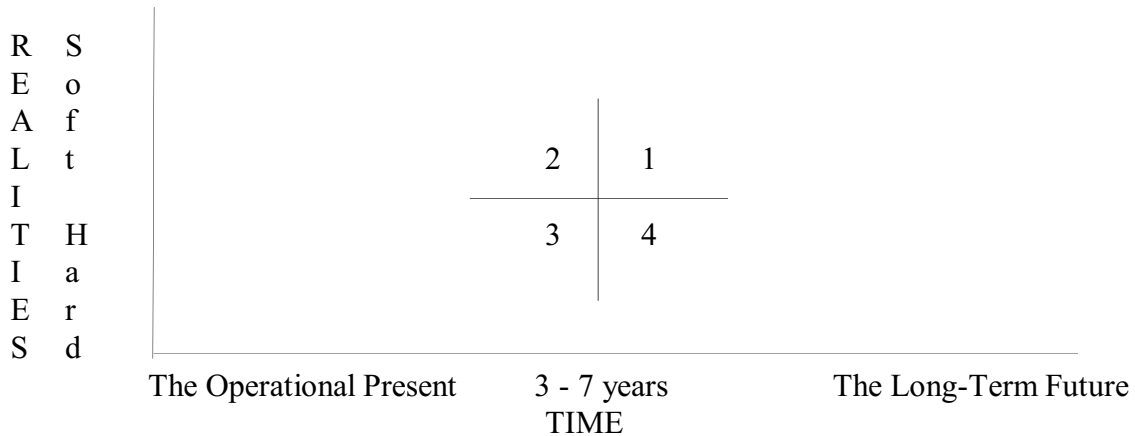**The Basic Dimensions of the Four-Quadrant Model**
I learned long ago that if I was to be both understood by, and helpful to, senior executives, I must be able to model my ideas on the back of a #10 envelope. Accordingly, the first act is to divide such a space into four quadrants. For ease of reference, each quadrant is numbered.

```
        2  |  1
      -----+-----
        3  |  4
```

Four Quadrants
Figure #1

The second act is to understand what is indicated by each axis.

```
R  S
E  o
A  f
L  t              2  |  1
I               -----+-----
T  H              3  |  4
I  a
E  r
S  d
     The Operational Present    3 - 7 years      The Long-Term Future
                                   TIME
```

The Basic Dimensions of the Four Quadrants
Figure #2

The horizontal "x" axis measures time. The present is to the left, and the future to the right. The vertical dividing line separates time into the operational present (on the left), the mid-term future (3 - 7years out) and the future (on the right). This means that the operational present includes both the immediate present and the next few years. That these limits are, in fact, our actual sense of the operational present is confirmed by experience, anecdotes and formal research. Beyond our operational present lies our future.

The vertical "y" axis measures the two different aspects of human experience and culture – hard and soft realities. The hard aspects are physical, and hence easily measurable and quantifiable. They are found below the horizontal dividing line. The soft aspects of human experience and culture are the understandings of the physical world which give it human meaning. Meaning only occurs within human consciousness. We can neither kick nor weigh it.
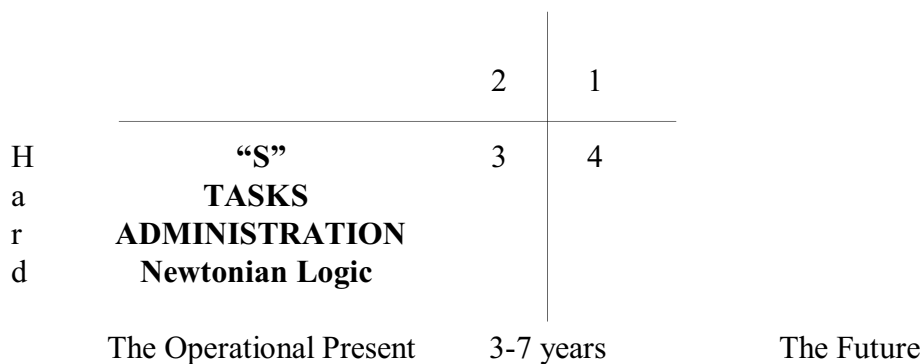
Every culture necessarily includes both of these aspects of life – the physical and the culture's understandings of the physical. Every culture is necessarily aware of the physical aspects of its world. About this human beings have no choice. The hard aspects of live are undeniable. If unnoticed they can coerce our attention. We can literally trip over them. However the soft aspects of life cannot coerce our attention in similar ways. Unlike physical objects, the soft aspects of life can be present in our lives and yet remain unseen by us. A killing glance from your spouse may be obvious to all but you. The importance of this difference will become clear below.

The soft aspects of life are required in order to understand and make sense of the hard data of life. Thus automobiles, physical artifacts, fall below the line, but their meaning in life is found above the line. So persons on an company's payroll are found below the line insofar as each is a separate, individual body. But each person is also found above the line – insofar as he or she is a living, feeling, thinking, understanding human being who plays an active role within the firm.

With this set up, we can now explore each quadrant. We will move from quadrant #3, to #4, to #2, and finally to #1.

Quadrant #3: The Hard Operational Present

		2	1	
H	**"S"**	3	4	
a	**TASKS**			
r	**ADMINISTRATION**			
d	**Newtonian Logic**			
	The Operational Present	3-7 years		The Future

Quadrant Three
Figure #3

Quadrant three is the operational present – the world of physical tasks. It dominates human attention and life. As persons, businesses, countries and cultures, Quadrant #3 tasks – meeting the demands of the physical world – take the overwhelming majority of our time and attention. Every culture and organization has its most elaborate structures and procedures in this quadrant. There are several reasons why this is the case.

First, we are embodied creatures. This, of course, is the case in every culture at every time. For this reason, Quadrant #3 can be label as the quadrant of "S" (sensing) in the Meyers-Briggs typology. It is not surprising that organizations in every sector of North American society are mostly made up of operationally-oriented persons whose dominant function is "S".

Second, as persons shaped by an Industrial world-view, we share the assumption that "that which is physical is most real; that if a thing is not easily measurable, it is less real." In our society, if one wants to win, one argues with numbers, not merely with ideas and metaphors. It is no accident that "concrete" ideas are commonly valued more highly and seen to be more solid, than merely "abstract" ideas. When intuitive insights argues against numbers, the numbers win! Accordingly, Quadrant #3 is where we tend to locate "real" work. Such work is what real men do. To be known as a doer – someone who get things done – has been both to deserve and to receive high praise. Our aphorisms make this clear: "Get things done." "Get on with it." "Get down to it." "Make it happen." "If at first you don't succeed, try try try again." All these familiar urgings refer to achieving results in Quadrant #3.

It should also be noted that the logic of physical things is the logic of Newtonian mechanics. Such a world is a world of control, manipulation and certainty. Insofar as Newtonian metaphors have shaped the world of administration, the latter has been a world of control, manipulation and certainty. While the Human Resources folks don't get it, to most of us it is a very small comfort that we are now thought of as a "resource" within the organization, rather than as a "cog in its wheel". Both images flow from Newtonian metaphors.

Third, in most societies tasks that are immediately pressing, including the requirements of the next year or two, are experienced as taking precedence over the more distant-in-time. This day's meal is more urgent than meals next year; this winter's wood is more important than the supply of wood for one's grandchildren. So everywhere, the urgent overwhelms the truly important.

Fourth, when cultures and their environments are deeply stable, all that is necessary for success is to focus on the physical tasks of Quadrant #3. In large part, this is because there is great truth in the view that if one lives well day-by-day, then the future (Quadrant #4) will look after itself.

The focus on operational tasks is reinforced by the fact that, in stable times, one learns what one needs to know about the common assumptions and meanings of one's culture (Quadrant #2) by learning to do well the physical work one is assigned in Quadrant #3. One picks up one's understandings of life by a process of unconscious cultural osmosis. Young men learn their proper gender roles by learning to wash the truck before a big date; young women, by learning to wash their hair. We all learn about hierarchy by learning who has the biggest pay cheques, the biggest houses, and who can interrupt others, without fear of being interrupted. As mothers know, it matters whom you play with, because consciousness is contagious.
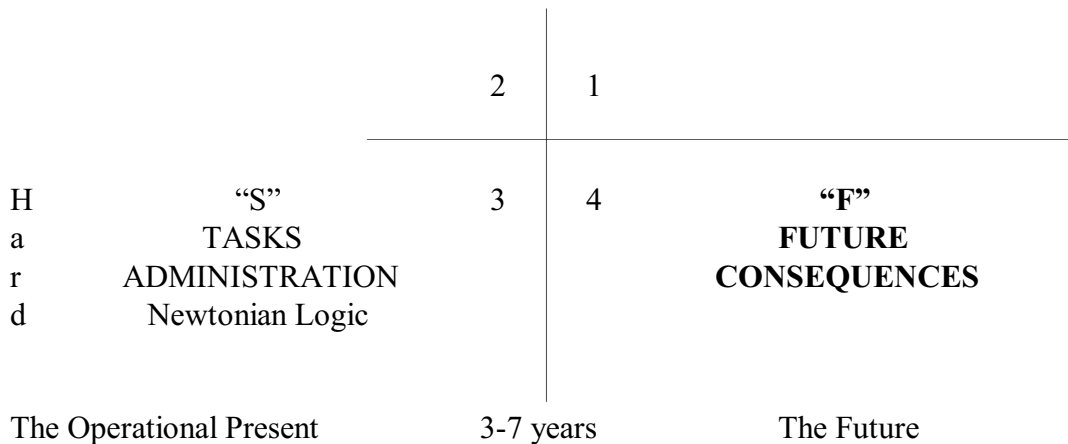
Consider that until the 1950s the most penetrating question that could be asked of another was, "Is he/she sound?" If you had to ask what it meant, you weren't. In terms of the map being developed here, what was meant is this: First, did the person in question successfully accomplish the Quadrant #3 tasks he/she had been assigned? Second, and more important, while doing so, did he/she unconsciously pick up sound understandings of the culture within which he/she lives, i.e. did he/she develop good judgement according to the unspoken canons of his/her society? Those who could answer "yes" to both questions were deemed to be sound.

Given all of this, it is not surprising that **most organizations in our culture have organized themselves for, spent virtually all of their energy on, and hired most of their people for, work in Quadrant #3.** It is here that, to this day, our work processes are most elaborate and routinized.

In other language, Quadrant #3 is the world of Administration. Administrative tasks are those tasks which focus on the care of tangible things. The numbers must add, the bolts must fit the holes, the chairs must fit the folks. Such work dominates our lives. In fact, until the 1950s, it was virtually all the work that there was. Until WWII, senior executives were the senior *administrators* of our organizations. They were not yet its senior *managers*. Then, Management, as we know it today, with its concern for roles, objectives and plans, had not yet been invented and articulated. Back then there were no management journals, no management courses, and no management degrees. The language we spoke then was that of administration. This is caught in the fact that new governments were seen as new "administrations" and that the MBA – a 1930s invention – is not an MBM. In short, until the 1950s, virtually all organizations were "Two Quadrant" organizations – #3 and 4. The only quadrants about which conscious thought was sustained were Quadrants #3 and #4.

Quadrant #4: The Physical Future

		2	1	
H	"S"	3	4	**"F"**
a	TASKS			**FUTURE**
r	ADMINISTRATION			**CONSEQUENCES**
d	Newtonian Logic			
	The Operational Present		3-7 years	The Future

Quadrant Four
Figure #4

Quadrant #4 represents the physical world of the future as it will be for us at some time in the future. It is the world of consequences, because it is the result of past actions – human and natural. It is a world about which mothers care so deeply. They do so because they know that actions have consequences; that tomorrow's future is found in the seeds sown by our actions today. So it is with us.

But the future is not a wholly open world. Much can already be known, at least within approximate limits, of the "hard" dimensions of the world of the next generation. But their future cannot be wholly known. What persons do, and do not do, say and do not say, today and in the

SQUARE ONE MANAGEMENT LTD.

near future will contribute mightily to the ultimate shape of the actual future of our children and grandchildren.

It follows that the Meyers-Briggs function which characterizes Quadrant #4 is "F"– the feeling function. Those who have a good feel for the consequences of actual and possible actions, have a better handle on the emerging shape of the future than those who do not. For example, the person who judged in the early 1880s that the light bulb would be of "no interest to either scientific or practical men" had no feel for the object at which he was looking or for the capacity of incandescent bulbs to greatly influence the shape of his future. One of the hardest parts of serious futures work is enabling persons who have long been rooted in and rewarded by their capacity to handle the easily quantifiable (Quadrant #3) to see beyond the obvious and develop a feel for the actual future which is emerging from today's changes to things physical. Consider that IBM, the master of big iron, made micro-computers in the 1980s, but did not understand them. This ignorance made Bill Gates, who understood the future implications of a shared operating system, the world's richest man.

The Transition to Quadrant #2
As noted above, as long as a society is fundamentally stable it can afford to restrict the conscious awareness of its people to matters below the main horizontal line, and do so quite safely. In such situations, "Two Quadrant" administration serves quite well. In stable times that which is above the line is not so much ignored as assumed. The understandings of life that give shape to life are not expected to change; there is no reason to consciously attend to or worry about them. They are just there – given – even if unseen. Even today we give virtually no thought to gravity. Rather, every morning when we swing our legs off the bed, we simply assume that it will be "on." Robert Heilbroner reminds us in his *Visions of the Future*, that until the 17th century, even within Western culture, virtually all above-the-line matters were unconsciously learned and accepted by a process of cultural osmosis, as matters of societal faith.

Consider my grandmother. Each Tuesday in the late 1940s and early 1950s she met with other women in the basement of her church as the Women's Missionary Society. The had to decide such practical tasks (Quadrant #3) as, "How much money should go to the Sudan Interior Mission and how much to the China Inland Mission?" Had one of the other women said to her, "Rhoda, why are we doing this? What is the objective of this project?", grandmother would have been very puzzled indeed. "Why", she would have asked, "do you still come each week, if you have lost the faith?" Her meta-message would have been equally clear. Above-the-line matters are not to be probed, questioned or altered. Rather the answers, long-known by the society, are to be accepted as reliable guides to the good life In these terms, it is clear that George Bush and his friends are "Two Quadrant" thinkers.

That we no longer live in such a shared and secure world is now obvious. Too much has happened in the last generation for us to take the world, as it appears, on faith. It is now evident to large numbers of us that we in Western culture must engage in serious Quadrant #2 thinking; that we can no longer take as given the understandings, and therefore the projects, of life we have inherited from our forefathers and foremothers. Over the last few decades, we are slowly learning to see, grasp and think consciously about intangible matters above the line. This move to

Quadrant #2 can be seen in the 1990 statement of The Premier's Commission on Future Health Care For Albertans, "We cannot spend our way to the future; we must think our way there."

This statement captures the logic of the move that must be made when life in Quadrant #3 no longer works well – when it dawns on us that **no amount of effort spent within quadrant #3 will relieve the tension.** When our condition can no longer be improved by better execution of known tasks, we either fail or we learn to think through what is it we are really trying to do. In short, **when our situation changes deeply, it dawns on us that our future can no longer be found or secured by more intense activity of the type we are used to – namely, Quadrant #3 action. Trying harder, yet again, will no longer do it!**

This conclusion is at the heart of the 1986 report by the Nielsen Task Force regarding the overall functioning of the Canadian Public Service,

> A central conclusion of the study teams, and one with potentially profound implications, is the degree to which there has developed a vast array of government programs that are designed to subsidize activity, rather than results; effort, rather than success.

Or in system terms, as Albert Einstein put it, "we cannot solve problems at the same level at which they were created." Consider that while the crisis of government debt and deficits is a Quadrant #3 crisis, it is now driving us into Quadrant #2, to re-think what we can and should expect from governments. That this same dynamic will occur regarding health care is not yet clearly seen. But in time it will. Thinking afresh, hard as it is, is preferable to death.

In short, by now we have the requisite experience which allows us to understand more deeply what John M. Keynes was talking about in 1936, when he said in his *General Theory*:

> The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist... I am sure that the power of vested interests is vastly exaggerated compared to the gradual encroachment of ideas.

What Keynes is telling us is that human consciousness matters far more than is commonly understood in societies which are preoccupied with Quadrant #3 action! Not only are the ideas which shape human consciousness important to those who hold them; the images of reality we carry in our heads make differences in history. For good and for ill, human action in Quadrant #3 is never merely Quadrant #3 action. It is also, and always, the embodiment of some form of human consciousness. This is the insight that drives us into Quadrant #2.

That is, the structure of human consciousness shapes the obvious (Quadrant #3) structures and behaviours of every human society. This is the case, in every time, whether or not those who

make up and lead the society are conscious of the structure of the ideas they are living out.

Accordingly, the work of Quadrant #2 is both a terrifying and a liberating work. It is so, because it involves first becoming aware of the up-to-now-taken-for-granted patterns of one's life and one's culture, and then making conscious, intentional decisions about the degree to which the inherited patterns of one's life and culture prior to this moment will continue to be the patterns of one's future. It is terrifying to take explicit responsibility for matters that, up to now, were only and always implicit dimensions of one's culture. It is liberating for the same reason – now we can make choices about what used to be unconscious binding traditions.

This move to a more intentional life becomes more attractive when unconsciously following one's tradition leads to disaster; when the choice before us is, "begin to think or die!" In such cases human beings usually do begin to think consciously about what they are doing and intending. Tragically, typically thought does not begin until many have suffered greatly and died.
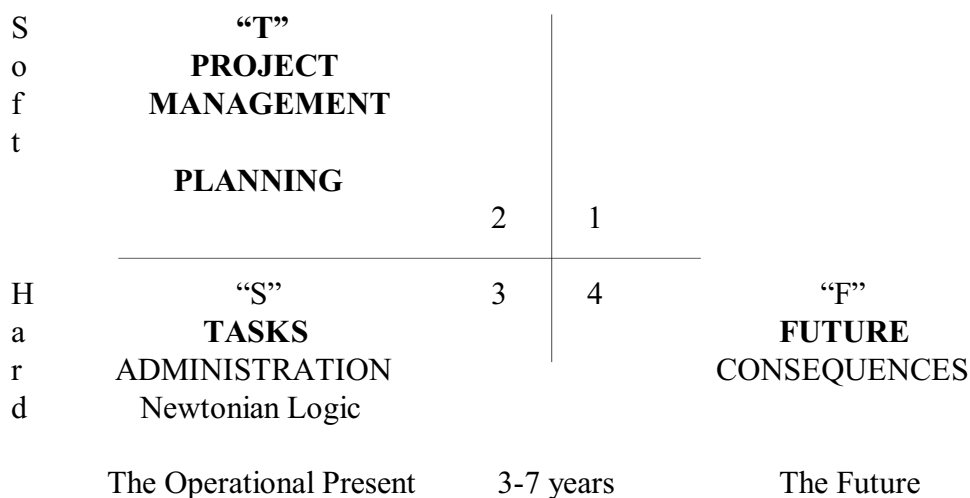
Quadrant #2 thinking moves beyond the focus of how to do better those things which we already know how to do well. As we move above the line we rethink whether the project on which we have been expending our energy is itself worthwhile and well-formed. The up-side of this move is that the thought takes hold that things do not have to be the way they have been; that we can do that which is deeply other and not just try harder to accomplish the familiar. In the process, we discover that we have options about which we were not previously conscious. In the process, alternative futures become living possibilities. The down-side is that opening up our future loosens the bonds of the very traditions by which, until now, we have lived and been defined. In short, cultural disintegration necessarily accompanies deeper cultural change. This fact, and the terror which accompanies it, is the source of the rise of fundamentalism in both East and West.

Processes of cultural erosion are now at work within every culture on the planet, as those who are familiar with post-war development know all too well. For good or ill, in today's world, human persons feel compelled to learn to rethink their lives above the line. This leads us to Quadrant #2.

Quadrant #2: The Intangible Operational Present

Quadrant #2 is the quadrant of the intangible operational present. It has the same time frame – 3 -7 years – that we found in Quadrant #3. The key difference is that all of the work is undertaken wholly within human consciousness. It is literally "all in our heads." In Quadrant #2 there is no physical activity which can be photographed or measured other than by a CAT scan of our brains. Accordingly, no activity in Quadrant #2 qualifies as "work" in the classic Newtonian definition of "force through motion." While no physical thing moves, the minds of those who are managing are very active indeed. Accordingly, Quadrant #2 is dominated by the "T" (thinking) function in Meyers-Briggs terms.

```
S              "T"
o           PROJECT
f          MANAGEMENT
t
             PLANNING
                          2  |  1
                     _____|_____

H              "S"        3  |  4           "F"
a             TASKS          |            FUTURE
r         ADMINISTRATION     |          CONSEQUENCES
d         Newtonian Logic


      The Operational Present    3-7 years         The Future
```

Quadrant Two
Figure #5

This is the quadrant in which we find the work of thinking through and mentally organizing the major projects to which we commit ourselves as persons and organizations. It is the quadrant of clarifying and committing consciously to the results (objectives) we desire to achieve, setting the policies we will abide by as we seek the stated results, defining the roles, responsibilities and mandates of those who will be involved in the work, and planning the work to be done. In short, Quadrant #2 is the quadrant within which we find that which is properly called *management*.

Given the penchant of large organizations to hire technically skilled persons and to promote the best of them to management, they should not be surprised that many of their successful operators fail as managers. The skills and orientations which make for good managers are not identical to those which make for good administrators. It should not surprise us that "ST" is the most common personality type found within large industrial organizations.

Today most of us would not be threatened by the challenge of making a passable stab at comparing and contrasting *administration* with *management*. The differences between them are widely recognized and reasonably well-known, even if the implications of these differences are not yet fully realized and routinized. It is interesting that the research of John Kotter of Harvard suggests that the core functions of managers are (1) planning and budgeting, (2) organizing and staffing and (3) controlling and problem solving. His work is essentially consistent with the view being developed here. Note that the Newtonian images of Quadrant #3, still dominate.

However, the now-familiar distinctions between Administration and Management did not arise full blown in an instant. Rather, we have been exploring, defining and routinizing the work of Quadrant #2 – Management – over the last five decades.

Planning came first. This is the case because planning is the activity which links projects (Quadrant #2) to tasks (Quadrant #3). Its roots are in military logistics, land-use concerns, and

financial and physical operational planning; all prior to WWII. It was elaborated by operations researchers during that war. In the 1950s, the most common form of planning was long-term, master planning – deciding now what should be then. In the 1960s and '70s, corporate planners proliferated. At the height of this frenzy many large corporations and government departments had hundreds of planners on their payrolls. Good planners, it was then assumed, would be able to second-guess the future. Whatever uncertainty the future represented, good planners and forecasters could overcome!

This assumption was make by Planning, Programming and Budgeting Systems (PPBS). It emerged into the business world in the late 1940s from work undertaken by the US Air Force. Its central aim was to develop thorough and intentional plans (P), which were to be linked to one's programs (P) as expressed in one's budgets (B), and to do so systematically (S). Then, and only then, would one succeed.

Promising as it was, PPBS did not become widespread and routine. One reason is that, as developed, it was too complex. Few persons could master the math involved. More important in the long run was the fact that in 1954 Peter Drucker raised into consciousness the questions which are logically prior to PPBS, namely, "What results does one's planning intend and presuppose?" "Just what was one intending and trying to do?" The level of description he sought was that of Quadrant #2, not merely Quadrant #3. In short, Drucker was echoing Lenin's terrifying question of 1917, "What is to be done?" Or more flippantly, "What would we do, if we really knew what we were doing?"

Given the normal lag between the time the pioneers break trail and the time the consultants make piles of money, management by objectives (MBO) and management by results (MBR) did not become widespread until the 1970s. Today, the statement of the "results to be achieved" by the activity in question has achieved a virtually mystical status. Few human activities, for some even making love, are seen as legitimate without the prior specification of the such results! Classes cannot be properly taught, nor articles properly written, nor new equipment installed, nor meetings held without a prior statement of the objectives of the exercise.

Since the way one chooses to approach the achievement of one's objectives, policy – strategies which one will always use – became a big item for management in the 1970s and 1980s. Two other words – 'strategic' and 'corporate' – were added during this time. In the early 1970s, in both private and public organizations, if one could work any combination of these words, especially with the additional word 'planning', into one's job title one could virtually double one's salary.

We see here an impulse to expand "planning". In the post-war decades it has moved from land-use and operational planning, to master planning, to corporate planning, to strategic planning, and, most recently, to scenario planning. This evolution is driven by the deeply ingrained, but largely unconscious, assumption which still shapes the life and work of managers in late Industrial cultures: *good managers do not merely influence, but determine the future of their organizations and their environments.* The impulse to control, to manipulate, to determine the future, which

arises from the physical reality of quadrant #3, still drives virtually all of the planning work in our society. It is inherent in a planning mentality. This is the sources of the power of the line, "I have a plan" whether declared to a Board of Directors or to an electorate.

By the mid 1980s, the new words were 'vision', 'values' and 'corporate culture'. This new language heralded the dawning recognition of a fact of life that mothers have long known – a well-formed moral character is an essential platform for success in confusing times. In spite of the fact that these emerging dimensions of management are the soft, not easily quantifiable, realities, they must be faced up to and worked with. The territory they delimit is slowly being recognized as essential. Accordingly, it is being mapped, even if it awaits the development of truly reliable work. To date much of the work done in these areas has been insubstantial and largely unsuccessful. This is not surprising. The further one gets from the operational planning of Q2, the more one enters into the realm of rhetorical, not substantial, performance.

Strategic planning deserves a special mention. Rooted in the 1960s, it emerged full blown in the 1970s. Its special claim was that it was able to take all of the emerging features of Quadrant #2 and integrate them into a single comprehensive process. As practice it still rides high, i.e. nervous managers are still willing to pay big bucks for the comfort it offers. However, its demise is on the horizon. The main reason is that, in spite of its claims, it cannot deal successfully with the emerging work of Quadrant #1.

As we will see below, serious work in Quadrant #1 breaks with, rather than extends, the planning mentality of Quadrants #3 and #2. This case is documented by Henry Mintzberg in his recent *The Rise and Fall of Strategic Planning.* The fact that many executives are disappointed in the performance of so many of their newly-hired, bright MBAs also suggests that management, at least as developed to date, is not yet a well-formed discipline. Consider that few such graduates have any feel for the softer side of life – the questions which are the truly serious work of management. That a compulsory course in "business ethics" cannot overcome a deeply ingrained cultural blindness to the inherently subtle dimensions of life is obvious to many who are not trapped within a business ethos. But we try, nevertheless. Blindness to necessary failure, does not stop new investments of time, money or energy.

By the mid 1990s, most organizations in North America, regardless of their sector, have become "Three Quadrant" organizations. No longer are they "Two Quadrant" administrations. Now they attempt to live their lives within the space circumscribed by the three quadrants we have been considering – #s 3, 2 and 1.

Nevertheless, most forays into Quadrant #2 have been, and still are, largely driven by questions and commitments which already exist in Quadrant #3. Consider that the main trigger for seriously re-thinking (reinventing) government today is the Quadrant #3 crisis of government debt and deficits; that the success of Japanese auto makers in North America was the trigger for North American auto makers to rethink their business; that the number of good people who leave an organization in anger and disgust is often the impulse to rework its HR policies; and that the impulse to listen anew to one's spouse may be triggered by the first letter from her lawyer.

Such moves are "3-2/3-4" moves to the future. A crisis within an ongoing operation (Quadrant #3) precipitates the need to re-think what one assumes about those aspects of life found in Quadrant #2. So a team is set up to undertake this work. It is assumed that, to the extent that the team is successful, it will articulate a new statement of the results to be achieved and develop a new plan to achieve the newly-stated results. But, and this is the important point, the fundamental project which has been pursued until now is seldom called into question. Rather, the continuing value of the project which is now in trouble continues to be assumed.

The 3-2/3-4- move results in better ways of pursuing known meta-projects. Seldom does it lead to the conception and articulation of wholly new cultural projects. Consider the actual results of, not the rhetoric surrounding, most re-engineering projects. Consider the huge effort, now a multi-billion dollar activity in North America, to create better schools for our children. While one can easily comprehend this impulse, it must be acknowledged that the thought is seldom entertained, let alone pursued, that the well-known project of children learning through "schools" is no longer required; that for the first time in history we can become far more committed to learning, and never build another school. The subtle message to so much re-thinking in our culture has been caught in a Frank and Ernest cartoon which says, "Think, but don't get any ideas."

In pointing out the above dynamic, we do not condemn the shock value of a Quadrant #3 crisis. Quite the contrary, a whole system crisis is almost always necessary if a whole system response is to be made. For this to be possible a whole organization must, in David Hume's phrase, be "shaken from (its) dogmatic slumbers." Rather, our point is that – at least as commonly practised to date – the work of management to re-think their world and their place within it is still tied far too closely to the habits of head and heart which have dominated administration for several hundred years – during the rise of Industrial consciousness and culture. Such habits are rooted in Newtonian logic. They are marked by the impulse for certainty, control, quantification and predicability.

Appropriate though these impulses are to the physical world, they do not belong in the emerging Quadrant #2 world of management. First, the habits of head and heart of Quadrant #3 simply no longer work well in our society. The future is not to be found by intensifying and extending them. Second, it is dawning on us that good work within Quadrant #2 can no longer be pursued and completed within Newtonian logic. The thought that we need to see with new eyes, that we need new mental maps for new times, is becoming more and more widespread. This realization can be seen in the increasingly common language of new paradigms, myths, metaphors, visions and leadership. Such categories have been emerging to delimit the territory of Quadrant #1 and distinguish it from Quadrant #2.
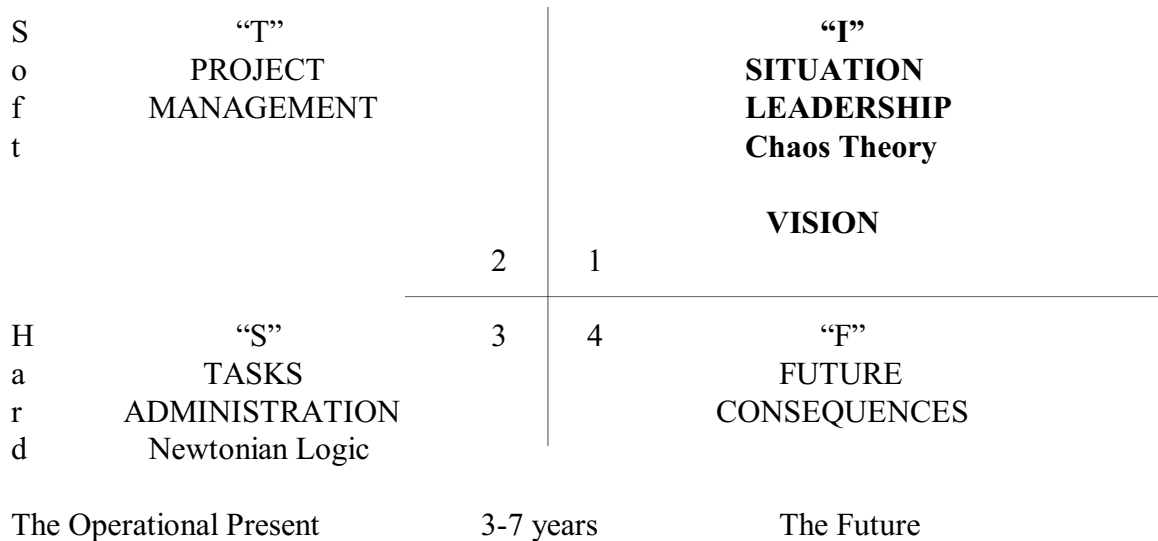
In other words, in the last ten to twenty years, for the first time, we have been slowly moving beyond the work and concerns of Quadrant #2 and beyond the planning mentality in which it is commonly cast. While stronger today than in 1970, this move to a new level is still a weak impulse. Consider that most managers speak of "scenario planning", rather than learning with and from "scenarios." This language suggests that they still need the comfort that comes from thinking that they are planning – a familiar activity. Nevertheless, we are moving irrevocably

beyond an awareness of "turbulent environments," a phrase first used in the late 1950s, to recognition of our participation in a chaotic world marked by the emergence of that which is truly new. We simply cannot specify the initial conditions of most of the dimensions of life which are of interest to us. Therefore the impossibility and the foolishness of trying to predict and control future states is slowly being recognized. This means that we must no longer try to overcome and control change by good planning. Rather, we are challenged to learn to understand change, accept it and then live well and profitably within it. This new stance, of course, is not a move within a planning framework, but a move beyond it into the work of Quadrant #1. To this quadrant we will now turn.

Quadrant #1: The Intangible Future:

Quadrant #1 is the quadrant of the intangible future. It is the quadrant within which we find the softest of the soft dimensions of human life and culture – the categories, structures and logic of human imagination and consciousness. These are crucial because human worlds are given shape and meaning by the structure and categories of the human minds of the persons who live within them. At a physical level (Quadrant #3) all persons can be said to "live in the same world." But at the level of Quadrant #1, we live in very different worlds. No description which is merely physical can capture the reality of, or the variations among, actual human cultures. Ultimately, human life cannot be separated from the structure of meanings within which, and by means of which, human persons live. In Peter Berger's phrase, all cultures, even non-theistic ones, live within a "sacred canopy." Further, human beings give up meaning last. When pushed we are willing to sacrifice all else – food, homes, family, jobs, even life itself – as we struggle to hold on that which gives deep meaning to our lives.

S	"T"			"**I**"
o	PROJECT			**SITUATION**
f	MANAGEMENT			**LEADERSHIP**
t				**Chaos Theory**
				VISION
		2	1	
H	"S"	3	4	"F"
a	TASKS			FUTURE
r	ADMINISTRATION			CONSEQUENCES
d	Newtonian Logic			
	The Operational Present	3-7 years		The Future

Quadrant One
Figure #6

Quadrant #1, then, is the quadrant of human and cultural meaning. Within it we discover and come to terms with the fact that human persons not only see, discover and describe their world, but participate in constructing and shaping it. The language of this discovery is that of myths, metaphors, images, visions, stories and paradigms. Through these categories we seek to explore, map, and describe the deepest assumptions of a people – the shape of the common imagination by which they are shaped and by which, in turn, they shape their world. There is then, a certain consistency to any human culture. As Northrop Frye put it,

> In what a culture produces, whether it is art, philosophy, military strategy or political and economic development, there are no accidents: everything a culture produces is equally a symbol of that culture.

It follows that the work of Quadrant #1 is creative work – human beings see opportunities and possibilities which face them according to the shape of the imagination of their culture. A vision of the shape of one's future begins to emerge when future possibilities are held together. Properly speaking, a vision of the future is a stance taken within Quadrant #1 which defines a set of real possibilities in Quadrant #4 to which those involved will be committed. In this sense a vision "looks down on" Quadrant #4 from Quadrant #1.

However, while one can see from Quadrant #1 to Quadrant #4, the only path between them is through quadrants #s 2 and 3. The route to the future is always a 1-2-3-4 move. The link between Quadrants #1 and #2 is that of the "life and mission" of those involved. Both these words are necessary. The essential character of a people will determine what range of missions – central-to-our-life commitments – is both conceivable to them and doable by them. If the mission required by a new situation falls outside of the character of a people, then either the mission must be abandoned or the people's character must be changed. This is the discovery behind the interest, still rising in our society, in corporate culture. Jack Welsh at GE now knows what mothers have long known – character formation is virtually a life's work. One does not change one's character easily. It is easier to teach Quadrant #3 skills to a well-formed person, than it is to teach a skilled person to develop a well-formed character.

Unfortunately, there is today much loose and misleading talk about changing one's character or an organization's corporate culture. It is one thing to change one's sox, another to change one's roles, and quite another to change one's character. The rule of thumb is that the deeper one ventures into change, the more profound the act of change, the more personal the act of change, the longer the act of change takes, and the less control one is able to exert over the act of change. It follows that consultants who promise to teach others how to "manage change" are either wholly superficial (working only in Q2) or deeply ignorant about the nature and dynamics of deep change. The fact that most of the money invested in corporate change efforts in the last fifteen years has been wasted suggests both that most managers would rather stay within familiar territory than succeed, and that most change consultants lack either intelligence or integrity, or both. In short, do not be surprised by the substantial shake out which will occur in the change game over the next decade as more and more managers, motivated by a commitment to succeed, come to terms with the nature and dynamics of profound cultural change.

Since every person and organization comes to the work of Quadrant #1 with prior assumptions – inherited from their culture – the work of Quadrant #1 must also be a reflexive work. Standing within our lives, we turn back on ourselves in order to try to observe the processes and the consciousness by which we, as a people, capture, co-create and shape ourselves and our world. Thus, we try to notice how the deepest sense of both self and world varies among various peoples over time and place. Only so can we be intentional about changing our minds about who we are as persons and the times within which we find ourselves. In a time of profound cultural change, only if we make this move will we be able to envision alternative futures which, at one and the same time, are grounded in reality and break with our past. If we do no more than reinforce the patterns of consciousness and culture of the past, we will merely refine and rework the world as known.

If the shape of human imagination did not vary with place and did not change over time we could safely ignore the content of this quadrant. Ideally it would be identical for all peoples at all times. The attention now being given to Quadrant #1 can be seen as a signal that we are now becoming aware of just how deeply human cultures differ one from another and how much the underlying shape of the imagination of industrial Western culture is now changing. In the early 21st Century, both of these points bedevil us.

Ludwig Wittgenstein spoke eloquently of what is involved in trying to give birth to a new way of being in the world when he said,

> The problems of life are insoluble on the surface... Getting hold of the difficulty deep down is what is hard... It has to be pulled out by the roots; and that involves our beginning to think about these things in a new way. The change is as decisive as, for example, that from the alchemical to the chemical way of thinking. The new way of thinking is what is hard to establish. Once the new way of thinking is established, the old problems vanish; indeed they become hard to recapture.

The logic with which we must come to terms is simple – as a people our reading of our situation shapes both our lives and our projects; our definition of our projects shapes the specific tasks we attempt to undertake. Just as we must rethink the tasks to be undertaken when we face a newly defined project, so we must redefine our projects in the light of a fundamentally changed appreciation of our circumstances or of our own fundamentally changed intentions. That we are slowly and nervously becoming aware that ours is a time of such fundamental change is now undeniable. As the 20th century closed, a consensus is emerging among many thoughtful thinkers that we were marking the end of an era, and not merely the end of a century. The talk of a new "information society," "knowledge society," "post-industrial society" – inadequate though it is – reflects this growing recognition that ours is a time of profound, long-term societal change.

Note the language: situations are *read and seen* (Quadrant #1), projects are *thought through and planned* (Quadrant #2), and tasks are *undertaken and accomplished* (Quadrant #3). This suggest that the human function which is central to success in quadrant #1 is "I" (intuition). Intuition is the ability to discern the emerging shape of a situation on the basis of only a few data points, long

before the situation is so obvious that any fool can see it. It is no accident that the verbs associated with Quadrant #1 are verbs of perception: see, envision, imagine, perceive, sense.

As we move from Quadrant #1 to Quadrant #3, we can use terms given to us by Dick and Jane to understand the challenge at each step is: *see, think, do.* Just as we are only willing to do things about which we are able to think, so we are only willing to think about things which we see to be a possible move on our mental map. Consider that GM could not see the threat from the Japanese until the latter had been selling cars in California for almost twenty years, and IBM, prior to the arrival of Louis Gerstner, could not see that micro-computers operate by a logic which is very different from that of main-frame computers.

The general point is that if one misreads one's situation, one is almost certain to mis-state the projects which are called for by our actual situation. In such cases we face the dilemma Sel Enser calls, "failure by design." Inadvertently, but intentionally, we design into our projects the very features which will ensure their failure; features which will fail because they are yesterday not tomorrow. Our grand plans no longer fit into or reflect our actual emerging situation. William Birenbaum caught this situation when, in 1973, he said,

> Much that passes as future-think is an imagination of what the world would look like if it "worked right." It is an imagination dominated by now, which aims to imprint the best of now on the future. The trouble is that even the best of now is no longer satisfactory.

In terms of the four-quadrant map we have been developing, we must learn to get our heads into the emerging categories of the future world. This work is at the heart of Quadrant #1. We must develop a way of seeking which authentically grasps the emerging actual world. Otherwise, not only shall we be surprised yet again by the failure of our best efforts, but we shall be without the ability to comprehend our own surprise. Thus we will be unable either to learn appropriately or to correct our mistakes. As the popular saying puts it, "To the willfully blind, all things are sudden." In our terms, the saying refers to Quadrant #3 thinkers – those who are unable or unwilling to see deeply into their changing lives and world.

The only way out of such traps is a careful identification and reappraisal of the intuitive ways we read our situation. This means that we become self-critically self-conscious of the images, metaphors, paradigms and language by which we see and describe our world. This is a deeply personal work. One is learning about one's self and one's ways of being in the world; one is not merely learning about what is "out there." Tragically, those who are best trained as managers and operators fit for industrial society, are often least fit for such deeply personal work. The reason, of course, is that they have been trained to strip their most personal selves from the persona they take to work. The tragedy is deepened when one considers that the Unabomber was killing persons to protest against the impersonal nature of industrial society. The irony is that neither the Unabomber nor most managers are aware that the drift of history is taking us into a future which is much more deeply personal, even at work and in other public spaces.

SQUARE ONE MANAGEMENT LTD.

In terms of the categories of the title of this article, the reality and depth of change is now driving us from our preoccupation with administration and management to a fresh interest in the work of leadership. We are in the early years of teasing out from management the nature and proper work of leadership. The emergence, mostly in the last ten to fifteen years, of the language of leaders and leadership, paradigms and visions is consistent with this view. In the early 21st Century leadership is becoming to management what, over the post-war decades, management became to administration – the next big piece of work. We are exploring the territory represented by Quadrant #1, even if in ways that are still halting and incoherent.

What, then, is the proper work of leadership?

To start with, the work of leadership is primarily directed to the situation within which they find themselves and how it is evolving over time. The primary focus is on that which is outside of one's organization – the emerging future within which the organization must live and function. To be a leader is to temporarily turn one's back on one's organization in order to assess the emerging cultural context within which one must live and, if necessary, to re-position one's organization within that context.

I am suggesting that the work of leadership may be broken into three main domains: (1) the *character* of leadership; (2) the capacity of leaders to spark and hold our *commitment* – the psychological work of leadership; and (3) the cognitive work of leadership. The first two are well known and receive much attention. The latter is still emerging in our consciousness as a critical function of leadership.[2]

Character: We all know, when we stop to think about it, that the character if leaders matters. Who can imagine risking one's life for someone who is inherently untrustworthy? In our post-Enron world the issue of the personal character of our leaders has been raised with a sharpness that is truly scary. The question has emerged, "Can we trust those who lead us?" If we cannot, we have not future for a stable society based on implicit distrust is not possible.

Commitment: The psychological work of leaders is to inspire, nurture, coax and cajole those involved to actually commit to and then complete the journey. This element is receives the most attention in the literature.

Cognitive: The cognitive work of leaders is still largely unexplored. I suggest it has three main elements. First, leaders must authentically read and articulate the emerging situation which faces those involved. Second, on the basis of their reading of the situation leaders must articulate a grounded vision of the best that those involved can become, if they will face and face up to the

---

[2] A quick comment on John Kotter's view of leadership may clarify my understanding. He identifies three major functions of leadership: (1) establishing directions, (2) aligning people, and (3) motivating and inspiring. I note that he assumes, rather than makes explicit, the capacity to read one's situation, i.e. the basis of the strategic directions in which one must move. His second and third features are included in my second feature. He is silent about the character of a leader.

possibilities and threats of their emerging situation. Third, leaders must clearly lay out the strategic directions in which the people must move and the character they must take on if the vision is to be realized. What will such a journey require of those involved – what it is they must become and do over what period of time? In short, leaders give voice to a non-trivial awareness of the emerging situation, articulate a profound vision for the best that a people can become and lay out a path forward. All this must be done in images and metaphors which move the people to a deeply authentic future.

This last test is crucial. By it Hitler fails as a leader. He led his people to death, rather than to life. This fact, far from trivial, is often overlooked by those who measure leadership solely by its psychological dimension.

Note that the cognitive work of leaders needs to be undertaken afresh only in times of profound societal change. At any other time, those in authority can safely rely primarily upon the psychological work of leaders – the fervent repetition of the familiar vision, life and mission of the people. And they can do so in familiar categories. In short, in stable times, leaders are called to engage in their psychological work, but not their cognitive work.

Since ours is truly a time of profound societal change, only a four quadrant leadership will do. Those in authority today must be persons with a depth of character who are skilled in both the cognitive and the psychological dimensions of leadership. The fact that so few persons in senior positions have a contribution to make to the cognitive work of leaders is at the root of the wide-spread, and still growing, crisis of authority in our culture.

Now is the time to commit ourselves to the processes and programs that will nurture persons who can offer authentic leadership in the 21st Century.

CONCLUSION
So where are we?

It is not news to most of us that virtually all our organizations – political, commercial, voluntary – are over-managed and under-led. However, now we can begin to understand why this is the case and why we are becoming evermore conscious of this fact.

Further, since leadership is a formation issue it will be many years before this essential condition changes. True, there is now a new "leadership" industry emerging. But this speaks more of our hunger, than of the ability of those offering assistance to heal us deeply. Little of the current activity about leadership will satisfy our growing hunger to be led by real leaders. The reason is that such activity is, for the most part, still too focussed on the psychological work of leaders who are at heart managers and planners. As yet there is relatively little serious and sustained work which would assist us to grasp and engage in the cognitive work of leaders in a Q1 manner.

However, such work will emerge, if for no other reason than that our survival depends on our ability to lead ourselves and others into a new and more promising future. That a truly prosperous and deeply satisfying future cannot be found within the categories and consciousness

of either industrial or traditional cultures is slowly dawning upon us. If we are to have such a future, we must find it elsewhere. The specification of such a promising space is the deepest work of leaders today.

This latter image conjures up Moses – the one who led Israel from bondage in Egypt. It is instructive to note that he had three characteristics. First, because he rose to be 2 IC in Egypt – he developed a deep and intimate knowledge of the world as it was then known, and of how it worked. Such knowledge is never to be despised. Second, he developed a wholly new imagination by which to interpret his life, his world and the future possibilities for both. He allowed himself to engage in a deep, multi-year, personal journey during which his consciousness of himself, others and his situation was wholly transformed. Finally, he committed himself to a public life of realizing the new vision by which he now lived. He committed himself to the mission of recreating a life-giving community; to leading his people from the lives they knew towards a new future and more promising future.

As with Moses, so with us. We know that our time calls for new leadership and that leadership is about the quality of the consciousness which animates, and is embodied in, the life of the leader. In short, as four Quadrant leaders, the sign on our desk needs to become, "It's the consciousness, stupid!

Ruben Nelson

Ruben Nelson is a pioneer of serious futures thinking in Canada. He has devoted his life to exploring profound, long-term societal change. He lives with is wife and their three cats in the Rocky Mountains of Alberta. He is President of the Creating Tomorrow Foundation and Square One Management Ltd. More of his writing can be found at www.squareone.ca He can be reached at RubenNelson@shaw.ca