

Bonus Chapter: The Enlightened Future

It's a cliché, but we live in extraordinary times. The world is an incredible place full of tremendous innovation and opportunity. The speed at which the innovation is occurring is amazing and it's hard to imagine what life will be like and what will be possible even a decade from now.

But we also have our fair share of problems. And these are not just little problems, they are 'wicked problems' (Rittel and Webber, 1973). Wicked problems are not wicked in the sense of evil, rather a wicked problem is a unique, unbounded, highly complex, multi-variable challenge that does not have a straightforward or logical solution or template to follow. Wicked problems are also very difficult to define clearly, because each stakeholder views the problem differently and has a different version of 'the truth' around the challenge, so no one version is completely right or completely wrong.

A wicked problem is highly interconnected and has numerous interdependencies. They often have multiple causes and may have conflicting objectives. For example, poverty is often exacerbated by low educational attainment and yet education is another, separate but connected wicked problem. Because the causes, parameters and objectives vary, often the so called solutions end up exacerbating the problem or creating new, additional problems! If you look at education for example, is the objective to prove that something useful is taking place in school? Or, is it to cultivate our children's innate curiosity and work with what they know to develop a life-long passion for learning? A lot of what happens in modern educational systems seems to be more focused on pouring information into children's heads and then rewarding them for regurgitating that information, rather than genuinely educating them and preparing them for the world we live in today or the world they will live in tomorrow.

Which leads us to the next hallmark of a wicked problem – the proposed solution often creates unforeseen and unintended consequences. For example, in school the best ‘crammers’ are usually the admired winners in the school league tables. And whilst there can be little doubt that the decision to introduce school league tables was based on the belief that such assessment would improve performance, they don’t! In the same way that it was believed that health care waiting lists would improve performance and they don’t. What waiting lists and league tables really do is allow those within the various systems to take their eye off the real objective so as to effectively manipulate the outward appearance of performance. This drift towards the ‘gamification’ of any metric has become a huge, time consuming activity in its own right. But just because we can manipulate the data to look like performance is improving does not mean that performance is *actually* improving.

Initiatives designed to improve performance have in many cases achieved the exact opposite as people spend their time fixing or fudging the results rather than improving them. In education the introduction of ‘continual assessment’ in schools is another example of unintended consequences that not only didn’t solve the problem it was introduced to solve, but made matters worse. Clearly the idea was to ensure that children who didn’t cope well with the intense stress of single tests or examinations were not unduly penalised. To some extent it was a valid idea but a wicked problem is complex and interdependent, which means that any attempts to solve it often results in negative consequences elsewhere. As a result, now all children are often stressed all the time not just once at the end of the term or the end of the year!

Trying to solve a wicked problem is often like trying to hit a moving target or playing that ‘Whack-A-Mole’ game at a carnival or funfair – as soon as you ‘hit’ one wicked problem another two or three related problems, often just as wicked pop up in its place. Plus the difficulty in defining wicked problems often means we don’t have all the facts and the challenge itself is changing all the time. And this is, of course, especially tricky when there is no clear or obvious solution. Often the proposals to deal with wicked problems are impossible to define as right or wrong and what we are really aiming for is positive directional change which can be ‘dynamically steered’ as new data becomes continually available. More often than not the responsibility for finding a workable solution cuts across many groups of people who may not all be aligned on the problem, the cause or the solution.

Wicked problems require a much more sophisticated, multi-layered, multi-disciplinary, integrated approach. Since very few people naturally work in this way, it makes solving wicked problems even more difficult. The typical

levers that are normally pushed and pulled in an attempt to create positive directional change include legislation, punishments and rewards. But as we explored in chapter three of *Coherence: The Secret Science of Brilliant Leadership* this type of motivation doesn't work. As a result wicked problems are usually characterized by chronic policy failure on the part of government, business and charities.

The planet is affected by a large number of wicked problems, but they can probably be organized into four main areas:

- 1 Wicked Financial Problems
- 2 Wicked Environmental Problems
- 3 Wicked Social Problems
- 4 Wicked Human Problems

Wicked Financial Problems

Many of the most profound wicked financial problems we face arise from capitalism itself or the way the game of business is set up. Don't get me wrong, I believe that commerce can be one of the most transformative forces for good on the planet, but there is something wickedly wrong about the way our modern economies function and operate and in practice. The very word 'economy' suggests that a society should be set up to be efficient and make the best use of the brilliant resources available to it. In contrast, most modern economies are set up to deliver corporate profits in the short-term and serve the few rather than the many.

One study which looked at 40,000 international companies suggested that there were, in reality, only 147 companies that actually determine global outcomes across the planet (Vitali, Glattfelder and Battiston, 2011). These companies, many of which are banks or financial institutions, control what happens in most of the other companies by dint of their share ownership. For example, a few pension funds, insurance companies, mutual funds and sovereign wealth funds hold \$65 trillion or 35 per cent of all the world's financial assets (Barton 2011).

So the real power sits with the shareholders of these financial institutions, or to be more precise around 500 men. In other words, 500 men, and unfortunately it is still mainly men, pull the ownership strings of 147 companies, which indirectly control the other 40,000 companies, which in turn drive the global economy and determine the destiny of 7 billion people. Having the destiny of the planet in the hands of so few has resulted in significant

social inequality with the few reaping obscene rewards while the many suffer repeatedly.

In fact, in more than two thirds of all the countries in the world income inequality has widened in the past 30 years. *The Economist* recently suggested that growing inequality was ‘one of the biggest social, economic and political challenges of our time’ (Minton Beddoes, 2012). There are roughly 36 billionaires in the UK, the same number as there is in Brazil with more than three times the population. There are 442 billionaires in the USA which is more than Brazil, Russia, India, China, Germany, France and the UK put together or more than every country in Asia put together. Such income inequality itself leads to a vast array of additional and often cumulative problems within a society such as poorer physical and mental health, increased drug use, poorer child welfare and education, increased violence and fuller prisons (Equality Trust, 2013). And this amplification of one problem by another is also typical of a wicked problem.

Most leaders are good people motivated to do the right thing. But running a global corporation is extremely demanding and many feel they do not have the power or influence to change their own organization significantly let alone shift the global corporate system. As a result many just focus on the things they feel they can influence in the short-term and leave the truly wicked problems to others. This is especially true when you consider that leadership at this level also involves varying degrees of continuous public and media scrutiny. Such exposure is often unfair, one-sided and deeply personal. In May 2013 G4S CEO Nick Buckles stepped down from the top job after 28 years with G4S. He had been vilified in the press for his role in the Olympic Games security challenges despite his strong long-term record with the company. *The Times* even reported that ‘[Keith Vas] and the Home Affairs Select Committee reduced [him] to something close to road-kill (Treneman, 2012).’ In March 2012 Tesco’s UK CEO Richard Brasher stepped down after 26 years of loyal service following a drop in profit and speculation was rife about his deteriorating relationship with group chief executive Phillip Clark (Thomas, 2012). It’s no wonder that many talented executives choose to opt out, or remain in the shadows one level down from the top tier, where the exposure is less intense but the pay is nearly as good.

Given the difficulty of the job, the number of wicked problems they face and the continual public scrutiny it’s not surprising that some senior leaders get into trouble. The media furore that always surrounds such cases then fuels the already widespread perception that greed, hubris and the obsession with profit has pushed many business leaders into highly questionable ethical territory (Rowland, 2012). Open any newspaper over the last ten

years and you would read about golden handshakes, obscene bonuses and self-serving ‘fat cat’ CEOs – so much so that it has been suggested that the acronym CEO should stand for ‘Criminal Executive Officer’ not Chief Executive Officer (*Time*, 2012).

Once icons of the business world, people like, Bernard Madoff (Madoff Investments otherwise known as the largest Ponzi scheme in history), Kenneth Lay, Jeffrey Skilling and Andrew Fastow (Enron), Denis Koslowski (Tyco) and Bernie Ebbers (WorldCom) spring to mind. In the UK media tycoon Rupert Murdoch and his son were forced to publicly apologise in front of a UK Government select Committee for presiding over an empire whose culture was so focused on ‘getting the story’ that journalists at their newspapers illegally tapped the telephone of countless celebrities, people in powerful roles and even members of the general public including a missing teenage girl, who was later found murdered (Cowell, 2012).

It’s easy to pick on the leaders of big business and they are certainly a convenient scapegoat for a frenzied media looking for someone to blame for corporate misbehaviour and financial excess. But the truth is, when it comes to massive salaries and even bigger bonuses, senior executives never asked for them – at least not until they became commonplace.

So if we want to create a fairer more just world that takes care of all its citizens not just the privileged few, there needs to be a comprehensive review of the whole ‘corporate system’. It has been suggested that we need to shift away from ‘quarterly capitalism’ towards ‘long-term capitalism’ (Barton 2011). Within this comprehensive review there are many areas of the system that need attention: from the deployment of capital itself to the way we pay and incentivise leaders; to how we have come to see long-term value creation as the enemy of profit; to the whole area of Board and corporate governance; to the role and relationship between corporations and society; and perhaps most importantly of all, how organizations keep score. Unfortunately, at the moment, the way businesses, executives and society keeps score is money.

Money: A poor yardstick for success

Our collective obsession with making and keeping money has actually created a whole host of additional wicked problems inside and outside business. In business this includes the sharp rise in senior executive pay, taxation minimization strategies, the accumulation of debt and increased risk and how we calculate and report on success in the first place. Let’s take a closer look at a few of these...

The excessive senior remuneration we see today started decades ago with the introduction of executive bonuses to drive organizational performance and improve results. Unfortunately, bonuses soon became nothing more than an expected ‘part of the package.’ It was clear that new ways would have to be found to re-motivate senior executives. The answer was ‘ownership’. It was believed that the reason senior executives were not driving their business forward as much as their shareholders wanted them to was because they didn’t take sufficient ownership for the company’s financial results. The solution this time was to make senior executives owners through the distribution of shares instead of just salary. This ‘innovation’ completely changed the game and shifted the balance of power. It meant that executives became much more interested in the financial performance of the company (Martin, 2011). Most executives claim to be working in the interest of shareholder return, and many genuinely are. However, since senior executives were now being paid in shares themselves many started to see that ‘shareholder return’ was a good way for covering their tracks and justifying enormous salaries. Shareholder return has become a thinly veiled euphemism for ‘cash in my pocket’. The attempt to incentivise executives through share options created a series of unintended consequences classic of a wicked problem.

Leading a global multi-national is tough. It involves often unrelenting exposure to intense public scrutiny and often extracts a heavy personal price in terms of failed marriages and impaired health. Plus even if you make it to the top your life expectancy as a CEO is likely to be only 4.5 years (Devan, Millan and Shirke, 2005), so it’s little wonder that many leaders take the view that they need to be richly rewarded for such sacrifice, particularly since their salary is public knowledge, a fact that itself can exacerbate competitive greed. All of these changes mean that remuneration has become one of the most critical issues inside many companies. I have seen many executive teams become more animated by this agenda than by any other issue they face.

But who decides what leaders are paid? Many leaders defend their high salaries by stating that the decision is out of their hands and decided by an independent ‘Remuneration Committee’ (RemCo). However, the role and how a RemCo functions is itself very complicated. Despite the fact that RemCos were established, in part, to solve the ‘fat cat salary’ risk they often reinforce the very problem they were designed to solve because, whilst they are unable to pay themselves large salaries, many senior executives sit as non-executive directors (NEDs) on other companies’ RemCos. Consequently they may become involved in awarding other senior executives

handsome pay awards which helps to maintain a high average pay scale for senior executives. So when RemCos decide to duck the issue entirely and pay huge fees to an external consulting company to benchmark pay awards, which is not uncommon, the consultancy then legitimises those high awards by reporting back the average and effectively preventing the system from doing anything other than sustaining itself. This self-reinforcing phenomena, or ‘autopoiesis’, is a common characteristic of wicked problems. If an individual leader actually wanted to take a stand, demonstrate sacrifice and genuine leadership on pay awards, it is actually very difficult for them to do so. They are caught in a bad, autopoetic, self-perpetuating system beset by wicked problems.

Often the fact that senior executives and CEOs are paid in shares causes the share price itself to become a focus of management attention. This is because the pay awards are structured in a way that if the company’s share price reaches a certain threshold then the executives can become very rich. Now that’s not to suggest that a leader can inflate a company’s share price regardless of that company’s real performance, rather that the perception of company performance becomes as critical as actual company performance. So ‘Investor Relations’ (IR) departments start to play a much more powerful role in how the company operates and consume increasing amounts of the CEO and CFO’s time.

It is therefore quite common for newly appointed CEOs to issue a profits warning or a very negative trading statement on their arrival in the post. This can drop the share price dramatically, reset market expectations and enable them to establish a significant long-term incentive plan (L-TIP) which delivers a windfall if they can then increase the share price again to reach the required threshold.

Changing the way executives were remunerated and paying them in shares should have driven long term behaviour change that benefitted the company and its customers. But stock option schemes have ‘largely provided incentives for the wrong behaviour’. So when options are ‘short-dated’ (ie vest after less than three years) they cause leaders to focus excessively on achieving quarterly earnings targets. And even if they are ‘long-dated’ they can ‘reward managers for simply surfing industry or economy-wide trends’. The situation is made worse by the fact that most compensation schemes do not have any way of dealing with executive failure (Barton, 2011). There are many examples of executives ruining a company’s performance and then the company being forced to give them huge pay-outs just to get rid of them.

For example, Sir Fred Goodwin, the disgraced CEO of Royal Bank of Scotland destroyed the business and still took the obscene pay-out on his

exit. Whilst Goodwin's moral and ethical compass may be so widely off true north it's hard to fathom, he played the game inside the rules. Unfortunately offensive greed, arrogance and hubris are not against the law. Although his behaviour and actions caused such an outcry in the UK that on the advice of the forfeiture committee, the Queen stripped him of his knighthood in 2012 and Sir Fred Goodwin returned to plain old Fred (Wintour, 2012).

The general public may be outraged at multi-national companies such as Starbucks, Google and Amazon who are not paying their fair share of tax (Syal and Wintour, 2012). But most multi-nationals have whole departments dedicated to minimising their tax bill. People may get a bee in their bonnet about celebrities such as comedian Jimmy Carr who used a scheme to reduce his tax obligation but again, no one actually broke the law (Furness and Hope, 2012). If we want those things to stop then we must fix the system, close the loopholes or foster a new level of thinking and maturity which renders these actions obsolete. This more mature approach doesn't just involve big business it involves government too. Starbucks, worried about a public backlash at their tax minimization strategy, decided to make a one off payment to the UK government to help rectify any brand damage. Except the Tax Office's outdated systems had no way of dealing with this and so the payment was off-set against future tax bills therefore effectively defeating the whole purpose of the payment in the first place! Nevertheless there are some encouraging signs that a more mature attitude may be starting to develop. The amount a multi-national corporation pays in tax may start to become an important reputational issue. Indeed some companies may start to see their tax contribution as part of a societal contribution, part of a new 'triple bottom line', with customers rewarding them for taking a stance for the greater good.

Another dimension to the wicked problem of senior executive pay is the fact that over the last 20 years the discrepancy between executive pay and the salary of an average worker has widened. For example, since 1980 the pay of executives in the FTSE 100 has risen by 4,000 per cent compared to 300 per cent for their employees. The average annual earnings of Britain's FTSE 100 directors is £2.7 million, which is more than 100 times the national average. In contrast the FTSE index at the end of 2011 was 5,572, which is 1,358 points lower than it was 12 years previously (Martin, 2010). That doesn't make sense.

Once these huge pay awards became common business practise they fostered a culture of entitlement in many companies. It has not however made us happier or more fulfilled and it has not really improved the performance of business to any great extent, as evidenced above. We already know for

example that, beyond a certain point, hygiene factors such as money, status and compensation aren't actually that effective at motivating executives. Besides most senior leaders are so busy they don't have any time to enjoy their salaries!

One of the most common mistakes many senior leaders make is chasing the mirage – trying to make themselves feel better with a bounty of tangible trappings of professional success in the mistaken belief that those things will make them happy (Christensen, Allworth and Dillon 2012). And that endless quest can have serious consequences.

But it's not just the wicked problem of remuneration that needs an overhaul; the whole way companies see debt is in need of significant development. This is the problem at the core of the thinking that drives the banking system itself. For example, if you look under the hood of the banking crisis, extraordinary things occurred that destroyed thousands of businesses, hundreds of thousands of careers and millions of lives. Prior to its collapse Bear Stearns's leverage had gone from 20:1 to 40:1 in just five years. So for every \$1 in assets they lent \$40! But they were not alone. Merrill Lynch's leverage had gone from 16:1 in 2001 to 32:1 in 2007. Morgan Stanley and Citigroup were at 33:1 and Goldman Sachs looked conservative at 25:1 (Lewis, 2010). All that was required to bankrupt any of those businesses was a slight decline in the value of the assets, which is exactly what happened. No-one in their right mind would run their own personal finances this way. But somehow it has become acceptable to leverage debt to a level that creates an incredibly fragile system.

In such a system it is easy to lose your moral compass. For example, at the height of the financial crisis people were buying and selling extremely complicated financial instruments, called consolidated debt obligations or CDOs, which only a handful of people in the world understood. Bankers were making multi-million dollar trades as though it was pocket change. When some of the people inside those financial institutions realised the toxicity of the assets they held – what did they do? They launched a 'fire sale' to offload the assets as quickly as possible to unsuspecting buyers who believed ratings agency descriptions of those toxic assets as 'Triple A' (ie very safe). Rather than go bankrupt and accept responsibility for their deception they kick-started a financial disaster that doubled American debt in a year, made 30 million people in China unemployed and created a global financial crisis that we are still struggling to recover from years later.

How can so many bankers and business executives have become so greedy? Are they inherently bad people? Take Jeffrey Skilling for example; according to Harvard Professor and former classmate Clay Christensen, the Skilling

he knew at Harvard was a good man. Smart, hard-working and family focused. He became one of the youngest partners in McKinsey & Co's history and later went on to earn \$100 million in a single year as CEO of Enron. And yet he ended up in prison.

We live in a money centric world where the measure of a person's worth is often boiled down to how much money they have, how big their 'crib' is, how many homes, cars, yachts, or even businesses they own. We are constantly 'made to feel' as though whatever we have isn't enough. When the ultimate prize is success, made visible to the world through money and money alone, then is it really any wonder that so many people drift off course and end up doing things they would at one time have considered unethical, or just plain wrong. As CS Lewis once said, 'The safest road to Hell is the gradual one – the gentle slope, soft underfoot, without sudden turnings, without milestones, without signposts.'

So many people lose their way within a system that is built on debt, obsessed with growth, personal remuneration, profit and 'return to shareholders' to the exclusion of any other agenda. At the very least, we need a new way of keeping score in business with many advocating a 'triple bottom line' approach – where success is based not just on profit but on people and planet too (Martin, 2010).

Currently all businesses keep score by subtracting their costs from their turnover to determine their gross profit, and when flexible costs are removed this reveals their net profit. But what they do not take into account is the cost of their environmental impact. They are not required to pay a 'green tax' based on how much CO₂ they produce or planetary resources they consume. If they did their net or 'true' profit levels might drop from £100 million to say £50 million. If they were taxed for their environmental impact, they might be motivated to reduce emissions or consumption to reduce their tax liability and make their business more environmentally sustainable. Similarly most businesses do not pay a tax for their social impact. Part of the reason this does not happen is that their current cost base is relatively easy to calculate but their true environmental and social impact is much more difficult to quantify. The good news is that some more enlightened firms such as Puma are starting to spontaneously look at triple bottom line accounting. Bloomberg are starting to train their analysts in how to audit companies from a triple bottom line perspective in recognition that this will, almost inevitably, become a reality at some point in the future.

But if most businesses have not yet embraced triple bottom line does this mean that senior executives are bad people? Are business legislator's

bad people for not driving change more proactively? Is political lobbying for corporate gain legalised bribery? Are the people who engage in auto-poetic manoeuvres that simply reinforce the status quo bad people? Have senior executives become so obsessed with their own pension pot that they have lost touch with their wider responsibility? Are all capitalists bad? No, of course they are not. Most executives are, as developmental psychologist, Robert Kegan suggests simply ‘in over their heads’ or required to deal with problems they were never trained to deal with. They are often extremely skilled in certain areas, but they may not have been fortunate enough to receive enough leadership development in the breadth of areas necessary to address the wicked problems they face. They are not bad people; they are simply caught inside a bad system struggling to deal with lots of wicked problems that often prevent them from doing the right thing even if they wanted to.

Wicked Environmental Problems

But wicked problems aren’t just confined to the ‘corporate system’ and many can’t be solved by triple bottom lining, a shift to long-termism or even a more mature approach to money – they require genuine market leadership. Many of the most profound wicked environmental problems we face arise from our collective unwillingness to grasp the environmental nettle and look out into the future, beyond quarterly or even yearly results to the way we use, protect and replenish our environmental resources. Most businesses are so consumed with their own issues that unless they are forced to consider their environmental impact, footprint and sustainability they will continue to give the agenda scant regard.

In fairness the quarterly battle for profits, market share and cost management is so all-consuming for many executive teams that conversations about environmental issues are often seen as fanciful or ‘nice to haves’ and largely peripheral. The need to return value to shareholders almost always trumps any environmentally sustainable approach. Whilst such insular attitudes are beginning to change, many global organizations operate as if the environment gets in the way of their primary purpose, which most believe is profit. Some of the more enlightened organizations do have high functioning sustainability or ‘corporate social responsibility’ departments, but for many such functions are really commercially defensive moves and in some cases just public relations tokenism. It is rare to find executive teams regularly debating the

wicked problems of environment, climate change and its implications for their corporate future or their own role as a force for sustainability in the world. This is despite indisputable evidence and information on the subject (Wijkman and Rockström, 2012).

Again, and in fairness to most leadership teams the debate on climate change is so incredibly complicated that it is virtually impossible for any senior executive to know what the appropriate response should be. The academic debate has become very confused, mainly because specific vested interests have deliberately overwhelmed the discourse with a landfill of misinformation and deliberate toxic dumping of fallacious research into the debate (Oreskes and Conway, 2011). For example, the Heartland Institute released a 1,200 page report under the banner of the NIPCC, the Non-governmental International Panel on Climate Change. The report was said to provide ‘scientific balance that is missing from the overly alarmists reports of the United Nations’ Intergovernmental Panel on Climate Change.’ So does this mean we *don’t* need to worry about global warming after all? Not exactly... because if you scrape the surface to see who is funding the Heartland Institute and pulling the string you will find ‘Libertarian groups, social and political conservatives, and industry lobbyists such as those behind Big Oil, Big Coal and Big Tobacco’ (Rosen, 2013).

As with most wicked problems, understanding the level of interdependencies between the different climate factors is a massive task in and of itself without having to deal with campaigns of obfuscation. The effects of CO₂ mingle with Arctic methane release, water vapour reflection, solar energy effects and many other factors to create a complex spaghetti-like matrix of interconnectivity and feedback loops. These feedback loops themselves interact in a complex way. Taking all of these factors into consideration, the overall effect of the feedback loops is to accelerate the effects of global warming. There is no real doubt that we are heating up the planet 300 times faster than at any other time in our history. John Schellnhuber from the climate research institute in Potsdam put it this way ‘The possibility of a tipping point in the Earth system as a whole, which prevents the recovery of stable equilibrium and leads to a process of runaway climate change, is now the critical research agenda requiring the concentration of global resources in a “Manhattan project” style of engagement’. He concluded: ‘All other work on impact assessment, mitigation and adaptation depends on the outcome of this over-arching issue’ (Wasdell, 2013). However, the consequences of this dramatic temperature change are far from straightforward. Perhaps the most critical concepts within the field of climate change that we need to understand is ‘planetary sensitivity’.

Planetary ‘Sensitivity’

The true impact of this accelerated global warming depends on the planet’s ‘sensitivity’. Think of it this way. If you have asthma, you are probably allergic to house dust mites and this allergy makes your airways sensitive and over-reactive. This immune sensitivity significantly exacerbates the problem. How sensitive your airways are will ultimately determine the severity of your asthma and how impaired your breathing is. If you are extremely sensitive your asthma is described as ‘brittle’ and your risk of severe and debilitating breathing problems is much greater. There is much scientific debate as to how ‘sensitive’ the planet is to greenhouse gases. Scientists are currently arguing whether the planet’s natural coping mechanisms or attempts to stabilise itself (equivalent to the planet’s immune system) exacerbate or accelerate the impact of global warming by 3 or 7 times. Whether the planetary sensitivity is 3 or 7 is critical as it completely alters how soon we could hit a tipping point where the planet is unable to cope and we enter an irreversible terminal decline characterized by a 60 metre rise in sea level and all sorts of other climatic disasters.

Of course one of the biggest drivers for the rising level of CO₂ in the atmosphere, amounting to 91 per cent of the total, is the burning of fossil fuels and industrialized nations need for energy. And this need for energy isn’t going to disappear anytime soon. Most modern economies have become extremely dependent on fossil fuel and few have been that keen on switching to nuclear energy, especially after disasters like Fukushima in Japan. Given this dependency it’s hardly surprising that energy companies have a disproportionate influence on the global economy and will offer extreme resistance to anything, such as arguments about the negative impact of fossil fuel that can threaten their exulted position or their revenue stream.

The current international debate around greenhouse gases is about the upper safe limit being 440 parts per million (ppm) of CO₂ in the atmosphere. We are currently at 393 ppm (<http://co2now.org/>). The 440 ppm limit was chosen because if planetary sensitivity is 3.5 (and not 7), it would not result in a 2 °C temperature increase until we reached 440 ppm. Hence the general belief that we still have room in the ‘sky-fill’ site to dump more CO₂. However, if the planetary sensitivity is in fact 7.8 times, not 3.5 then the safe upper limit is 330 ppm which we passed over 50 years ago, around 1960. So the sky-fill site is already overflowing and in need of urgent reduction.

The position is made even more complicated by the fact that industrialized nations, even if they were motivated to take severe action to reverse the catastrophic trend we have started, can hardly suggest to the developing

world that they must change their ways. This ‘don’t do what we do’ argument is very difficult for emerging nations to accept. Developed nations have already secured many of the advantages of this industrialization and suggesting to emerging nations that they should not follow the same path looks like an attempt to maintain economic superiority. It’s incredibly difficult to tell the developing world – ‘Hey, we know that we have got rich exploiting the planet’s natural resources but we’ve seen the error of our ways and would like you NOT to do it because it’s playing havoc with our collective weather systems. Oh and by the way we’re actually going to continue to exploit the same natural resources and use the same toxic manufacturing practises for at least another 10 years!’

So the complexity of the environmental debate comes up against very real geopolitical issues. Such unbounded interdependency is typical of wicked problems. All this means that most business leaders take the view that the climate debate is beyond their remit or influence, or they will do what the market requires so they can’t be accused of dragging their feet on sustainability. Few companies are proactively pushing for changes to the way global markets see sustainability despite a number of organizations urgently advocating this approach (<http://www.wbcsd.org/home.aspx>). Business leaders can easily justify that the problem is someone else’s – governments, inter-governmental agencies, NGOs, it’s anything but a corporate problem. Such an attitude adds massively to the planetary inertia and threatens us all.

But are the scientists arguing against taking radical environmental action bad people? Are the environmental policy makers who fail to win the support for a global response that can reverse the catastrophic path we are on bad people? Are the shareholders or executives of oil or energy companies or nuclear companies bad people? Are executives who focus on their own performance and do nothing aggressively or proactively to reset the system bad people? No, of course they are not. They are just caught inside a bad system that no longer works struggling to deal with too many wicked problems. They are unable to see a way forward that can solve the problem so they revert to protecting their own interests and remain largely passive to the suffering of the other 7 billion people whose lives they are affecting.

Wicked Social Problems

In addition to the wicked financial and environmental problems that require a complete reset there are also a plethora of wicked social problems. Many of the most profound wicked problems we face arise from our collective

inability to rise above our own needs. As Adam Smith the great economist wrote in *The Theory of Moral Sentiments* ‘The wise and virtuous man is at all times willing that his own private interests should be sacrificed to the public interest’ (Smith, 1759). Wicked social problems thus arise from our collective inability to work constructively *together* for the greater good of the many not just the few.

For example there is widespread and persistent poverty across the planet. Almost half the world, or 3 billion people live on less than \$2.5 per day and 80 per cent of the population live on less than \$10/day. UNICEF calculates that 22,000 children die quietly every day in villages far from view, particularly in South Asia and sub-Saharan Africa. In addition many still suffer from malnutrition, have no access to sanitation, safe drinking water or electricity. And while the poor have contributed the least to the wicked problems facing the planet they are often the ones that suffer the most. Poverty is a wicked problem with many complex interdependent causes; not least the debt mountain that enslaves many developing nations who struggle to pay rich nations what has been lent to them.

A related but separate wicked social problem is unemployment. Unemployment figures are often the tip of a much bigger iceberg and mask the underlying problem of people in temporary or part-time ‘vulnerable employment’. There is thought to be 1.5 billion people on the planet who are struggling to find consistent work and who live day to day. Youth unemployment is a particularly worrying trend within the overall picture and levels of youth unemployment are rising rapidly in Southern Europe, North Africa and the Middle East. A lot of disaffected young men hanging around is often a recipe for political instability and cultural violence. It may also become a fertile breeding ground for crime and terrorism.

One of the most important parts of the solution to the wicked problems of poverty and unemployment is education. But as I mentioned earlier, education is itself a wicked problem.

Education

If you look at the public education system, certainly in the UK and the US, millions of children are leaving school with low educational attainment, which has already been definitively linked to poorer health both physical and mental (Lynch, 2000). Those with low educational attainment are also much more likely to have low self esteem and end up living in poverty which, as I have already highlighted, can cause all sorts of additional wicked problems such as crime, violence, drug and alcohol addiction.

According to education expert Sir Ken Robinson every country on earth is reforming their public education system for two reasons. First they are trying to figure out how to educate their children to take their place in the economies of the 21st Century. A wicked problem indeed when we don't actually know what those economies will look like next week! The second reason is, because they are trying to find ways to educate children to take their place in a globalized world while at the same time maintaining their cultural identity. The problem however is that in order to address these issues they are seeking to do what they did in the past and as a result they are alienating millions of children who don't see any purpose in going to school.

The formal schooling system was designed and conceived in a very different era when vast numbers of people were required to operate machinery in the Industrial Revolution. In America, between 1896 and 1920, for example, a small group of financiers including Andrew Carnegie and John D Rockefeller spent more money on formal early education than the government. The Rockefeller General Education Board had a mission 'In our dreams... We shall not try to make these people [students] or any of their children into philosophers or men of learning or men of science. We have not to raise up from among them authors, educators, poets, or men of letters. We shall not search for embryo great artists, painters, musicians, not lawyers, doctors, preachers, politicians, statesmen – of whom we have ample supply. The task we set before ourselves is very simple... we will organize children... and teach them to do in a perfect way the things their fathers and mothers are doing in an imperfect way' (Taylor-Gatto, 2009).

In other words the education system that we currently have in most of the developed world was designed to create little cogs that would slot obediently into the machinery of industry and do what their parents did – only perfectly. And considering that millions of kids are leaving school unable to construct proper sentences, including basics such as starting a new sentence with a capital letter and ending it with a full stop, clearly the mission has worked – at least from the sense of not raising men (and women) of letters! The problem of course is that we no longer live in industrialized times. We are living in the Information Age. And considering that a study conducted by Hereford University found that 77 per cent of employers said a spelling mistake alone would effectively eliminate that candidate from consideration (BBC News, 2006) then the current system isn't even preparing our kids to *compete* effectively in this new era, never mind actually secure a job.

If our schools are not hampered by trying to conform to an Industrial Revolution mindset then they may still be unconsciously following a different,

but equally outdated, historical construct. President Obama acknowledged as much when he recently suggested that American children need to spend more time in school. He said that the modern school year was designed for a nation of farmers who needed their children at home to work on the farm at the end of each day and over the summer season. He suggested that the US school calendar puts American children at a competitive disadvantage compared to children in South Korea who spend a month more at school every year. Picking up on this idea there are already initiatives, in Massachusetts for example, to support a longer school day and a longer school year (Sorrentino, 2009).

In his brilliant YouTube animation, 'Changing Education Paradigms', Robinson also points out that when the Baby Boomers and even Gen X went to school we were kept there with a story that if we worked hard and got good exam results we would get into a good university. And so long as we worked hard again we'd get a good degree and a good job. Only that story is no longer true. There are people graduating with upper second and first class honours degrees from some of the best universities in the world and they still can't get a job! In the UK a fifth of all university students will still be unemployed six months after graduating. Even 9.6 per cent of graduates from Oxford University and 8.4 per cent of graduates from Cambridge University will be out of work six months after graduating! (Paton, 2012) So they don't have a job, but what they do have however is a mountain of student debt for their trouble. In the UK the average student debt is £5,681 per year of study (Shepherd, 2011). In the US it can be considerably more than that.

The system doesn't work. For children that are academic the rewards are no longer guaranteed and the children who are not academic are ignored, marginalized and resigned to flipping patties at a burger bar. There is little appreciation of abilities that fall outside maths, science, languages or sport so millions of brilliant people don't realise they are brilliant. As a result, to quote Henry David Thoreau, 'The mass of men lead lives of quiet desperation' (Thoreau, 1854).

In addition to the wicked education problems that most children face there is increased pressure on the system from a huge epidemic of children being diagnosed with autistic spectrum disorders (Baio, 2012; Schieve *et al*, 2012), dyslexia and dyspraxia. In addition, children who are essentially bored, frustrated and alienated by a system that is almost exclusively focused on IQ and narrow academic attainment to the exclusion of any other types of intelligence are being heavily medicated for a condition, ADHD, that many are not sure even actually exists! (Robinson, 2010) Not to mention the fact

that children are now growing up in the most intensely over-stimulated period in history – computers, smart phones, tablets, 100s of TV channels available 24/7 and computer games are all part of their normal daily life and yet we penalise them for getting distracted or being numbed into hypervigilance. No wonder they are distracted!

Of course, most politicians know that trying to change the educational system is political suicide. So in the meantime we are stuck with an outdated educational system that was designed during the Industrial Revolution and adapted to fit the needs of the farming calendar when there are now few farmers and even fewer factories! The system is failing our children and struggles to equip them for a rapidly changing world. The truth is kids are naturally brilliant and innately curious and somehow we squeeze it out of them.

So are the people in education bad people? Are the education policy makers bad people? Have teachers stopped caring about educating the kids in their classes? Are teachers bad people? No, of course not! They are just caught inside a bad system that no longer works, struggling to deal with a legacy of wicked problems.

Health

If the wicked problems that beset education seem far behind you or don't trouble you, then perhaps you are more aware of the wicked problems most nations face in healthcare. Part of the problem in healthcare is that it has become an industry and a very profitable one at that.

In 2001, the top drug companies listed in Fortune 500 had an average profit after taxes of 18.5 per cent whereas the other Fortune 500 companies averaged only 3.3 per cent. Commercial banking [before the global financial crisis] with profits of 13.3 per cent, was the only industry to come close to Big Pharma (Angell, 2005). In 2002 the \$35.9 billion in profits earned by the top ten drug companies in the Fortune 500 were greater than the profits of the other 490 Fortune 500 companies combined (Law, 2006).

We now have a situation where pharmaceutical companies routinely spend twice as much on marketing and advertising than they do on research and development of new drugs. Did you know for example that pharmaceutical companies are allowed to do as many clinical trials as they want and can choose to publish or report only the results that suit them? It is perfectly legal to bury results that don't support the new drug and as a result patients are exposed to harm on a staggering scale (Goldacre, 2012). Not even the doctors who are prescribing the medications have full access to the research

data! So it begs the question is health about health or is health about profit. Do drug companies really want to 'cure cancer' or are they happy to continue to treat cancer because the profit margins are phenomenal? The marketing efforts of many large pharmaceutical companies include dreaming up 'conditions' so that they can advertise to a pill-popping obsessed society and increase revenues.

A couple of years ago I was invited to speak at the annual conference of a large pharmaceutical company. I was encouraged by the possibility that they were opening up to the idea that they needed to think about some of the wicked problems they faced in a different way. Before I went on stage a very senior sales executive congratulated his sales teams because they had managed to increase the sales of ADHD medication to 11 year olds by 23 per cent during the previous year. There was even talk of how to leverage modern social media to get the message out to parents that these drugs were available. The 300-strong audience applauded. I was dumb struck. It was as though no one in the auditorium was questioning the appropriateness or ethics of a massive increase in the medication of such young children.

In 2004 in another questionable display of morality, the National Cholesterol Education Program (NCEP), an expert panel assembled by the National Institute of Health, recommended that previously acceptable levels of cholesterol be lowered even though the panel found, 'no high quality clinical evidence to support current treatment for [LDL or bad] cholesterol.' So why did they lower the guidelines? Could it have been that following the recommendations of these new guidelines and their widespread acceptance into medical 'lore' it was revealed that eight out of the nine members of the NCEP's panel had financial links to companies that manufactured cholesterol lowering drugs! Obviously, by lowering 'acceptable levels' of LDL cholesterol an instant new market was created of people who would not have previously been considered to even have a problem (Lipton and Bhaerman, 2009). So the drug companies made billions, which *might* have been OK had there been any substantial evidence to indicate that the drugs being prescribed to solve the problem actually worked. And that's even if you believe the story that cholesterol causes heart disease in the first place, which many well-read physicians don't (Kendrick, 2008). Cardiovascular physician Dr Dean Ornish has shown that dietary changes, exercise, stress reduction and greater social support can lower 'bad' cholesterol by nearly 40 per cent (Ornish, 2008). Of course you can't put dietary changes, exercise, stress reduction or greater social support into a pill, so it's nowhere near as sexy for the pharmaceutical companies.

The increasing pressure on healthcare systems in many industrialized countries is exacerbated by an ageing population. The number of people actually working in many countries is beginning to decline, which is bound to increase the pressure on social security systems, pension funds, health insurance schemes and healthcare systems. In Europe the ratio of pensioners to the working population is expected to rise from 30 per cent to nearly 50 per cent by 2050. China and Japan are facing similar challenges.

So are the people in health care systems bad people? Are the health policy makers bad people? Have doctors and nurses stopped caring about their patients? Are the leaders of pharmaceutical companies evil? No, of course not! They are just caught inside a bad system that no longer works struggling to deal with too many wicked problems.

Social Justice

The wicked social problems that need us to rethink how we build communities and live our lives are not confined to poverty, unemployment, health and education. These wicked problems extend into the criminal justice system too. If you look at the numbers of people in prison and the number of people re-offending after they get out of prison, it's fairly obvious that our social justice system doesn't work very well either. In the UK the then Justice Secretary, Ken Clarke admitted as much (Thornhill, 2011). In many cases prisons are simply crime labs – the only thing they do well is teach criminals how to be *better* criminals.

In one of England's major cities their crime strategy is to tail members of a particular family and arrest them. The reason is because a huge percentage of the crime committed in that city is committed by this one family. Of course this approach makes the crime figures look good, but like so many solutions to wicked problems – it doesn't *solve* the problem. In fact one senior probation officer told me personally that it would actually be cheaper to employ two full time minders for each member of the family than arrest them and send them to prison!

Are the people in prisons bad people? Obviously some of them are otherwise they wouldn't be there, but it's much more likely that the vast majority of inmates were simply nudged off course by other wicked problems such as education failings, poverty and lack of employment prospects, feelings of inadequacy, social exclusion and disastrous parenting. Have police officers and the justice system stopped caring about law and order? Are the justice policy makers, probation workers, public prosecutors and defenders bad

people? No, of course not! They are just caught inside a bad system that no longer works struggling to deal with too many wicked problems.

Governments

So who do we turn to for the solution to all these wicked problems? Most people think they are the domain of government even though governments are hugely influenced by big business in most modern economies. But even if governments and big business are working on these wicked problems do we trust them? The 2012 Edelman Trust Barometer which surveys 1,000 people in 25 countries showed an overall decline in trust globally, with twice as many countries in the ‘distrusting’ group than in 2011. In particular there were steep declines in the levels of trust in government and business, with banks and financial institutions being the bottom of the trust league table – dropping 16 per cent in one year. CEO credibility declined 12 points to 38 per cent – its biggest drop in the Barometer’s history, with government officials being even lower at 29 per cent.

If you look at the global financial crisis there are countless stories of incredible greed and outrageous behaviour. Ireland amassed debts more than 25 times its annual tax revenue. In 2007 the Irish had a budget surplus. Four years later their budget deficit was 32 per cent of GDP, the highest in Euro Zone history – by far. Ireland is littered with 2,846 new housing developments – many of them ghost estates. The government granted planning permission for 180,000 units and more than 100,000 are empty because there aren’t enough people in Ireland to fill all the houses that were built in the boom! (Lewis, 2011).

In Greece the level of greed and corruption was genuinely breathtaking. Ironically Greek financiers didn’t buy US subprime backed bonds or leverage themselves up to the back teeth and they didn’t pay themselves huge salaries. They did however lend about 30 billion Euros to the Greek Government which was then stolen or squandered. ‘In Greece the banks didn’t sink the country. The country sank the banks’. Take the national railway network as an example – it has annual revenues of 100 million Euros against an annual wage bill of 400 million Euros and expenses of an additional 300 million Euros. It’s been said that it would be cheaper to put every Greek railway passenger into a taxi because the state run railway network is ‘bankrupt beyond comprehension.’ The public education system in Greece employed four times the number of teachers per pupil than the best schools in Europe yet the quality of education is so poor that parents still needed

to hire private tutors to ensure their kids were educated. The Greek health-care system spent far more on supplies than the European average because it was common practise for doctors and nurses to help themselves to those supplies. And it was a widely known and accepted fact that anyone working for the Greek government needed to be bribed (Lewis, 2011).

Iceland declared bankrupt under debts amounting to 850 per cent of GDP (Lewis, 2010). Millions lost money in Icelandic banks, lives were ruined.

The wicked problems of government are immense. Apart from the inefficient system of democracy that results in a flip flop between ruling parties hell bent on the other's destruction and not necessarily the greater good of the people they were elected to protect and serve, politicians are now as respected as used car salesmen or tabloid journalists. In the UK the politician expenses scandal of 2009 effectively annihilated any last shred of trust the general public had for politicians. Despite repeated attempts by parliament to prevent disclosure of MPs' expenses under the Freedom of Information legislation, a leak to *The Telegraph* newspaper revealed actual and alleged misuse of permitted allowances and expenses by UK Members of Parliament (*The Independent*, 2010).

Government may have set out to create a welfare system that supported the disadvantaged and takes care of those who can't take care of themselves, but the result is a massive, convoluted system that is highly susceptible to fraud. We live in a culture that almost admires those that 'work the system'. There is absolutely no doubt that a progressive society should have some type of safety net to help people in difficulty get back on their feet, but it should never be a lifestyle choice. And yet in the UK and US there are now second and third generation families where no member of that family has ever worked. In the UK it is not only possible but fairly common for individuals to earn more on benefits than they would working in paid employment (Nicholas and Appleyard, 2008). That's a wicked problem. Not only because governments simply can't afford to pay these benefits indefinitely, but also because working, making a contribution and doing a hard day's work is good for the soul and fosters self-respect and personal responsibility.

Governments also now engage in 'joystick politics' where some guy playing war games on a computer can pilot a drone or launch a missile attack killing human beings on the other side of the world. US drone attacks against Pakistan have killed thousands and some are already saying that these actions, whilst partially effective are counterproductive and only fuelling extremist sympathies (Roth, 2013). It would seem that we are happy to go to war but we 'don't want to risk the lives of our boys' to do it. As a result there is a huge disconnect between what we are doing and the results of

those actions. We are shielded from the horrors of war because there are fewer bodies coming back home. Too many people are being killed on all sides because we are visiting all manner of nightmares on other people with little regard for the consequences for those people.

So are the people in government bad people? Are the policy makers bad people? Have politicians and public servants stopped wanting to make a difference and help the people they are employed to serve? No, of course not. They are just caught inside a bad system that no longer works struggling to deal with too many wicked problems.

Wicked Human Problems or a Coherent World?

Wicked problems are *very* difficult to resolve. I believe that they cannot be solved unless we address the single common denominator – human beings. Resolving wicked financial, environmental and social problems requires a great number of people to make different decisions, change their minds and their behavior. And this is the wicked human problem which I have tried to address in the rest of my book *Coherence: The Secret Science of Brilliant Leadership*.

One dimension of this wicked human problem is the tendency for a whole range of people to make decisions that reinforce the very problem they are often seeking to eradicate. This does not mean that the people making these autopoietic decisions are deliberately making ineffective decisions, far from it. They are often genuinely trying to help. In fact, I believe that if each of those people were able to fully comprehend the consequences of their actions and appreciate how their decisions actually reinforce the problem or create new additional problems they would make different choices.

To solve the wicked human problem we need to come together more effectively and truly develop ourselves. We need to make changes to the systems in which we operate and to make these changes easier to achieve. In short we need to evolve. We need to ‘wake up’, ‘grow up’ and ‘own up’ so we can ‘show up’ as mature, adult human beings. We need to bring a more enlightened perspective to all the wicked challenges we face, because as Einstein said. ‘it’s impossible to solve a problem with the same level of thinking that created the problem in the first place.’

My book is focused on what is possible when business becomes coherent and embodies Enlightened Leadership. It focuses on the phenomenal performance improvements that are possible when all the business stakeholders,

especially the leader and senior executives ‘wake up’, ‘grow up’, ‘own up’ to past mistakes and failings and ‘show up’ as mature, adult human beings.

I say this not out of some new age utopian idealism, but out of a deep belief, demonstrated time and again in real world business that our destiny as human beings and the fulfilment of our highest potential lies in how we relate to ourselves and each other and how deeply connected we really are to each other. When business leaders and senior executives develop vertically and become coherent across multiple lines of development, then we will create a fundamental shift in the gravity of leadership across the globe. When we expand our definition of success to transcend and include financial success while also embracing meaning and purpose, and when we understand we are all in this together and acknowledge the importance of ‘human capital’ in the shape of personal and professional relationships, then the game will change.

Business can be a profound force for good; it doesn’t have to be *all* about profit and shareholder return. Imagine a world where triple bottom line accounting was embodied within the majority of businesses rather than the minority or companies just seeking to make a clever PR statement about sustainability. Where ‘long-term capitalism’ put as much store on social, human and environmental impact as it does on return of capital employed (ROCE). Imagine a world where our employees were so inspired by our Enlightened Leadership that they sought out their own vertical development. Imagine a world where we didn’t have to waste money on employee engagement, because our employees were already engaged as they were actively encouraged to manage their own emotional state and seek out roles and tasks that suited their nature. Imagine what that would do to their self esteem, their confidence and their productivity.

Imagine a business full of coherent individuals, joined collectively in a shared vision that supports all the stakeholders, employees, suppliers, customers, creditors and communities, not just the shareholders. Imagine the innovation that would be possible in business when everyone’s frontal lobe was ‘on’ and they had permanent access to their very best thinking all day, every day. Imagine a business where micro-managing was obsolete because we had highly functioning executive fellowships that drove the business objectives without any yelling or even any need for inflated bonuses! Imagine what business could achieve if everyone knew the 12 performance driving behaviours and were actively engaged in ‘baking in’ their strengths and making them a strategic advantage for the company. Imagine how enjoyable that working environment would be, how much happier we would all be and how that alone would reduce absenteeism, unleash discretionary effort

and elevate performance and results. Imagine what could be created in a business full of mature adults instead of the constant bickering of 14 year old children inside adult bodies, where disagreements were discussed and resolved and relationships were fostered and strengthened within a strong ethical and moral framework. Imagine what would be possible when the values in the business were embodied by the people in the business and were no longer simply aspirational spin contained in shareholder reports or inauthentic posters on the wall. Imagine if everyone in the business bought into a ‘force for good’ vision, resonated with the purpose, understood the ambition and worked tirelessly to execute the strategy within a mutually understood and implemented holacratic governance framework. Imagine that world and you are imagining the world of coherence and Enlightened Leadership.

But it doesn’t stop there because it is business that really runs the world. So imagine if the coherence developed in business started to spill out into society and pour into the areas currently struggling under the weight of innumerable problems – wicked and otherwise.

Imagine an education system that first taught children to manage their physiology so they could manage their energy, emotions and ensure that their brain was ‘on’ as often as possible! Imagine what would happen to a child if, before the lessons began, they could actively self-manage their emotions into a state of appreciation and openness to learning. For a start they would be significantly happier thus reducing the pressure on the health system. They would also be happier because they realise that they can decide how they feel regardless of the conditions, circumstances or events in their life. Armed with emotional self-management alone bullying might be eradicated. The person who was bullied would remain unaffected and without the reaction most bullies move on or stop. And if the bully also learned emotional self management, they would feel better about themselves and would not feel the need to put another child down to dispel their own feelings of inadequacy.

If that child was then encouraged to identify their own innate abilities and natural strengths, whether they were academic or not, then their life would have purpose and learning would have meaning. If those kids were then streamed according to aptitude based on their strengths and what delighted them, not their weaknesses, then they would be much more likely to find their place in the world or start a business of their own and *make* their place in the world. If a child is encouraged to see their own brilliance and manage their own emotional state, then there is a much greater chance that they will grow into happy, healthy and capable adults who don’t then

feel the need to self-medicate with drugs – prescription or otherwise, alcohol, cigarettes or food. Happy, healthy capable individuals who believe in themselves don't usually end up in prison either. So the pressure on the social justice system would diminish.

Imagine a world where those adults could then find or create work they loved in an environment they enjoyed with people they cared for working collectively toward something they believed in. Imagine a world where people believed that enough *was* enough and they *were* enough. Materialism is a poor and toxic substitute for happiness. And yet, human beings who feel as though they are living their purpose and making a contribution to something important are often less attached to material possessions. Imagine what the world would be like if we could break down the destructive and poisonous side of capitalism. If more and more people break their obsession with money and switch their focus to mindfulness and meaningfulness, then business will shift and the new models of social entrepreneurship, social capitalism and social business will become the norm.

If more and more people stop worshipping at the altar of wealth, then the wicked problem of poverty could also change. More wealth would be shared around and the gap between rich and poor would finally narrow. Imagine a world where businesses start to compete on who was reducing social inequality the most rather than who was generating the biggest profit. Plus if we were not so obsessed with money and amassing as much as possible, we wouldn't be so obsessed with comparing ourselves to others and might just decide to be happy and fulfilled anyway. This is a lesson my wife Sarah and I learned early. When we travelled around India in our twenties one of the things that struck both of us was that many of the people we met were extremely poor, but they were also extremely happy. It's not a lack of money that makes people miserable; it's the comparisons people make between how much they have and how much others have that makes them miserable. There are only two problems with money – too little and too much. Although counter-intuitive, too much money has its own set of problems, not least the fact that it makes being a good parent very difficult (Gladwell, 2013). Money is not the answer.

Imagine if coherence and Enlightened Leadership made it into government. Coherent politicians who had matured as adults and operated from a second tier value system would come together to solve problems instead of score points off each other and stop at nothing to get back into power. They would coalesce around major issues and push through policy and law for the greater good, not just for the good of a few. The loopholes would

be closed and the taxation and welfare systems would be recreated afresh to meet the demands of today's society. But if Enlightened Leadership was already operational in the education system then we wouldn't have millions of angry disenfranchised people looking to cheat the system in the first place. And if people felt that their taxes were well spent by mature ethical politicians dedicated to the benefit of all then perhaps they wouldn't feel compelled or justified in ferreting out the loopholes or cheat the welfare system to start with. And imagine a world where Enlightened Leaders in government *and* business came together to solve critical issues such as climate change to make sure that there would be a habitable planet for our children and grandchildren to inherit.

A Call to Action

We need coherence if we are to find better solutions for ourselves, each other and the planet. We need to appreciate the massive impact our physiology has on our ability to think clearly and make good choices that serve the many not the few and ultimately drive the performance of our organizations. We need to understand that our physiological chaos impairs our ability to make good decisions in the first place. We need to learn to master our emotions and we need to mature further as human beings in large enough numbers to shift the centre of gravity in business and society. Enlightened Leadership, based on coherence at every level of the human system, is the map to that future. And this future starts with you and me. Like a pebble in a pond, the ripples of coherence spreads out into the world, facilitating still more coherence. This vision is within our grasp, within our lifetime.

Coherence and Enlightened Leadership honours the reasonable constraints of stakeholder groups, while still maintaining the organisation's independence from them. Rather than treating the organization as property, even shared property, a coherent Enlightened Leader helps the organization to find its own purpose – not just a purpose that's 'all about the people', but one that is genuinely evolutionary, about helping the world move forward for the sake of our collective future. A coherent leader recognises that his or her business is a living system and the stakeholders and people involved then become stewards of this living system. A coherent leader is like a healthy parent supporting a child's journey. A great parent realises they don't own the child, they can't suppress or control the child but instead their job is one of guidance, getting their own desires out of the way, so that the child can express his or her unique purpose and deepest

creative potential in life. The same is true of a great leader. Their job is to put their own desires aside, and guide the business so it can express its unique purpose and deepest creative potential.

Coherent, Enlightened Leadership invites people to serve something larger than themselves, larger even than the collective, for the sake of evolution's further unfolding. This is our ultimate aim to liberate the organization to become a direct expression of evolution in action, creativity unleashed, free from the shackles of serving the human ego, free from the suffering and poor decisions that follows from the chaos of unenlightened leadership and able to truly embrace the joy of human development. And if enough leaders become coherent then Enlightened Leadership will fundamentally change the nature of business and in so doing we will change the world.

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