

VALUE SYSTEMS AND THE FUTURE OF LEADERSHIP

by Said Elias Dawlabani

“When man is finally able to see himself and the world around him with clear cognition, he finds a picture far more pleasant. Visible in unmistakable clarity and devastating detail is man’s failure to be what he might be and his misuse of the world. This revelation causes him to leap out in search for a way of life and a system of values, which will enable him to be more than he has been. His values now are of a different order from those at previous levels: They arise not from selfish interest but from the recognition of the magnificence of existence and the desire that it shall continue to be.”

The opening epigraph is from an April 1974 article titled “Human Nature Prepares for a Momentous Leap,” written by developmental psychologist Clare W. Graves in the *Futurist* magazine. Graves pioneered the value systems approach to leadership as a way to understand the emergent nature of the psychology of a mature human being. Almost forty years have passed since Graves published his work, and, according to his successor and close colleague Dr. Don Edward Beck, today fewer than 5 percent of leadership styles are informed by the values of the “magnificence of existence.” For more than a decade, I have worked closely with Dr. Beck to better understand this bio-psychosocial approach to leadership. Beck took Graves’s decades of research and applied it to large-scale social change. He is one of the main architects behind South Africa’s transition from apartheid. The movie *Invictus* is based on the leadership advice he gave Kitch Christie, the coach of the 1995 Springboks rugby team that won the Rugby World Cup and forever changed race relationships in South Africa.

The Value Systems Framework Defined

In the late twentieth century, while humanistic psychology was on the rise, publications like the *Harvard Business Review* and *Maclean's* magazine were referring to Graves's research as the framework that explains everything. Although these claims were a bit ambitious in their reach, today the value systems approach still explains a lot about human development and the nature of leadership and change. Graves posited that the human experience is an endless journey marked by progressive levels of psychological development that emerge to higher levels of values as we solve the problems of existence at any given level of social development. After decades of research, Graves uncovered a total of eight levels of values

that an individual, a group, or a culture can belong to (see Figure 1). Much of his research pointed to a future "momentous leap" at which time humanity will abandon its subsistence ethic, which is identified by the lower six levels (first-tier values), and embraces the magnificence of existence ethic, identified by the top two levels (second-tier values). Practitioners in the field of value systems help clients design programs that encourage second-tier practices.

Each level of existence has, among other characteristics, its own unique set of values, language, levels of psychological development, and styles of leadership. I've often heard individuals from contemporary culture like comedian and television personality Bill Maher misuse the term *value systems* in contemporary culture, but based on our applications of this emerging science, we present the widest explanation: they are a hierarchically

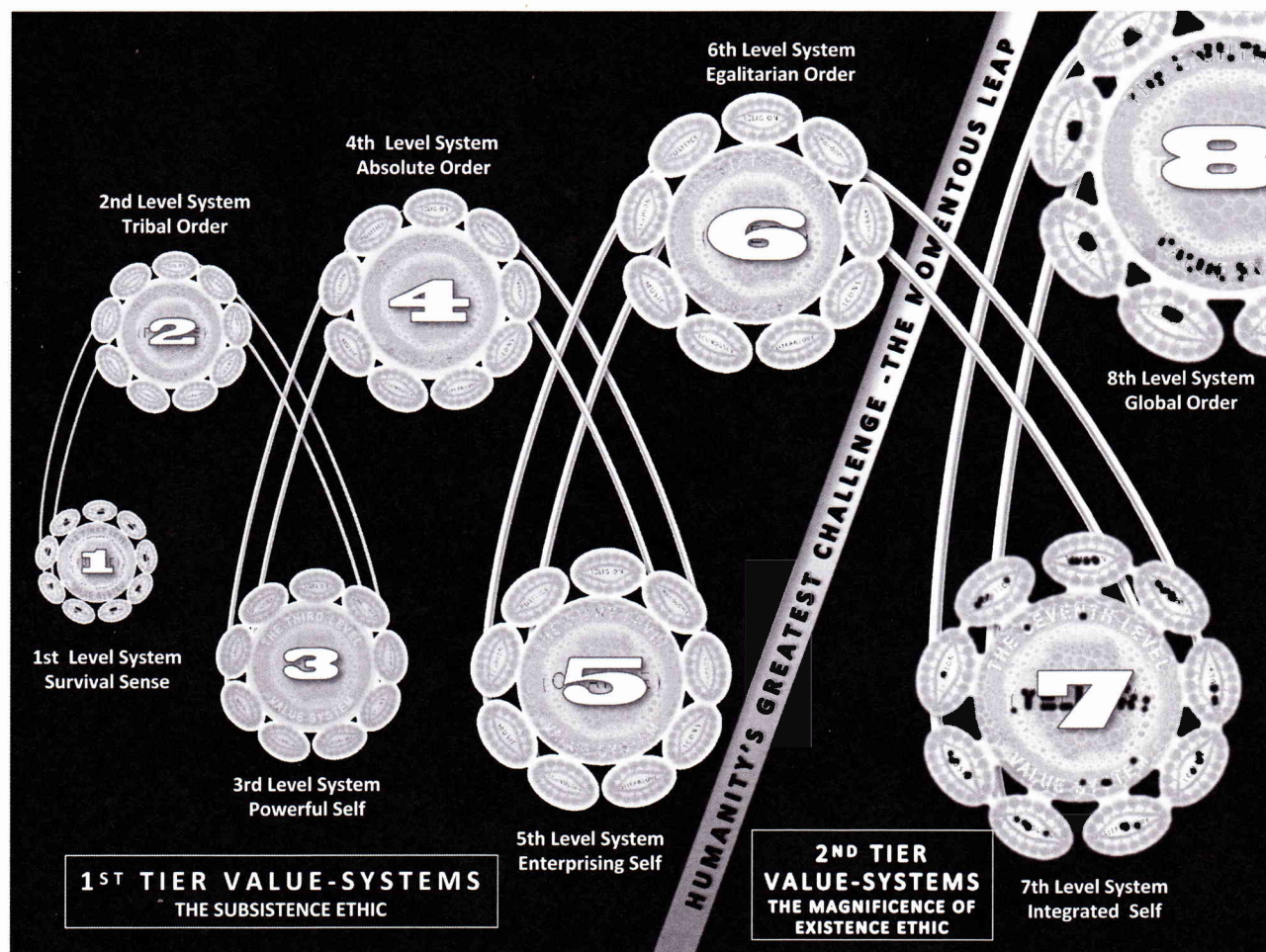


FIGURE 1. THE BIO-PSYCHO-SOCIAL MAP OF THE HUMAN EXPERIENCE

ordered, always open set of morals, ethics, standards, preferences, belief systems, and worldviews that come together through self-organizing principles to define an individual, a group, or a culture. As individuals and cultures move up the development ladder, they transcend and include the lower developmental stages, resulting in more sophisticated and inclusive styles of leadership. Our framework proposes that human emergence alternates between individualistic value systems and communal value systems. As we solve the problems of existence under individualistic values, we tax the prevailing system to a point that triggers the emergence of communal values. In turn, as communal values begin to repress individual expression and arrest creativity and personal ambition, we reemerge back to an individualistic system, but at a higher level of psychosocial maturity. Each level has a healthy and unhealthy expression of its proprietary values. The goal of a leader using this framework is to keep whatever system a culture or an organization is in at the healthy expression of these values for as long as possible and ultimately be able to facilitate its emergence into the next system when it's ready. This is the new frontier of leadership that has to deal with a workplace and a culture with diverse value systems involving a multitude of sources shaping opinions and worldviews.

Leadership and the Eight Stages of Development

Although our model frames the emergence of these value systems in a historic context, it is important to keep in mind the “transcend and include” nature of the framework. In other words, if we're operating from the fifth level of values, we're also using the lower levels as the foundation on which we rely, and without which human emergence will become abnormal. At any given day, a person might use the intelligence, communication skills, and leadership styles from four or five different levels depending on his or her situation.

The Survivalistic First-Level Value System

This is the Instinctive/Survivalistic value system that emerged with the early humans more than 100,000

years ago. It lives under the motto “Do what you must to stay alive.” A contemporary culture undergoing war or famine such as the case in Syria today must downshift to this level of existence to survive. The distinct self is barely awakened. It forages for food and water for survival. Because these systems are within us as well, this level represents human life that is 100 percent dependent on others: infants, the homeless, people with severe mental deficiencies, and the elderly with dementia. There is no leadership structure or economic system under this level. As a culture solves the problems of survival, it emerges to the second level.

The Tribalistic Second-Level Value System

This level of existence is identified by tribalistic and kinship values (see Figure 2). Many organizations today are run from this value system. This is where traditional rites, rituals, and ceremonies are observed. A leader navigating organizations and cultures in this system must recognize the importance of extended family and must concentrate on the whole organization rather than specialized roles and functions. This means that choosing individuals for special compensation schemes, punishment, and interaction would violate the “We are all one” belief. Rewarding someone too visibly would break the group bond and terribly isolate that person. Family members in the organization, or high-seniority leaders, are to be respected and honored appropriately. Effective managers do not violate the internal social dynamics of organizations at this level.

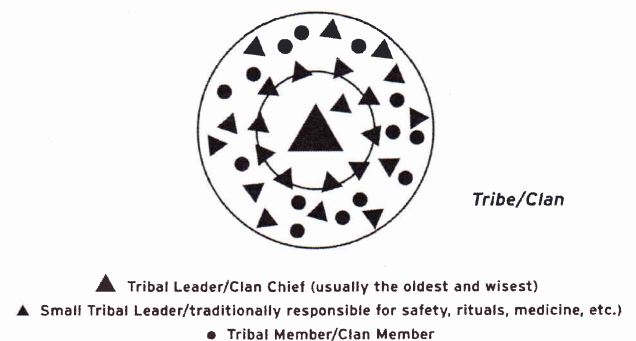


FIGURE 2. THE SECOND-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE

The Small Bosses have free rein as long as the Big Boss's goals are attained.

Instead, they learn about and utilize them as the whole entity observes seasonal festivals, company outings, rites of passage, and other celebrations. Under this system, work structure is circular and communal, although a core of semi-elites—the founders and their inner circle—have greater influence than average members.

As this leadership structure is confronted with challenges from its competitors and begins to lose market share, individual family and inner circle members begin to see the burden of group leadership and the system transitions to the next level.

The Egocentric Third-Level Value System

At this level of existence, organizations and cultures are identified by egocentric, heroic, and compulsive values. The basic theme is to be what you are and do what you want regardless of the consequences. This is the level of the power gods and the human ego in raw form. In organizations, the driving forces are in the hands of powerful people who demand RESPECT. Leaders at this level are rife with deeds of conquest as they prevail against gigantic odds. Organizational values are nurtured by preserving the stories of company heroes or by celebrating the great conquests of how the company “slew the dragon.” Organizational culture is symbolized by power; power lunches, power trophies, power grabs, power offices, and power games. To the victors belong the spoils.

This value system exploits the masses to accomplish the desires of the few. The Big Boss selects a few Small

Bosses who are ambitious and loyal (see Figure 3). He then dictates what, how, and when he wants things done and they'd better get it done or else. He asks no questions, accepts no excuses, cares only about results, and is ruthless in maintaining ultimate power. The Small Bosses have free rein as long as the Big Boss's goals are attained. This is common practice today on the factory floors of many emerging economies, including China and India.

The Order-Driven Fourth-Level Value System

This is the second of the communal systems, but it possesses higher values than the tribalistic system. This is the level of order-driven authority structures (see Figure 4). It replaces impulsivity with restraint and temperance. Individuality is sacrificed for the transcendent cause, the truth, and the righteous path. Laws, regulations, and institutions build character and moral fiber. Our research supports claims that this is humanity's toughest transition within the first six systems and explains the difference between successful nations built on its institutions and nations that struggle through decades of civil war and destruction to reach this stage of development. Under these values, life has meaning, purpose, and direction. Organizations are hierarchical and rigid, with sharp lines between ranks. Think of the rigid operational structures at IBM in the 1980s, the path to power at the Catholic Church, and the bureaucratic behemoths of the military and most government agencies. Power is in the position, not the



**FIGURE 3. THE THIRD-LEVEL VALUE SYSTEM
LEADERSHIP STRUCTURE**

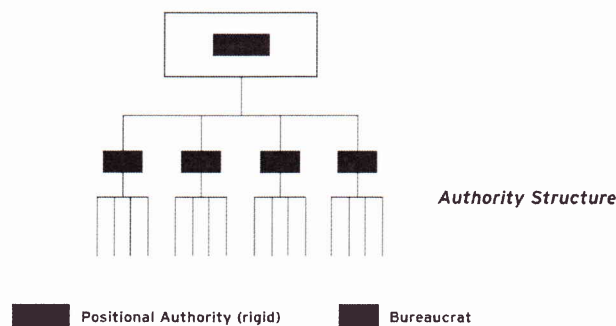


FIGURE 4. THE FOURTH-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE

personality. Significant and meaningful relationships are vertical, up and down the chain of command.

Leadership is moralistic because management encodes the Truths from the dominant ideology and rewards believers, faithful servants, and those who work long hours. Leaders oversee the needs of followers and regulate their conduct. Moral capital and the ability to promise status in the future for those who obey are used to obtain conformity.

The Strategic Enterprise Fifth-Level Value System

This is an individualistic system again, but at a considerably higher level of values than the egocentric third-level system. At this level of development, society believes we all prosper through strategic thinking, technology, and competitiveness (see Figure 5). These are the values that seek to uncover the secrets of life through scientific discovery and quantitative analysis. This system puts the *science* in management science.

Most for-profit organizations in first world economies are run on these values and produce the majority of

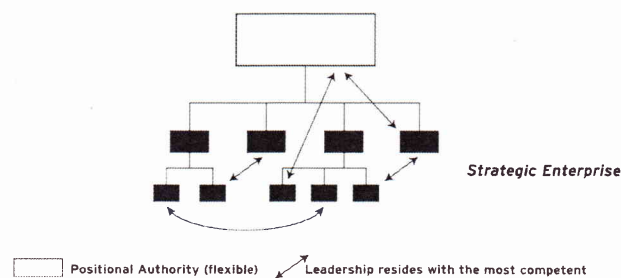


FIGURE 5. THE FIFTH-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE

today's global economic output. The organizational structure has far more flexibility than that of the fourth-level system. Movement up the ladder is based on merit, the greatest rewards are reserved for those who are the most successful, and opportunity and dreams are aplenty. Job responsibilities are characterized by functional specialization, objective qualifications for positions, and continual evaluation of performance. Administration is pragmatic, according to "scientifically" established standard operating procedures and a stream of statistical measures.

Management and leadership are based on the assumption that the world and the people in it are but vast mechanisms that can eventually be perfected. Management's role is to plan, organize, motivate, control, and evaluate work. The leader's first responsibility is the viability of the organization and its competitive posture; its people are necessarily secondary. The leadership role includes determining: Who reports to whom? Who does what job? How are jobs best designed? How to develop and manipulate necessary incentives? How to measure success? How can we gather more information to use against the competition?

The Humanitarian Sixth-Level System

This is another communal system and the highest level of values under the "tier of subsistence." Cultures transition to this level after they've achieved great personal success and a high degree of mobility, and they ask, "Is this all there is in life?" These are necessary stepping-stones, because capitalism must transition through this powerful stage to understand its greater purpose. This is where we begin to free ourselves from greed and dogma and seek to deepen the understanding of what it means to be human. Feelings, sensitivity, and caring supersede cold rationality. These are the values of egalitarianism and humanitarianism that seek the equal distribution of resources, which presents a challenge to the individualistic capitalist system.

At the organizational level, relationships are horizontal. Purpose and goals are defined in human terms. Belonging and acceptance extend from within the

“Is this all there is in life?”

organization through the community. Organizations must meet, share, and discuss change so that it becomes an agreeable norm to which they are committed and invested in and for which they have ownership. The manager is more of a colleague and friend than boss because reciprocal participation is inherent in the leadership structure where people “all are in it together” (see Figure 6). Although this is the traditional leadership model for nonprofits, community organizations, foundations, and nongovernmental organizations, today many Web-based enterprises champion the values of sharing and collaboration.

This is also the final stage from which humanity prepares for the “Momentous Leap.” Here, because the lower six value systems—the values of subsistence—are resistant to integration, human emergence must give way to a functional, big picture view of reality and a vastly different set of value systems.

The Systemic Seventh-Level Value System

This is the first level in the second tier of values, which is identified by the “magnificence of existence” ethic. Although this is an individualistic system, it is the first

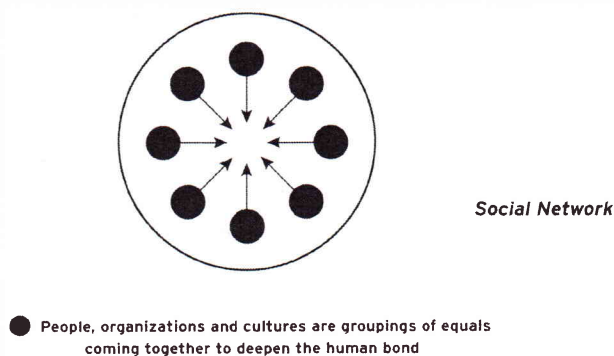


FIGURE 6. THE SIXTH-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE

level at which individualistic values begin to mesh with communal values (see Figure 7). It's interested in functional large-scale design where ideology and rigidity give way to flexibility and spontaneity. Leaders at this level are interested in the long-term life of the organization and the planet. They see with clear cognition the dysfunction of all six levels of the entire first tier, and they begin to place their best and healthiest practices on a functional platform that recognizes diversity, natural hierarchies, systems, and forms. This system sees an out-of-control third-level system and contains it, a diminished fourth-level system and rebuilds it, and a runaway fifth-level system that poses systemic risk to the global economy and tames its blind ambitions. It also sees the fallacy of egalitarianism of the sixth-level system and fixes it. Many of the values of this system today are repressed because of the political correctness of the lower communal systems, especially the sixth-level system that doesn't want to offend certain sensitivities.

However, emergence is inevitable, and much of the dysfunction seen in the world today can be solved only from this systemic level of values before humanity can resume its journey to the last known level of existence.

The Holistic Eighth-Level Value System

This is the last known level of existence that is just beginning to inform the values of the seventh-level system. It believes in the wholeness of existence through mind and spirit, where everything connects to everything else through ecological alignment (see Figure 8). This is where the physical and the

Integrative/Functional/Natural/Knowledge-Centered/Highly Principled

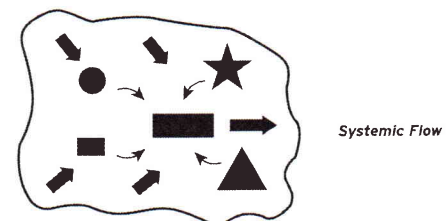


FIGURE 7. THE SEVENTH-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE



FIGURE 8. THE EIGHTH-LEVEL VALUE SYSTEM LEADERSHIP STRUCTURE

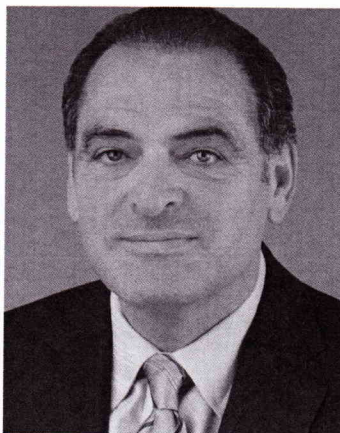
metaphysical worlds mesh into one global mind that is intuitive and logical at once. This is where humanity rises and answers the challenges of what it means to be a holistically interdependent organism on a planet with finite resources.

Conclusion

Although many people in the consciousness movement today believe we are in the eighth-level system, much still needs to be done to fix the damage caused by centuries of irresponsible first-level policies and practices. This is a job for leaders emerging into the systemic big picture view of the seventh-level system. This system recognizes that chaos is natural and change is inevitable. Leaders in this system are highly competent and principled individuals who cut through the noise of all the first-level systems to resolve long-standing paradoxes. They do more with less and they disperse power as

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needed. This is a system of distributed intelligence and nonrigid structures in which knowledge and competence naturally align the various components into a functional flow that makes the lower systems beholden to a far bigger picture of themselves. This is the New Frontier of leadership where political and corporate governance must have the tools and the courage to transition the world to the values that recognize the magnificence of existence and what it means to be alive on a planet in peril. Should humanity fail this test, we will forever condemn ourselves to becoming a footnote to the universe's cosmic reality.



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