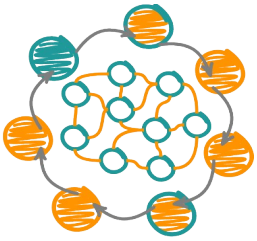
DeepDive: Leadership *ReDefined*

Leadership for the 21st Century

OrgIQ
passion for people builds systems for success



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Status:	released
Version:	1.0.0 (build 199)
Date:	2024-10-15

OrgIQ Manifest: Passion for People builds Systems for Success

OrgIQ is a framework that changes how we see organizations. The core idea is to truly think from the perspective of the individual. Every person has their own reality, based on their network of relationships. Each perception and perspective is unique. There is no right or wrong.

Any organization is simply the overlap of all these networks. This is complexity. We can never fully model or understand it. But we can give direction and purpose to each individual element. Intelligent organizations embrace this complexity rather than simplify or ignore it.

When we focus on human complexity, the solution space for common problems dramatically increases. We believe this harmonizes business practices and structures with the natural dynamics of human relationships, psychology, and social interactions.

Our manifesto reflects our lived experiences and successes. We've seen the transformative power of fostering genuine connections, embracing individuality, and leading with purpose. OrgIQ helps create smarter environments where empathy, understanding, and mutual respect thrive, allowing every individual to feel truly seen, heard, and appreciated. This creates a space of emotional safety, which is essential for individuals and groups to reach their full potential.

We believe in value over control. From OrgIQ's perspective, we understand that control limits the capability of the system by breaking the human perspective, creating overhead, and fostering mistrust. Relationships and trust unleash extraordinary productivity and satisfaction. The achievement of the purpose is measured by the results.

Join us on this journey to redefine organizational excellence. Let's build intelligent systems, embrace complexity, and simplify happiness. Welcome to OrgIQ, where the true potential of your people thrives your organization.

Content

Overview

Leadership is about people and organizational design. Our focus is on leadership, not management. Specifically: *Leadership RD* – Leadership ReDefined, because we need a clear version for the 21st century.

There's already a lot of good material on management, so there's no need to add more. We're only focusing on the distinction between the two. I believe management also benefits when we separate these worlds more clearly.

> Leadership can be lived by anyone, at any time. Especially in creative and innovative environments, every idea and solution is "leadership." The same principles apply to what we're discussing here. But the focus of *Leadership RD* is on the people whose full-time job is leadership. What do these people need to know and do?

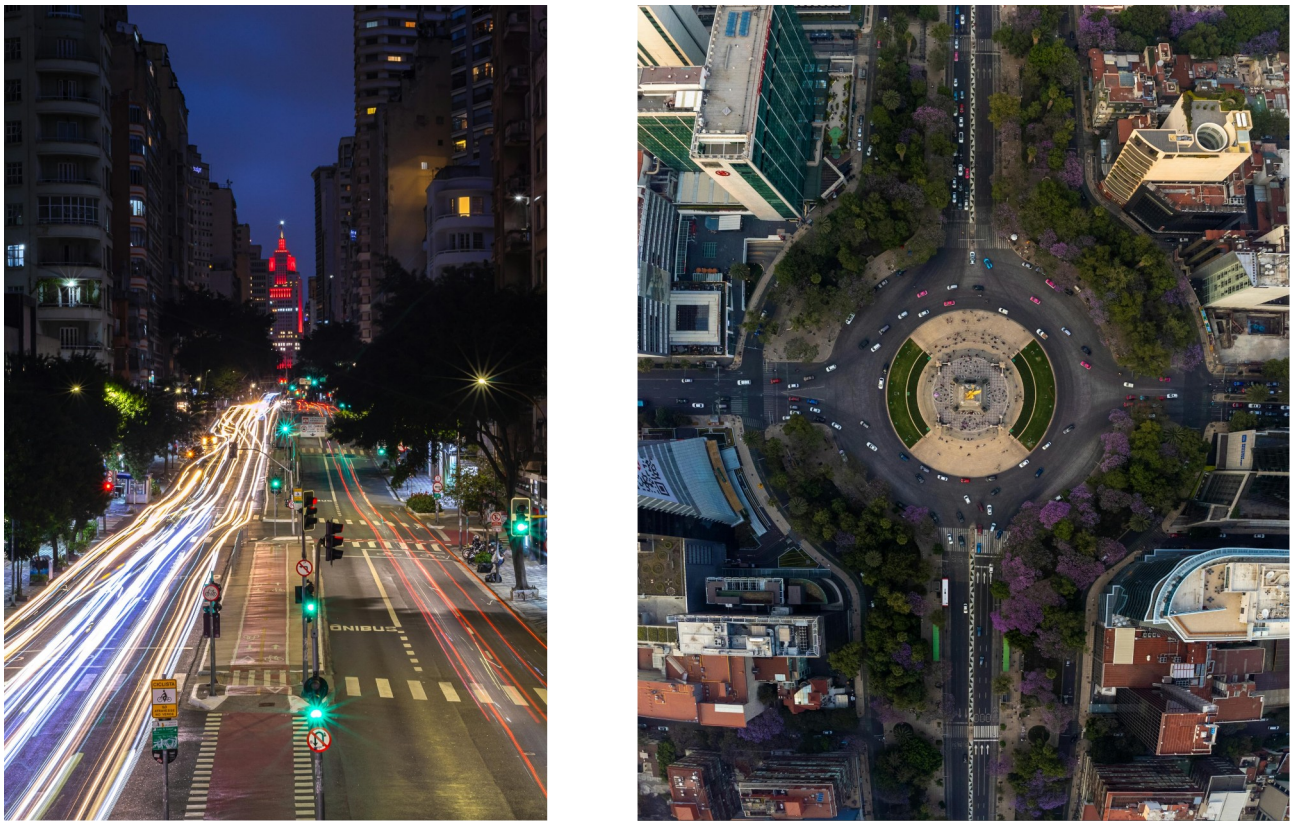

Figure 1: Traffic lights or traffic circles. Both are functioning systems, but with different logic. It rarely makes sense to combine them. Leadership is more like the traffic circle concept. I am building a system that does not need any additional external resources to control it. I have to design it more carefully, but it is cheaper to operate and also scales more favorably.

The example of traffic lights and roundabouts illustrates how different the two approaches are. It's not about right or wrong, but about what fits the context and worldview.

Leadership RD is already being practiced in about 3% of organizations – and by organizations, we mean everything from families to clubs, churches, and companies. But in literature, it's often still tied to management, which causes it to lose clarity and its advantages. We'll explore why this happens from a psychological and neurological perspective.

Leadership RD focuses on organizational design. It's about creating an environment that works. I build systems that do their job, without relying on me. *Leadership RD* is like healthy parenting: having the right people, in the right place, at the right time, in the right context, with the right direction.

> Note: In the overview, we start with the effect, but in the DeepDive, we begin at the foundation and build on that – and that's intentional.

Core Concepts of *Leadership RD*

Purpose

If I had to sum up the essence of leadership – whether as a parent or in a business – in one sentence, it would be:

> "Don't manage people, manage purpose."
>
> Simon Squibb

That sentence contains the most important part. Let's break it down step by step.

Purpose is your direction, your "inside." We'll explain what this "inside" means in the chapter on Limbi (our limbic system, the emotional center, our social intelligence). Limbi represents the inside, while the neocortex represents the outside – our active rationality.

Control flows from my inside, through the outside, to your inside. When the inside of a system is clearly defined, I leave it alone – because everything works. That's the core of good organizational design. I provide direction and boundaries. That's purpose and values.

> It's like an engine: when it's running, I don't open it up to check inside. That would disrupt everything.
>
> But we need warning lights to show when the internal condition isn't good. This is key in leadership: I don't want to disrupt the system, but I do want to know the truth about its internal state – even if it's uncomfortable. True leadership understands that problems only grow bigger and more expensive if left unresolved. "Solve problems while they're small." We'll always make mistakes in organizational design.
>
> Whether we want real warning lights to keep the internal state in check, or prefer to be comforted by pretty but misleading reports, is a personal choice.

Leadership means determining whether the purpose is clear. If it needs adjustments, I define the new purpose and bring it into the system. Leadership must also ensure the system is built so that it doesn't forget the purpose or replace it with rules.

We don't want the 10 Commandments to be watered down by hundreds of rules. Rules only affect the outside, not the inside. Rules and restrictions are punishments for Limbi. They work for the neocortex but harm Limbi. That's why we need a good balance.

Collaboration

This balance builds on the purpose. We need both purpose and collaboration.

> "The doers are also the thinkers." – Steve Jobs

In an interview, Steve Jobs mentioned Leonardo da Vinci as an example because he was both an artist and a chemist (to make his own paints), as well as an architect and an anatomist (to understand the human body) – and much more.

Just as one person can have many skills that come into play at the right time, organic teams work in the same way. Leonardo trusted all his skills and used them when needed or balanced them out. That's how we need to operate in teams. The artist inside might want one thing, but the chemist or anatomist might say, "That won't work."

Just as Leonardo didn't need a central control unit to balance his skills, our neural network (see The Power of Complexity) – our social brain, when developed and trained – works the same way.

That's true collaboration. That's a truly intelligent organization.

Radical Collaboration: Zonen-Hühner

In a TED talk, Jim Tamm discussed collaboration studies at Purdue University. It's about chickens – groups of high-performing chickens and groups without high performers.

Why are the high performers considered high performers? Not because they're so amazing, but because they suppress the other chickens. If I make the others look bad, I become the best. (This is about egg production, so we're talking about female chickens, but the same principle applies in all social structures.)

> This dynamic can also be seen in the lower stages of Tribal Leadership and in Transactional Analysis. Many of our social structures are based on zero-sum relationships.
>
> An "irrelationship" looks like a real relationship on the outside, but it has a dysfunctional dynamic. It can be transactional, exploitative, or even abusive. Abuse contains a consensus – at least until the act is done. Afterward, the consensus is revoked, and energy is drawn from the victim role until the cycle repeats.
>
> In leadership, I must recognize these mechanisms but not get stuck at the surface. However, I don't have to be able to solve all issues, there are professionals for that.

High performers are highly aggressive, pecking at and bullying others. That's what chickens in the red zone look like. Economically, this isn't sustainable, and there's no simple solution. We need a new approach.

> Does this remind you of bullying? Rightfully so. It's the same principle. We often think, "They don't need to act like that." But underneath lies insecurity and perceived worthlessness. I have to make someone else look worse than I feel about myself.
>
> The essence: If I'm willing to put others down, then in my eyes, I'm worth nothing.

So, the question is: Would chickens that think and act collaboratively – without high performers, just good, social interactions – be productive enough?

These chickens were selected, isolated, and bred for this behavior. They are the green zone chickens.

After five generations, the productivity of the red and green zone chickens was compared. The differences were dramatic: the green zone chickens were healthy and productive, while the red zone chickens were in a terrible state – over half of them were dead, pecked to death by the others.

Productivity in the green zone increased by about 260% in one year (five generations).

Lessons Learned: Red-zone environments (internal conflicts, hostile thinking) create red-zone behavior. Instead of external competition, we find internal competition. In the red zone, individuals only think about their small system (ego) and want to be the best within it. The larger system doesn't interest them. On the contrary: they're willing to destroy the system for personal gain.

Green-zone environments, where people support each other, think and act cooperatively, and train collaboration skills (like DSS – Deep Soft Skills), produce more output.

Now, we each have to decide which culture we want. Leadership clearly aligns with the green zone, with collaborative systems. Management systems are based on red zone assumptions. Especially dangerous are red zone systems that paint themselves green – we see this often today. It's crucial to recognize the true nature of a system. And for that, we need...

Limbi

At OrgIQ, we lovingly refer to our limbic system – the part of our brain responsible for emotional and social intelligence – as "Limbi." Limbi is always with us, and neglecting it leads to a range of organizational problems. By "organization," we mean everything from families to clubs, political parties, churches, companies, and society as a whole.

Limbi governs our emotional and social intelligence. Real relationships are built more through Limbi than through the neocortex, our conscious thinking brain.

From the moment we're given a pacifier, Limbi is suppressed rather than developed. In the "civilized" world, we focus more on the external than the internal. With babies, we focus on behavior and noise – and try to control those external factors. That's when the pacifier comes in. But behind every external action, there's an internal cause. If we don't develop and train our internal world, it remains empty. Everything on the outside becomes an attempt to "fill" the inside – but that doesn't work. The inside stays empty, and the hunger grows.

Seeing the world through Limbi's eyes makes things clearer. (see also Top-Management Wishlist)

A Rat Story: Rat A and Rat B

Both rats are in a running wheel, and the goal is to evaluate the positive effects of exercise. Both train the same amount. The only difference: Rat A chooses when to run and experiences all the benefits of exercise – it's fit and healthy. Rat B is forced to run whenever Rat A does. While the exercise is physically good for it, Rat B shows signs of stress and burnout.

The key difference is choice. When we can decide our actions, we're more balanced – or at least we feel like we are.

Link: Forced and voluntary exercises equally improve spatial learning and memory and hippocampal BDNF levels

This simple example shows how easy it is to suppress and block Limbi, even when things look fine on the surface. External control weighs heavily on Limbi. Rules and restrictions, in particular, are direct punishments for Limbi. Understanding this connection can be a game-changer.

Leadership RD is Limbi-friendly. We want to use not just our cognitive or technical intelligence but also our emotional and social intelligence – and keep them in balance. They need to work together.

This will require a shift in thinking, because so far, we've viewed learning mainly through the neocortex. When we say "neocortex," we actually mean the prefrontal cortex (PFC), but "neocortex" sounds cooler and avoids using acronyms.

Almost all corporate training is aimed at the neocortex – even topics that should really be geared toward Limbi.

But Limbi doesn't have language. We can't "fill it up" the way we can with the neocortex. Limbi escapes traditional approaches, which is one reason we often ignore it.

The Pacifier

We learn how to behave. We learn the right roles, wear the right masks, and build walls to protect ourselves. Driven by the thought "this will never happen to me again," we build a prison for Limbi. Inside, it withers away. But not only that: we rob ourselves of intelligence. We live at half capacity – or less, because part of our neocortex is busy suppressing Limbi, and another part is simulating Limbi's capabilities.

What happens is that we simulate our social intelligence using the neocortex. It's like having a powerful GPU in your computer but not using it, forcing the CPU to do all the work.

It works, but not well. And it overloads the CPU. The CPU spends 80% of its time doing things it wasn't meant to do – and not doing them very well.

Muscles

We see this with muscles, too: when a muscle isn't trained, we compensate with poor posture or other muscles. Maybe you have pain in your right knee from overuse. Normally, you'd bend your knee when going upstairs, shift your weight onto it, and the muscles around it would stabilize your step. But to avoid pain, you start putting more weight on your left leg and dragging the right behind, without fully using it. This overworks your left leg, leading to hip or back pain. Eventually, you risk long-term issues on the left side.

That's what we're doing to Limbi in society. But here, the poor posture is fear-based. We're afraid of losing control. (Link to "Internal Disorder Leads to External Rules/Environment")

Leadership Hypothesis

Even in studies showing high psychological safety, I claim that we've only achieved 7-11% of what's possible with a healthy, balanced Limbi. We have no idea what true social intelligence could look like – and how much it could change everything. But other cultures provide examples of what's possible.

Link: Maslow and the SikSika

Top-Management Wishlist

Why is this relevant? We looked at the top challenges for CEOs, C*Os, HR, and team leaders for 2024. What are the key issues in organizations? Where do they come from? And how can we solve them?

> "Before you heal someone, ask them
> if they are willing to give up the things that make them sick."
>
> Hippocrates

Here's a spoiler: All these challenges align well with *Leadership RD*. You could even say they are self-made problems. Our worldview (models) shapes the solutions we see. When we include Limbi, collaboration, purpose, and *Leadership RD*, many of these issues become easier to solve – some even trivial. Without Limbi, we not only reduce the intelligence of the system, but we also unintentionally disrupt it because it falls into our blind spot.

Here's a simple example, but hopefully helpful:

Imagine you're wearing glasses that only show shades of gray, and you work in a clothing store. A customer asks, "Can you show me the orange jacket?" You can exclude some jackets based on the shades, but many colors will look very similar. You'll often get it wrong, and it will be difficult – if not impossible – to get it right.

This will affect you: You'll find the job impossible, feel uneasy and insecure, and respond in certain ways (fight, flight, freeze, fawn).

Now I take off your glasses. Suddenly, you have a new worldview – you can see colors – and everything becomes much easier.

Worldviews are often underestimated, even though experts like Virginia Satir pointed out their importance back in the 1970s. All the information that reaches our consciousness is filtered through our worldview and beliefs. So, we see the world through these "glasses". Our worldview can make us blind without us even realizing it.

Top-Management Challenges Rephrased as Wishlist

From the OrgIQ perspective, we envision an organization with high technical and social intelligence. This means we avoid anything that suppresses or harms the emotional brain, known as "Limbi." Even better, we create a positive environment for Limbi. This is largely a matter of worldview and alignment.

This doesn't mean that everything we've done so far is unnecessary or that OrgIQ provides all the answers. What we've accomplished up to now is good and important. OrgIQ expands our worldview and increases the range of possible solutions. It's not a replacement but an addition. To technical intelligence, we add emotional and social intelligence. With this combination, we can create organic systems, which are humanity's secret to success: intelligent systems with minimal resistance, bottlenecks, and friction.

Sometimes, we realize that certain practices are no longer necessary in this new worldview—or even harmful. It's like seeing colors for the first time; suddenly, everything becomes clearer. That's how OrgIQ works: it makes visible what was previously hidden.

Wish 1: Smooth transformation (agile, digital, AI, etc.) & active and intelligent response to technological changes and external disruptions

OrgIQ Perspective: The key is that we need to intelligently respond to changes in our environment. "Intelligent" means learning, adapting, and being proactive.

Social systems are particularly good at this because they tap into the intelligence of the entire system. The prerequisite is that Limbi feels safe. Without an active Limbi, there is no social intelligence or collaboration. In an intelligent organization, transformations happen automatically to respond to external complexity and disruptions. Decentralized subsystems respond much faster than any central control could.

Wish 2: Working scaling, global growth, cultural integration & inclusion

OrgIQ Perspective: These are issues of social intelligence, which also rely on an active Limbi. Intelligent organizations will naturally limit themselves to organic growth.

Wish 3: High levels of innovation and creativity

OrgIQ Perspective: Limbi is the center of creativity, innovation, and transformation. For Limbi to thrive, it must feel safe and be active. Alignment between Limbi, the neocortex, and purpose is essential.
Limbi is particularly active when it can "play" – that means experimenting, trying new things, and exploring. We need an environment and worldview that allow for this.

Wish 4: Compliance & sustainability

OrgIQ Perspective: This is about moral and ethical behavior. Social intelligence optimizes for the question, "What is best for the system?" In practice, we often avoid social intelligence because it prevents immoral and unethical behavior. Credible, lived values are key. These values apply to everyone, everywhere, all the time. Morality and ethics cannot be faked. There's a close interaction between Limbi and the neocortex that fosters trust and lowers resignation.

Wish 5: Strong position in the "war for talent": effective talent acquisition, retention, emotional health

OrgIQ Perspective: These issues all relate to credibility. Do we live what we preach? Limbi is our center for emotional and psychological safety. When we have that safety at all levels (I can be myself, I can learn, I can contribute, I can question), stress is low and emotional health is high.

Wish 6: Responsibility & accountability

OrgIQ Perspective: These are key elements of collaboration and social intelligence. But like all these skills, they need to be trained. They cannot be ordered or forced. We need an environment and guidance for them to develop.

Wish 7: Active engagement, learning, collaboration, and high productivity

OrgIQ Perspective: Social intelligence means that together, we can achieve more than we could individually. Limbi is our motivation and learning module. When Limbi is aligned with purpose, we need far less force and discipline. These things flow naturally.

Wish 8: Team and cross-team cohesion

OrgIQ Perspective: Social intelligence doesn't stop at team boundaries – we want to connect. Even though the number of connections may be limited, each team member has different external contacts, creating a high level of networking right from the start.

For true cohesion, we also need a clear purpose and the guiding question: "What is best for the system?" The system must always be bigger than ourselves; otherwise, it's just ego. And it's this ego that creates the problems mentioned here.

Wish 9: Smart response in crises and under pressure

OrgIQ Perspective: Social systems are built for complexity and unexpected situations. They need a clear direction and purpose. Since they don't try to control the environment, they are perfectly stable internally and can handle anything that comes their way.

Social intelligence and cohesion also help prevent us from getting stuck in our reptilian brain (fight, flight, freeze). Trust in each other and the system creates the ability to act.

By collaborating, we find balanced solutions that cover all aspects. It's better to meet all needs at 90% than to focus 100% on one and only 30% on the others.

In these OrgIQ perspectives, we can already see that the problems arise from treating humans like machines.

In organizations struggling with these challenges, the proposed solutions often include "more human = machine" thinking: more processes, more pressure, more rewards for individual performance. This mobilizes the ego instead of promoting collaboration.

The problem isn't the people – it's the system. And systems are based on worldviews and beliefs.

Limbi

As mentioned earlier, the focus here is on our social intelligence – Limbi. But before we dive into Limbi, let's quickly set the context.

How the Brain Works – A Journey Through the Three Parts of Our Thinking Organ

We'll keep it simple and divide the brain into three parts: the reptilian brain, the mammalian brain (Limbi), and the human brain (Neocortex).

Before we explore these parts – and focus on Limbi because the Neocortex already gets enough attention – here's a quick story:

"Freedom from the Reptilian Brain"

I was in Vienna, and after a conference, I wanted to explore the city. I took the train downtown and was walking toward the pedestrian zone when I had to cross a street. There were several crosswalks in a row. While people were moving across the street, a police car with flashing lights approached.

Everyone on the crosswalk moved aside to let the car pass. Everyone? No, an older woman stood directly in front of the police car and didn't move.

The police car turned on its siren, but even that didn't help. She just stood there. She looked around, noticing that everyone was staring at her, and then glared defiantly at the police car – as if to say, "How dare you?" Eventually, she slowly walked away.

Now, it's easy to think, "Wow, what's wrong with her?" And many people probably did. Judging is easier than understanding. But why do we sometimes get stuck in a neural deadlock? What's happening?

It's our core patterns and programs that show up in these situations. When we're in familiar situations, our brain builds neural "highways" – we know what to do, and everything flows smoothly. When we first encounter a police car as a child, our parents take us by the hand, move us out of the way, and explain what's happening. This sets the path for handling it calmly later on.

Things get interesting when we face a new situation, one for which we don't have a program or reflex.

The reptilian brain reacts instantly: Fight, Flight, or Freeze. In the case of the woman on the crosswalk, it was obviously "Freeze." Her Limbi looked around and saw that the group had left her behind. Limbi thought, "I'm alone," which intensified the danger and led to even more freezing.

> Of course, this is just speculation, but maybe she was also caught in an internal conflict: after all, the police also represent safety. Perhaps this contradiction created her deadlock.

At this point, the Neocortex still didn't know what to do – and we shouldn't forget that stress hormones like cortisol also slow down the Neocortex. But one thing was clear: avoid losing face. And a simple strategy for that is to blame others. So she thought, "Everyone else was wrong, not me." And with that thought, she walked away.

Our brain works like a highly complex team, constantly coordinating our thinking, feeling, and actions. Each "team member" has its role, and only by working together can they help us respond appropriately to the environment.

In this case, the teamwork didn't quite work. And I think we've all been in situations like that woman's. We can learn a lot from these moments – about our programs and how our brain's parts work together.

The Reptilian Brain – The Master of Reflexes

The reptilian brain is the oldest part of our brain, and it's similar to what reptiles have. It controls our basic survival functions and sits deep in the brain, just above the spinal cord.

It regulates automatic processes like breathing, heart rate, and body temperature – everything we don't need to consciously control. For example, it ensures that we breathe even while we sleep, or that our heart rate increases in stressful situations.

One of the reptilian brain's standout qualities is its speed. It detects danger in an instant and reacts immediately. If, for example, a car is approaching, the reptilian brain makes us instinctively jump out of the way – long before our conscious mind processes the situation. Without this function, survival in dangerous situations would be much harder.

> As mentioned earlier, this part of the brain handles Fight, Flight, or Freeze responses. There are also other fear patterns, which are more long-term strategies that develop from these basic responses. "Fawn" is one common pattern – a strategy –, and it can stem from Fight or Freeze. That's what the Neocortex makes of it.

The Limbic System (Limbi) – The Center of Emotions

Just above the reptilian brain lies Limbi, responsible for emotions and memories. It's the emotional engine of our brain and plays a key role in processing feelings and storing experiences.

Limbi generates emotions like joy, fear, anger, or sadness. It also stores emotional memories and uses them to influence future reactions. For example, if someone was bitten by a dog, Limbi ensures that this memory stays, so the person is more cautious around dogs in the future.

While the reptilian brain reacts reflexively, Limbi brings emotions into play. It evaluates situations based on past experiences and decides how we should feel. This emotional guidance is crucial for recognizing potentially dangerous situations and reacting appropriately.

The Neocortex – The Center for Thinking and Problem-Solving

The Neocortex is the largest and most evolutionarily recent part of the brain. This is where complex thinking happens. The Neocortex allows us to think about problems, make plans, and come to logical decisions.

It's the part of the brain responsible for rational thinking. It helps us analyze information and choose the best course of action. If Limbi warns us about dogs based on a negative experience, the Neocortex can reassess the situation and determine that the dog is harmless in the current context. This is how the Neocortex adds logic and rationality to decision-making.

Unlike the emotional reactions of the Limbic System, the Neocortex makes considered decisions. It gathers information from other brain regions, weighs it, and then initiates the final response. This ability allows us to think about the future, make plans, and come up with rational solutions to problems.

Another Perspective: Consciousness and Subconscious

In one of her seminars, Vera F. Birkenbihl asks a thought-provoking question: How much of the brain's total data processing are we consciously aware of? Most of us are familiar with the iceberg analogy, but Birkenbihl uses a different comparison: a stretch of distance.

Imagine the subconscious is a 17-kilometer-long stretch. How much of that represents the conscious mind?

Most of us realize that consciousness accounts for less. Even though our conscious thinking is always active, not everything our senses detect reaches our awareness. Most of the processes in our body run smoothly without us having to control them.

That's why I think a different analogy is even more helpful: Imagine your consciousness and subconscious like a smartphone.

Consciousness is like the smartphone's user interface. It includes all the visible apps, menus, and functions, like the home screen layout, icons, notifications, and the actions you perform – tapping, swiping, navigating.

But that's only a small part of the smartphone. Behind the scenes, there's so much more: the operating system, the servers behind the apps, the AIs in social media, and the networks connecting everything. This massive, hidden infra-

structure decides what you ultimately see. It gets to know you, learns what you like, and aligns with your worldview and beliefs. Everything that shows up on the user interface is carefully selected for you.

Figure 2: What we see and what we don't see. And the proportions shown are nowhere near right.

What you see on the screen is your conscious mind. But everything happening behind the scenes (the operating system, servers, AIs) represents your subconscious. You experience the conscious decisions while your subconscious controls many processes that influence your behavior – without you noticing.

So, have you thought about how big your consciousness is compared to the 17 kilometers of your subconscious? It's only 15 millimeters. That means only 0.001% of all data actually reaches your "user interface." That's why it's so important not to rely solely on those 0.001%, but to tap into the rest of your intelligence as well.

Inside and Outside

Now that we've looked at the brain, let's talk about leadership in any type of organization – whether it's a family, business, or society. The core principles remain the same.

So, let's simplify things and create a model for organizations and systems. We have an "inside," an "outside," a system boundary, and the environment. The outside is what's visible at the interface – the actions. The inside represents direction and identity. The inside is where direction and purpose come from.

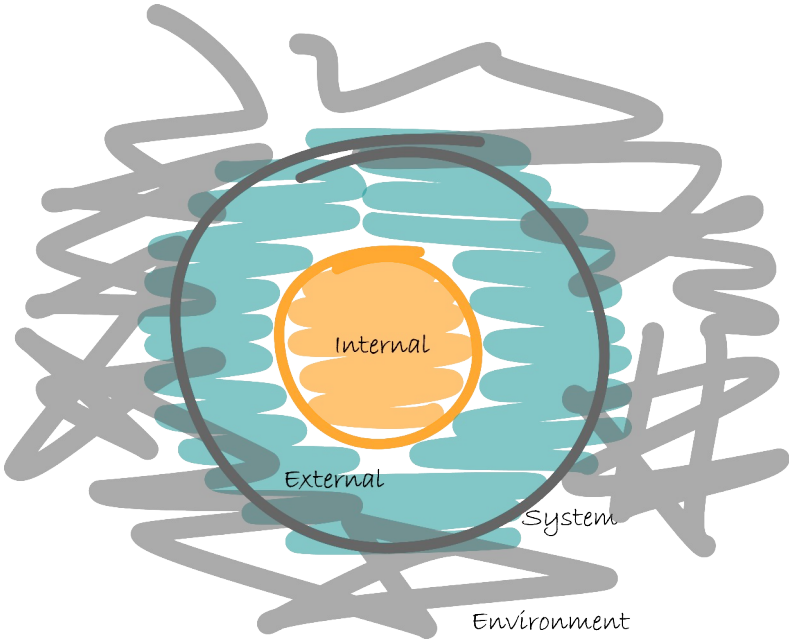

Figure 3: In a functional system, we have the inside and outside in a coordinated interplay. And we have the boundary to the environment. The inside gives us meaning and direction. The outside interacts appropriately with the environment.

Purpose and direction determine the effect the system has on the environment. In our diagrams, the gray circle represents the system boundary. The purpose of a system must exist outside this circle and have an impact beyond it.

Deep Soft Skills (DSS) Lesson: Egoism means focusing only on ourselves. This makes us not just useless, but harmful to the system – more like a tumor than something beneficial.

Dysfunctional systems often start with good intentions but eventually overwhelm us. Over time, we become solely focused on maintaining the system (or ourselves), losing sight of the original purpose. We've lost our value to the environment.

This is something we feel in organizations, too. People show up only for the money or the comfort. They're unhappy, they complain, and they get paid for it. It's a pretty sad existence.

These two elements – inside and outside – also align with how our brain is structured.

In our simplified view, this corresponds to the Neocortex and Limbi. Limbi is the inside – our emotional center that comes before any rational thinking. That's why it's not a good idea to suppress, ignore, or rationally simulate Limbi.

> "One sees clearly only with the heart [Limbi];
> what is essential is invisible to the eye [Neocortex]."
>
> Antoine de Saint-Exupery

We can't just remove this part of ourselves. But what happens is that this part of the brain often remains untrained – like a muscle that's never used. It doesn't disappear, but it becomes weak and gets in the way.

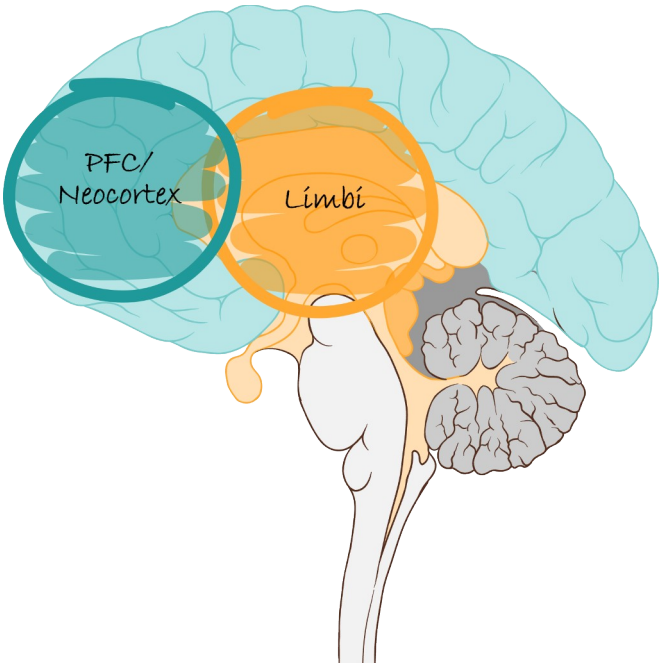

Figure 4: Of course we are simplifying dramatically here. Models are always wrong because they are abstractions, but we think the models are useful. Understandable and easy to apply.

Limbi is our compass for values, our center of direction, and our source of motivation. If we don't train it, we feel that familiar inner emptiness.

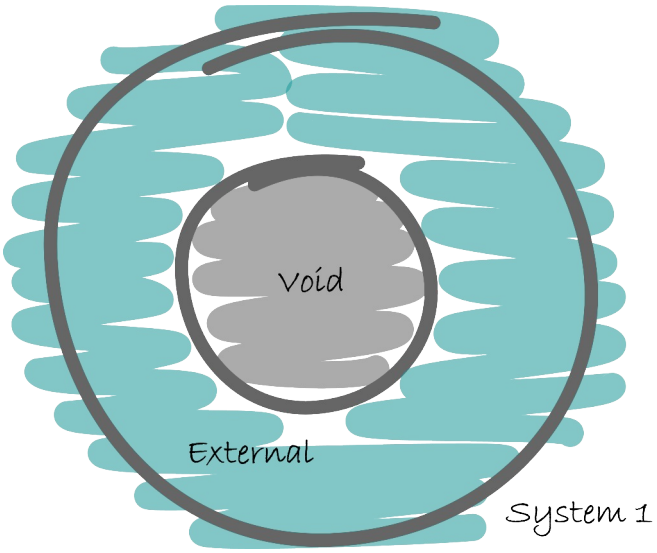

Figure 5: If I lose or forget my inner self, then I will carry on as normal on the outside. This is usually the case when the founders leave or turnover becomes the new goal (purpose).

For a while, our external actions might still have some direction – through discipline or habit. But when our inside remains empty, we try to compensate for that lack of inner purpose with external actions.

> "All unwanted behavior communicates an unmet need or underdeveloped skill."
>
> Rachael Rogers

When our inside is empty, there comes a point – maybe in adolescence – when we feel the hunger and try to satisfy it. The outside becomes more focused on itself, forgetting what it was originally meant for.

This applies not just to individuals, but also to organizations. An organization can also forget its purpose and become self-centered. (see The Success Fallacy)

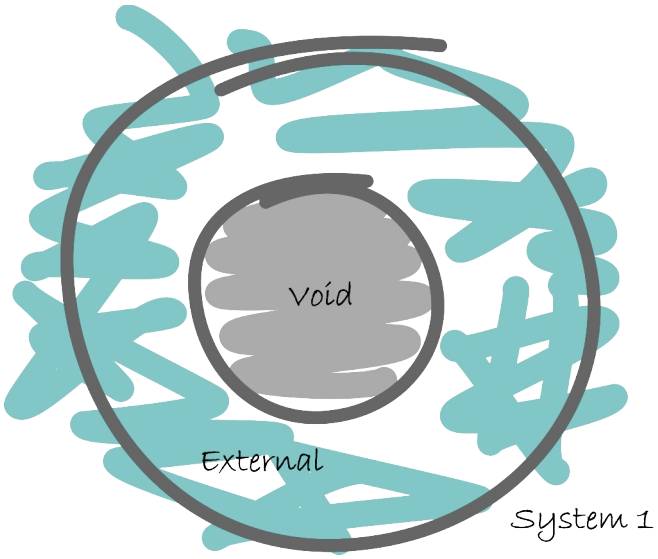

Figure 6: But as time goes on, the external actions become more confused and contradictory. Too much politics and self-interest. There are no values or overriding purpose to which everything can be subordinated.

The tipping point often comes when revenue becomes the only and most important metric. When we manage purely based on revenue, the outside has lost all sense of direction. The system becomes chaotic and headless.

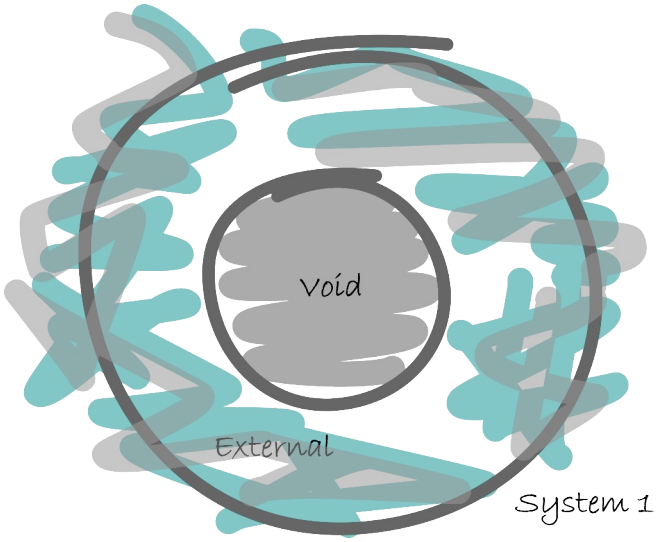

Figure 7: Instead of establishing control, we are ramping up control. So we hire directionless people who control the other directionless people and decide in each individual case according to unclear criteria. This makes the system even more confused, slower and more expensive.

Nobody knows where we're going anymore, so everyone runs in different directions. People start working against each other, and it's always someone else's fault. Ego and politics take over.

We fall into the chicken or reptile mode: the system gets dumber and dumber.

This scenario probably sounds familiar to many of us. Either we've never known anything different, or we've lived through it for a while. Things can, of course, get worse. In these situations, many organizations respond by increasing pressure through more control and reporting.

Each headless chicken is accompanied by a headless management team. They also lack direction, so they make case-by-case decisions, hoping it will somehow boost revenue. This slows everything down even more. Structural decisions can take months or even years.

As we saw in the Top-Management Wishlist, it's not smart to work against Limbi. You can't suppress Limbi without consequences. What gets suppressed in one area shows up in another: burnout, depression, sabotage, quiet quitting, office politics, rumors, bullying, or other forms of resistance.

Since we don't have a revenue model that reflects the internal state of the organization (which often lags by years), everything remains chaotic. Thanks to the inertia of large systems, no major damage is done. We stay in the familiar chaos without reacting to every wild idea. The organization reaches a high level of resignation. This isn't resilience, but frustration. Still, it's stable – like a giant container ship: slow, but on course. Not intelligent, but at least moving.

Sitting through the chaos is often the best thing we can do in such situations. Inertia is a poor substitute for direction, but it's something.

And yes, even such organizations can rank highly in a "Great Place to Work" survey[1]. But measuring resignation levels would be more insightful. Resignation reflects the internal state of the people. How much have they given up?

So, what do we do in this stuck, hopeless situation? The answer is clear: Leadership. We reinstall a sense of direction. What is the value of our organization to the outside world? What is our purpose? With this sense of direction, we activate the Limbi of both the people and the organization.

When talking about inside and outside, we should also mention W. M. Marston. We'll keep it simple, but his core idea is important, and it serves as the theoretical basis for "Don't manage people, manage purpose."

Here are his four key sentences, linking behavior to worldview. And worldview is what it's all about:

"Dominance produces activity in an antagonistic environment.
Inducement produces activity in a favorable environment.
Submission produces passivity in a favorable environment.
Compliance produces passivity in an antagonistic environment."

This shows us how crucial it is to understand how we perceive the world. In a hostile world, all we care about is action. We manage the outside from the outside.

In a friendly world, we want to engage the "heart" (Limbi) in the process.

1 We will go into this in more detail in the next chapter.

Neocortex & Limbi

Limbi is primarily sensitive to "danger." While the example of the saber-toothed tiger is often used, Limbi is actually more sensitive to social dangers. The question is: Are we safe in our "pack"? If we can't trust our pack, then the saber-toothed tiger becomes a problem again.

Can I sleep peacefully, knowing my pack will protect me and wake me if something happens?

This is the central question Limbi asks throughout our lives. That's why people sleep poorly when they have problems at work. Sleep disorders are a strong sign that we don't have a "safe space." And this "safe space" is social, not physical. If my pack (work environment) betrays me, I carry that home. This is the core problem with bullying – I no longer have a pack.

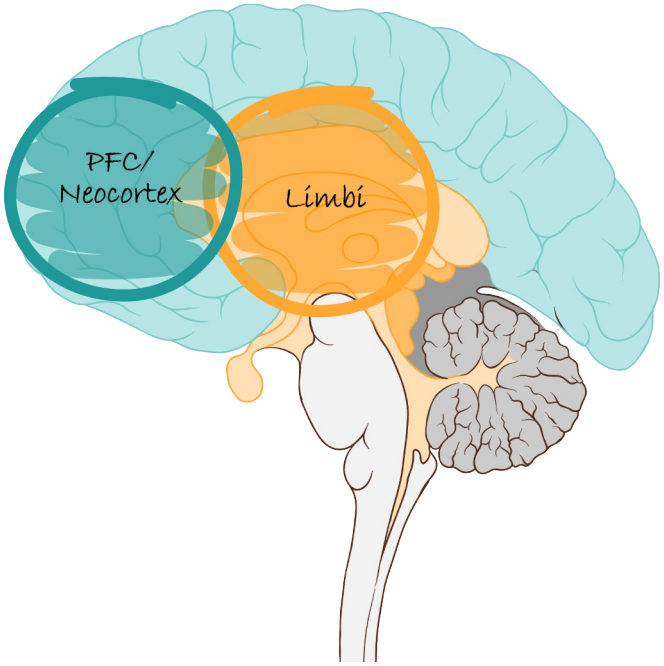

Figure 8: Of course we are simplifying here. Models are always wrong because of abstraction, but we keep the models useful. Understandable and easy to apply.

When we talk about emotional or psychological safety, we're talking about Limbi. There are two main points: First, we need a context where we feel safe – no danger.[2]

Once one Limbi in the system goes into panic mode, the others follow. Limbis function differently than the Neocortex. They feel each other and react instinctively. No logic, no control. They don't respond to logical arguments.

That's why we need to take current workplace surveys with caution. When "Great Place to Work" started, it was a great idea, drawing attention to areas that had been neglected.

It was a good first step. But more steps should have followed. Today, these surveys are often used to remain blind to reality – another case of "The numbers are fine." We ask the Neocortex for averages. But emotional problems can be masked by perks like a nice cafeteria.

These surveys show us that we can hide a hollow inside with a well-managed outside. This leads to not recognizing a "rotten apple" even though we have the tools to see it.

Relationships and social interactions don't work based on averages. It's about the worst-case scenario – what's the worst thing I've experienced or heard about?

2 We will look at exactly what this means in the next chapter.

In personal relationships, this is obvious. Few people would respond to infidelity with a balanced assessment: "Yes, they only cheat when stressed, but they're a great cook. So overall, it's fine. I'm only betrayed 2% of the time. The numbers are actually great."

But that's exactly how we act in "professional" environments. We're dehumanized, forced to suppress or hide parts of our identity, and that puts our Limbi into a state of constant panic.

We've been used to this since the first grade, often earlier. Sometimes, it starts with the first pacifier.

The pacifier says: "I don't care how you feel, I only care how I feel."

Now, the second point: Once we have a safe environment, there's still something else we can do for Limbi. Limbi isn't just the center for social intelligence but also for creativity, innovation, and learning.

Sure, we can learn under stress, but it's costly. When we learn with joy – like when we play and don't even realize we're learning – it happens much faster.

> "What we know from research is that it takes 400 repetitions of an act or a skill to build a new synapse. Or... 12 repetitions with joy and laughter to achieve the same result, because dopamine is released."
>
> Dr. Karyn Purvis

So, if we want to build Limbi-friendly environments, there are two steps: 1) Avoid everything that causes fear. 2) Work with joy.

Here are some images of joy in the workplace, as Limbi doesn't speak and needs pictures and emotions:

1. **Shared Success:** Employees celebrating the completion of a project – a high-five, a smile, a pat on the back. Faces showing satisfaction and pride.
2. **Focused Joy:** People deeply engaged in their tasks, enjoying their work – brainstorming or productive discussions. The moment someone finds a solution to a problem and shares it.
3. **Recognition and Appreciation:** A team supporting and motivating each other – through encouraging glances, smiles, or nods during a meeting.
4. **Productivity in Harmony with Nature:** Employees working in an inspiring space – perhaps a modern office with natural light and plants, where they're productive yet relaxed.
5. **Joy in Collaboration:** Employees enthusiastically participating in a whiteboard session, sharing ideas, and celebrating creativity. You can feel the energy flowing.
6. **Innovative Work in Action:** Engineers or developers excitedly working on a new prototype – a team working together with both fun and satisfaction.
7. **Long-Term Satisfaction:** A team proudly reflecting on the past year's achievements and also enjoying the process of planning for the future – shaping visions and goals together.

Today, from the beginning, we're trained to focus on the Neocortex. Whether in family, school, or work, everything happens on the outside – in the Neocortex.

Limbi and our "Deep Soft Skills" (DSS) remain underdeveloped. We learn behaviors and roles for the outside. Our Neocortex simulates trust and relationships. This is a societal issue, which we won't go too deep into here. However, as leaders, we must understand these mechanisms, even though leadership isn't coaching or therapy. We just need to understand enough to guide in the right direction.

On the other hand, creating an environment where Limbi can calm down and thrive is a big step toward healing.

We need to understand what Limbi is, what Limbi simulation in the Neocortex looks like, and how we can reach and train Limbi.

First, though, we must let go of what makes Limbi sick. That's also the problem with this document – it only reaches the Neocortex because Limbi doesn't speak the language. Limbi processes emotional images. That's why examples, pictures, and stories are so important.

Language, individual assessments, pressure, processes, deadlines, and control work well for the Neocortex – it can handle these things and sometimes even cooperate. But for Limbi, these are punishments. However, for all these tools, there are Limbi-friendly alternatives or complements that work for both the Neocortex and Limbi.

Deadlines are a great example: Instead of presenting them as pressure, we can frame them as a game or challenge. As a competition. What's important is that we truly start to see the world differently. If we only learn on the outside, Limbi notices right away and goes into panic mode – the pack isn't safe if lies and manipulation are involved.

However: If we've never been socially/emotionally "safe," Limbi knows something is wrong but doesn't know the ideal state. Even if we encounter it, Limbi won't recognize it. Limbi is programmed for the familiar. It also needs to learn what a healthy state looks like and build new neural pathways.

Safe Space – "There Is No Danger"

This phrase often leads to misunderstandings, especially when we talk about organizations, from families to societies. It's worth taking a moment to explain because it's a societal phenomenon, and for leadership, it's crucial to understand what we're working on and where we should focus.

When our Limbi says, "There is no danger," it doesn't mean that nothing can happen to us. It doesn't mean we're hidden behind safe walls and have the world under control.

Limbi assumes the world is dangerous and complex. But we can still feel safe if we are part of a functioning social group – our "pack." The focus of such social systems isn't on avoiding every danger but on how we handle challenges as a group. It's about being smart in dealing with difficulties. This includes actions like fleeing or defending together, but healing and repair strategies are also important.

Trying to predict and control a complex environment completely is expensive and immature. It means seeing the world as a machine – which it isn't.

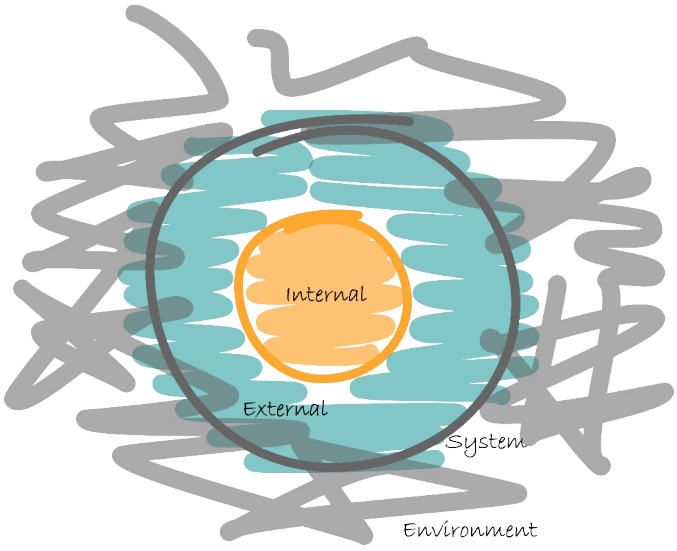

Figure 9: Limbi model: We have a clear identity and direction (the inside). This controls our actions on the outside. Because the environment is beyond our control. These systems are well aligned, fast, active and intelligent.

In practical terms, it means having a strong purpose outward and a clear direction. When I act or react, it's in alignment with that purpose, making sure the inside and outside are well coordinated.

Of course, I influence the complex environment around me, but it's outside my system boundaries. It's not within my direct control – though it's an area of interest, it's not my focus for shaping.

Today, we often see an alternative approach. It's popular in phenomena like "Wokeness 2.0" or "helicopter parenting," especially in contexts of "safety."

The idea behind it is to adjust the environment to suit our needs. Broadly speaking, this is the core of civilization, but maybe not as clever as it initially seemed.

The real issue here isn't so much that we try to control complex systems – although that often comes with high costs and resistance. External control is also tied to morality and ethics, which is often the root of this approach.

The more I focus on controlling the outside, the emptier and more lost I feel inside. I expect others to change so that I, the "poor victim," can feel comfortable. This isn't a smart or sustainable model.

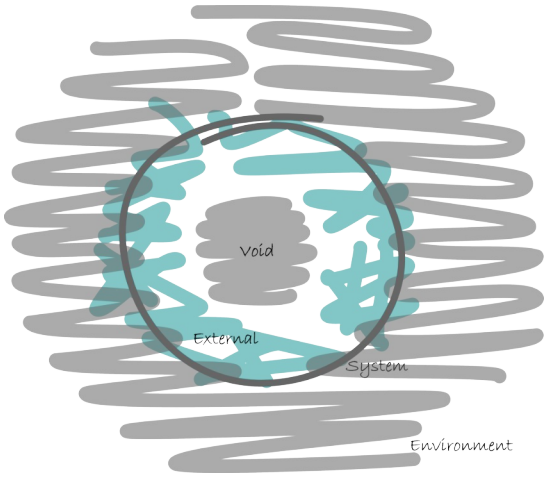

Figure 10: Model fear: I want to create a "safe" environment with rules, processes, tools and laws. Prediction is a compensation for safety.

It's worth paying attention to the signs where, instead of taking responsibility, we rely on rules, infrastructure, or laws. In these areas, we've lost our direction, our identity – our inside.

Leadership Basics: Personal Deep Soft Skills

We start with “inner emptiness” because that’s the starting point for 95% of people today. Our system, especially in the civilized world, raises us this way. From the beginning, our actions are observed and corrected. The assumption is that enough correction will eventually create meaning. But that’s not how we work.

We often recognize patterns, but without universal values, the corrections change depending on the situation. So we slip into different roles, usually without even noticing.

> “I’m always different, depending on who I’m with.”
>
> Conversation between teenagers on the subway

This shows: We don’t have a unified direction, just like the people who correct us. Everyone tries to control the outside from the outside, leading to a “headless chicken” scenario.

We see this in politics too, especially when we pay attention to what’s inside (direction, purpose, why) versus what’s outside (action, perception, behavior).

Ego vs. System

The question behind this is: Why do I do what I do? In our simple models, it depends on the size of the system – what is my scope?

Figure 11: The Diamond model is the minimum model for our inner life.

We already know the concept of inside and outside. The “diamond model” is just a small step further.

The basic idea is simple: We come into the world as unique diamonds. Our job is to let that diamond shine. But our up-bringing gets in the way. We are expected to conform to norms. And as we’ve seen, most people only care about the outside. Who we really are doesn’t matter.

Every time we are controlled from the outside, it hurts. A layer – soul poo – forms around our diamond, making us think: “I’m not right. I’m not enough.”

We see these layers when we look inside – and it’s not a pretty sight. So, we avoid looking inward, and we make sure others can’t look inside either. So, we build a facade. We learn what’s expected and play that role. In doing so, we move further away from our diamond, adding more and more layers around it. We spend more time and energy on decorating these layers.

From this perspective, “ego” takes on a new meaning. When we see ego in ourselves or others, it’s the decorative layer. It’s our little, hurt world, and we do everything out of fear that someone might look inside.

"If you have a knife stuck in your arm, your whole world becomes the pain – very small."

Danilo Assmann

Leadership doesn't judge, it seeks to understand and change. That's why we need to look carefully, listen closely, and understand what's really going on. Leadership isn't fooled by the facade. That's why it's important to have a broad system view and understand the scope of others.

We can distinguish the following stages, starting with the smallest world, and the scope grows:

- **Ego:** This is the decorative layer around the pain. Our walls, facades, masks, and roles.
- **Pain:** The pain itself is still a small world, but we get closer to the truth.
- **Diamond:** We have overcome the pain and are ready to see ourselves and others.
- **Diamonds of close contacts** (Dunbar Stage 1) (see Dunbar or "How to Build a Network").
- **Diamonds of loose contacts** (Dunbar Stage 2).
- **Diamond network** (Dunbar Stage 3).
- **Diamond network + customers.**
- **The world.**

Depending on the scope, the leadership question changes: "What's best for the system?" The more we see, the more perspectives we incorporate into the answer (see Resistance as a Guiding Tool). The best solution must really be the best for the whole system. A larger scope automatically leads to moral and ethical behavior.

Figure 12: A simple model for scopes for our system.

On the flip side, immoral or unethical behavior often stems from a small scope and usually from pain.

That's why it's important in leadership to know the key defense mechanisms or energy sources of the ego:

- **Self-harm:** This includes many forms where we use physical pain to distract from inner pain. This could be direct injury, eating disorders, risky sports or behaviors. Substance abuse and some types of dysfunctional relationships also fall into this category.
- **Self-pity:** This involves either pity from others or self-pity (victim narratives), which keeps us busy and prevents us from taking responsibility. We feel like everything happens to us, and if the world were different, everything would be fine. The inside is empty, and the outside is chaotic (see Safe Space – "There Is No Danger"), so we demand that the world adapts to us – which, of course, doesn't happen.

- **Compensation through having or doing:** This is the favorite in capitalism. Low self-worth is compensated through achievements or possessions. The rule of thumb is: the bigger the visible compensation on the outside, the emptier the inside. These are people who are driven to high performance by their pain, knowing no limits or morality. Hence the closeness to sociopathy and narcissism.
- **Devaluing others:** This is the most unpleasant stage. If I can't boost my low self-worth through achievements, I devalue everyone else. This causes the most damage to the system and is a driving force in bullying.

With this knowledge, we can analyze interactions between two systems, like between two people. Take parenting, for example: a typical interaction looks like this – an action comes from the outside, and the reaction also happens on the outside. For instance: a baby cries, and the parents give it a pacifier.

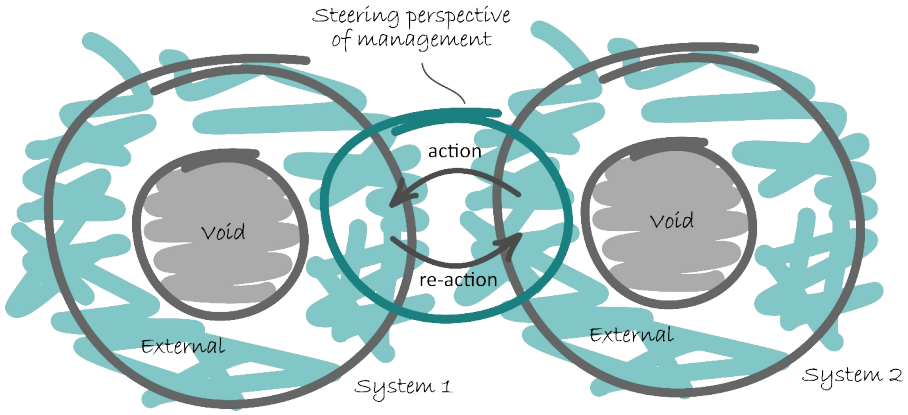

Figure 13: That's the world of the gadfly. I only act and react on the outside.

It's well-meaning, but we're not addressing the cause of the crying. We just want it to stop.

> "If we look closely, the pacifier says: 'I don't care how you feel, I just care about how I feel.'"
>
> Danilo Assmann

When we bring love into the equation – asking, "What's best for the system?" – we look more closely. We don't stop at the surface. Besides the external interaction, there's also an internal one. This is the essence of leadership: I see your inside too, your Limbi. I see, hear, understand, and connect with you as a whole person.

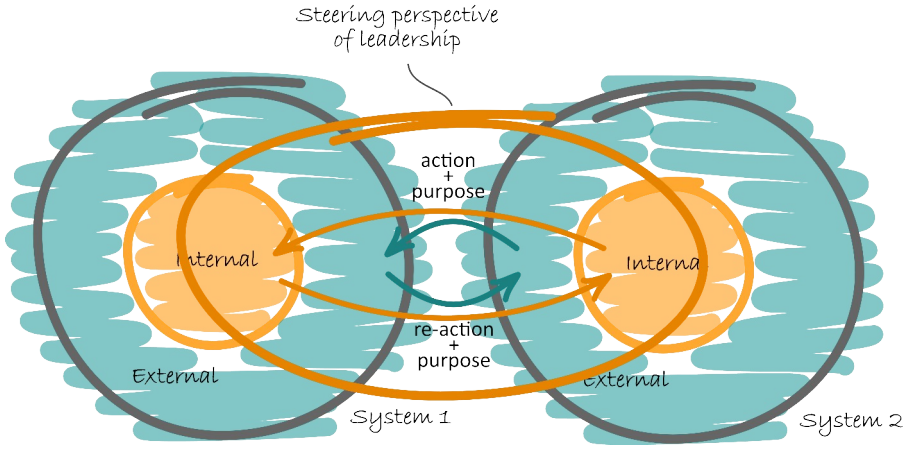

Figure 14: In the leadership system, everyone has an inside and we see the outside in the context of the inside.

Leadership doesn't rely on stereotypes. It's focused on change and growth. People aren't "bad apples." They're not idiots or jerks. They just aren't trained. Maybe they've never experienced love or true relationships. You could say they have a Kaspar Hauser Limbi.

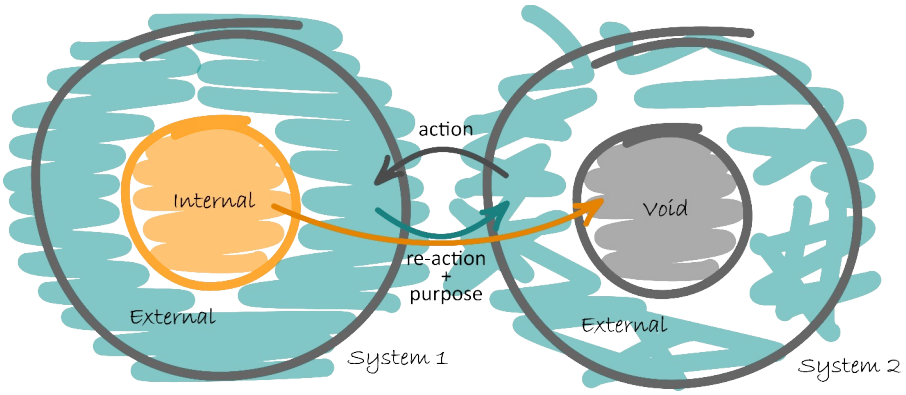

Figure 15: People are not rotten apples. It is difficult to use the imagery of "toxic" people because then there is no hope. People would then be garbage. But if people are just "untrained" at the DSS level, then it's something completely different. Because anyone who wants to can learn.

And that's where leadership is truly needed. At that moment, we might be the first people to meet them not just on the outside but also on the inside. We see the action, but we also ask about the context. Or we provide context from our own experience. We want to inspire their inside (Limbi) with our own.

We shouldn't expect miracles because it's a tough process. As we've heard, building synapses takes time (see Neocortex & Limbi). But we will see some effects soon.

That doesn't mean it's easy. You might think filling someone's inner emptiness would be a no-brainer. But it's not. That's why coaching or even therapy should accompany this process. And yes, just like we have cafeterias and gyms, we should have coaches and therapists in organizations. It's practical and much cheaper in the long run.

Another important thought is that learning and change happen in stages. It's not a steady upward line, but more like jumps from plateau to plateau. And the time spent on the plateau can be long.

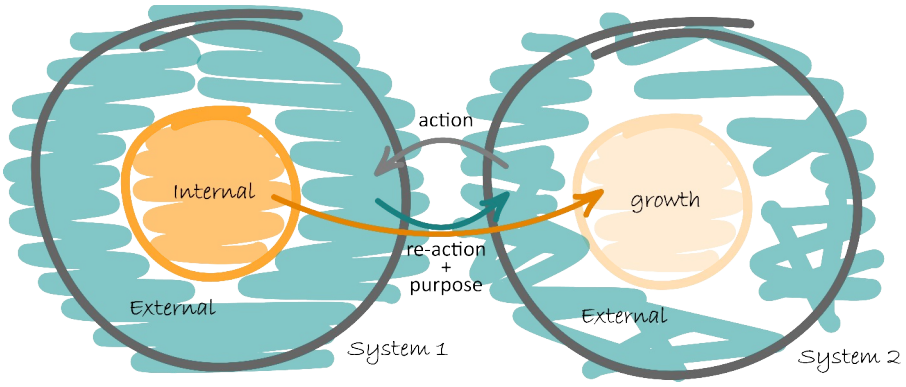

Figure 16: We don't need to expect miracles, but if we take a good look, we can see the first changes and learning effects very quickly. Learning means "I love the plateau!"

That's why the best learners are those who love the plateau. I need to enjoy what I do. And that joy often comes from understanding the "why."

> "I don't love every day of my job. Not every day brings me joy, and joy doesn't have to define a good day. **But I love the company every single second.**"
>
> Jensen Huang

Trained and Untrained

The first thing we don't need in leadership are categories like good and bad or right and wrong. They just distract us and aren't helpful for growth and development.

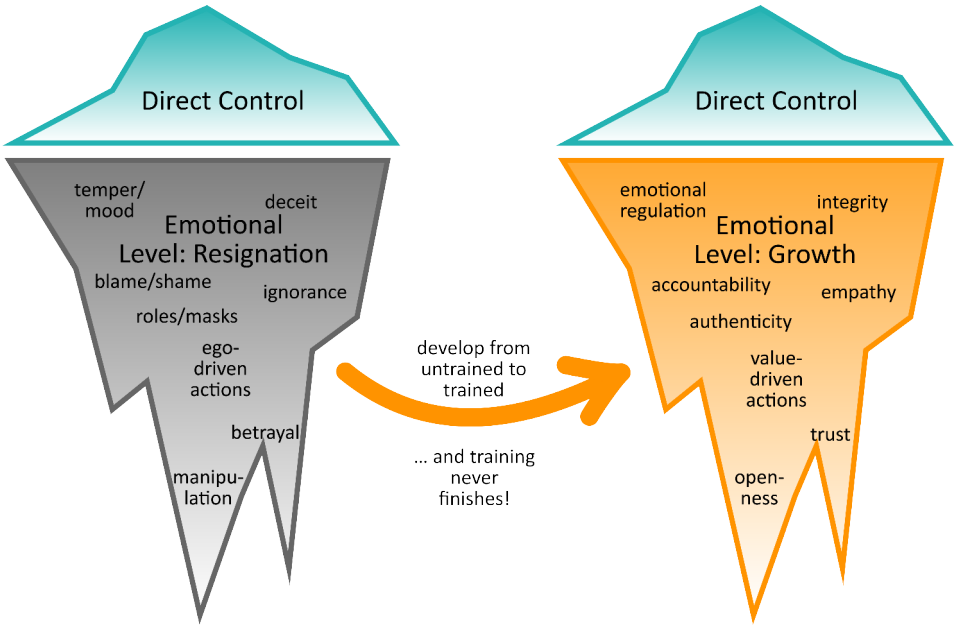

Figure 17: When the limbs become visible, the surprise is not only pleasant because most of them are untrained.

It's easy to see the world as full of jerks and idiots, but that keeps us stuck on the surface.

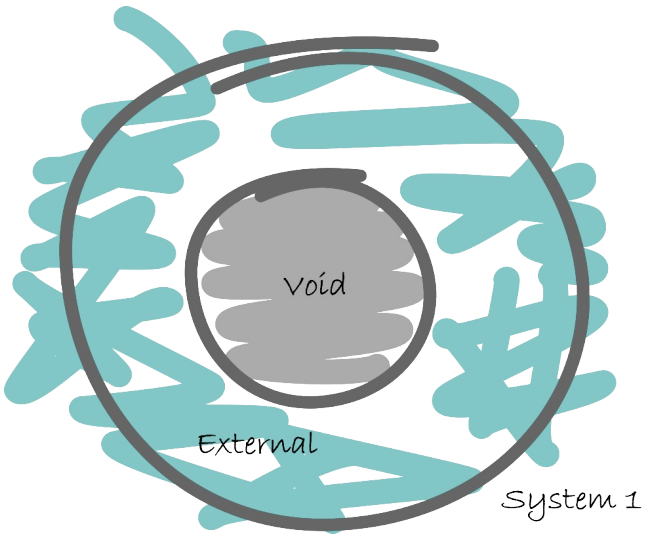

Figure 18: Without a core, a purpose, I only live on the outside. I act and interact. I follow role models and do what is opportune.

When it comes to Deep Soft Skills (DSS) and Limbi, we should think in terms of "trained" and "untrained," because these are skills. If you're asked to play a piece by Mozart but have never touched a piano, it's not going to work. But that doesn't say anything about your inherent ability—it just means you haven't learned the skill yet.

It's the same with all aspects of social intelligence. We all have different levels of training. And once we become more in tune with our Limbi, we start to notice how unskilled we still are in many ways.

Thinking in terms of trained and untrained is a process-oriented or growth mindset. It doesn't stop with static descriptions but focuses on development. That's the core of leadership: I create environments where we can grow.

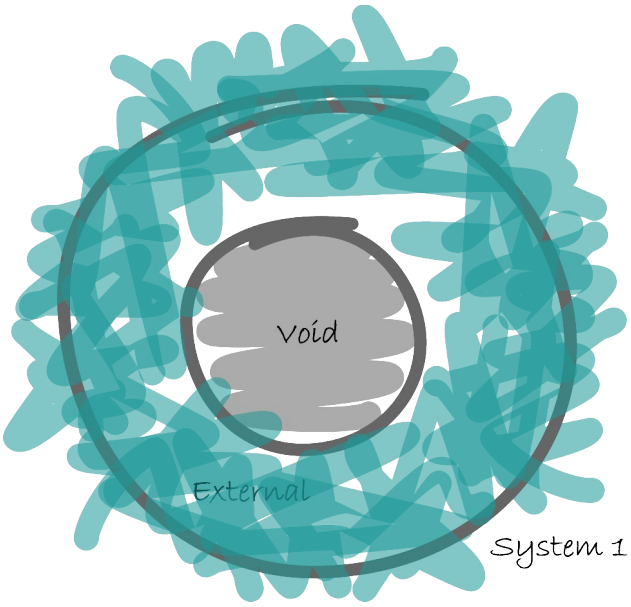

Figure 19: But I still feel the emptiness. And because I only know one thing, I need more of it. So consumption. More power, prestige, attention, ... whatever distracts me from the inner emptiness.

The egos and "jerks" out there have simply lost touch with their inner selves—or maybe never had it. Without an inner compass, there's chaos on the outside. The more chaotic and empty we feel inside, the more distractions we need.

That's why we constantly look for more from the outside. We want to forget and numb the emptiness, so we consume more—whatever form that takes. And we keep seeking things that don't truly satisfy us, simply because we don't know anything else.

But if we want to live real leadership, we need direction. Our Limbi transmits this direction to others' Limbis. This can't be faked or played—trying to do so only makes things worse.

So, the first step to real leadership is finding your own direction. It's not about perfection or being 100%. It's about being authentic.

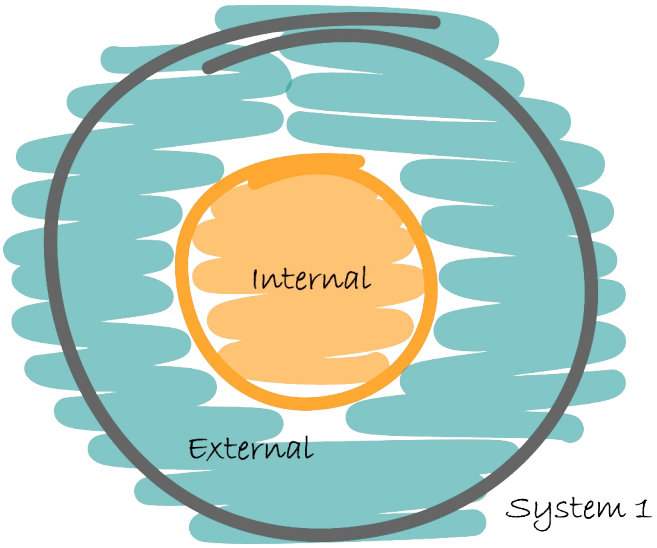

Figure 20: That's where we want to go. That is the basic prerequisite for leadership.

I need a worldview, and I need to be able to live and show it. What makes truly charismatic people stand out—those few with real leadership skills, whether at home, school, or in business—is their alignment. They don't always have to be pleasant, but their consistency is valuable.

And ideally, it's not just about being consistent in pain, but in a perspective of "we can learn and achieve this."

Having (Inner) Direction

If I'm interested in leadership, my first responsibility is to have an inner direction myself. I can't lead if I'm aimless or only serving my own interests.

Actively developing Deep Soft Skills (DSS) also means adopting a humble, learning, and serving attitude. Leadership is about taking care of the system. The leader is the one with the highest social skills.

These skills don't just appear out of nowhere – they need to be continuously trained. This is where the "love for the plateau" comes in: like with muscle training, it takes time. The first steps may be quick, but it takes a while for the learning to become embedded in our neural structures – for synapses to form. And the more joy we find in it, the faster those synapses will grow.

The most important thing is not to fake these skills on the outside, but to truly train your Limbi. If I try to fool myself or others in the process, I'll become part of the problem, not the solution.

For people who have worked in the management or "potato field" mindset for a long time and been successful in it, this shift can be very difficult, sometimes even impossible. The ego may simply be too strong.

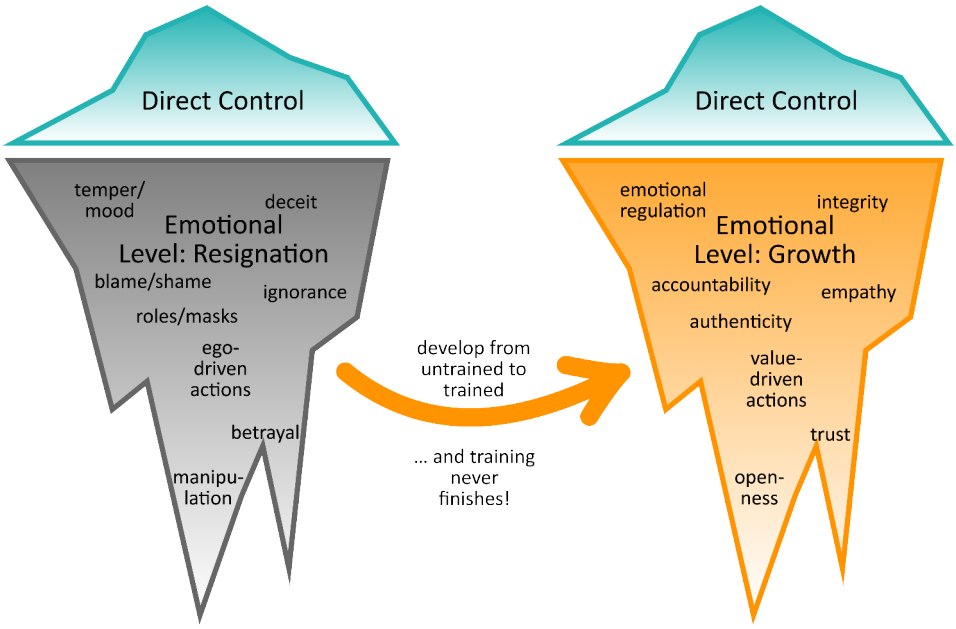

Figure 21: It's not just the initial learning, but in leadership I have to train continuously. Otherwise I will lose skills again.

That's why it takes courage to really see yourself. What world am I still in? Am I already in leadership, or am I stuck in mindless chaos? And what about the systems I move in?

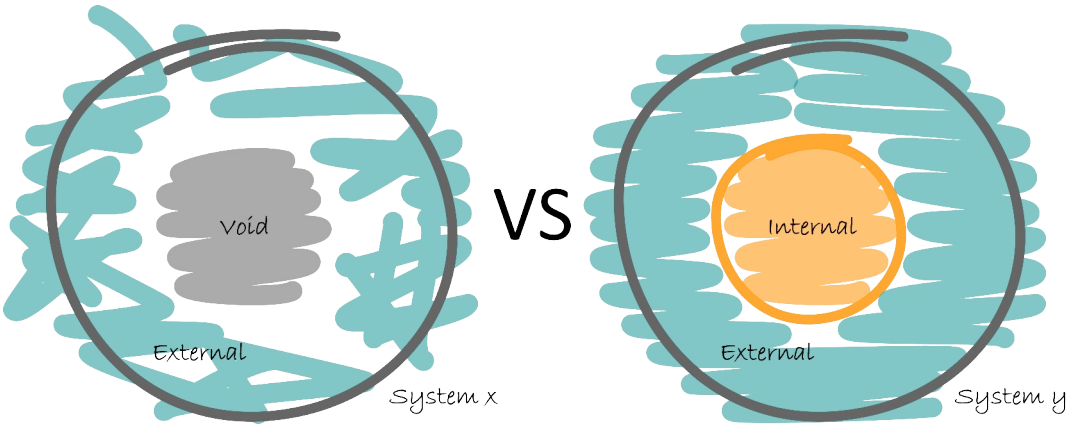

Figure 22: Headless chicken pile or coherent and aligned system?

This brings us to the clash between psychological safety and control. Psychological safety comes from within. It relies only on what is within my control. Psychological safety means: “We can do this together.”

A lack of inner security shows itself when I try to control the outside. Control is fear, and fear is the absence of trust.

I may try to impose rules on things that are not within my realm to control.

A boxing match is a simple example:

We expect the participants to prepare well for the fight. They assume their opponent is strong and train accordingly. They are confident in their strength and certain they can win.

The other model is a participant who doesn’t prepare for the fight. Maybe they were good once and have won before. With the mentality of “Things were fine before,” they start setting rules about what the other fighter can and cannot do – like banning punching.

Sometimes this works out of fear or respect for the past, but there will always be a newcomer who says: “What matters is the here and now.”

“You’re only as good as your last plate.”

Gordon Ramsay

Giving Direction

Once I have a clear direction, I can share it with others.

Contrary to some fears, people today are hungrier than ever for direction. We see this in society, especially in politics. There's been a lack of values, responsibility, and direction for a long time, leading to external control and, ultimately, resignation. And resignation is dangerous.

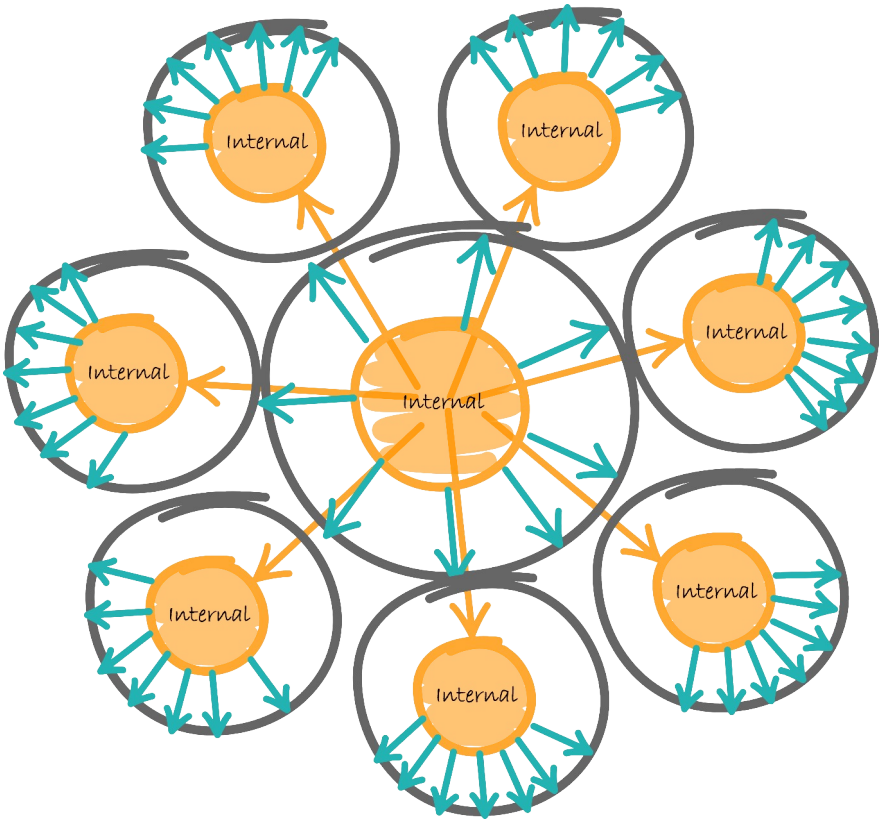

Figure 23: The ideal, what control looks like. The inside and outside are harmonious.

Our "inner" is our purpose. Purpose is our ultimate vision, our goal. It's something we probably won't fully achieve, but we strive for it nonetheless.

The best examples of purpose often come from the social sector: "We want every person to have free access to clean water." Purpose lies outside the system. It goes beyond our system boundaries. If it remains within the system, it becomes selfish and isn't a real purpose. It should always answer the question, "What is best for the system?" – not "What is best for 1% of the system?" And this "system" is always the next larger scope in which we are just a sub-system.

This perspective automatically leads to intelligent (moral and ethical) behavior.

Here are the signs that control is only happening externally – and how you can recognize this in yourself or in organizations:

Of course, things like parking spaces, buildings, climate control, cafeterias, ergonomics, and revenue are important. But if that's all we talk about, we've reached a point of chaos.

If I spend every day talking only about the "what" and "how," then we've lost the "why." If appreciation is only expressed in the annual holiday speech and otherwise comes in the form of "bribes," we're on a bad path.

Leadership in such cases is dead – or maybe it was never there.

Real leadership is about the vision and what's currently happening to bring us closer to that vision. This is often more qualitative than easily quantifiable. However, I can still measure the internal state of the teams. And once I understand that the internal state always precedes revenue, I can see into the future.

One key element of the internal state is how we handle values. During the transition phase, the number (or cost) of value violations should be a central metric. But after a few years, the focus should shift to positive examples – where values were lived out creatively, innovatively, and sincerely. Here too, reporting remains anonymous, but the focus changes: we are looking for the good in each other.

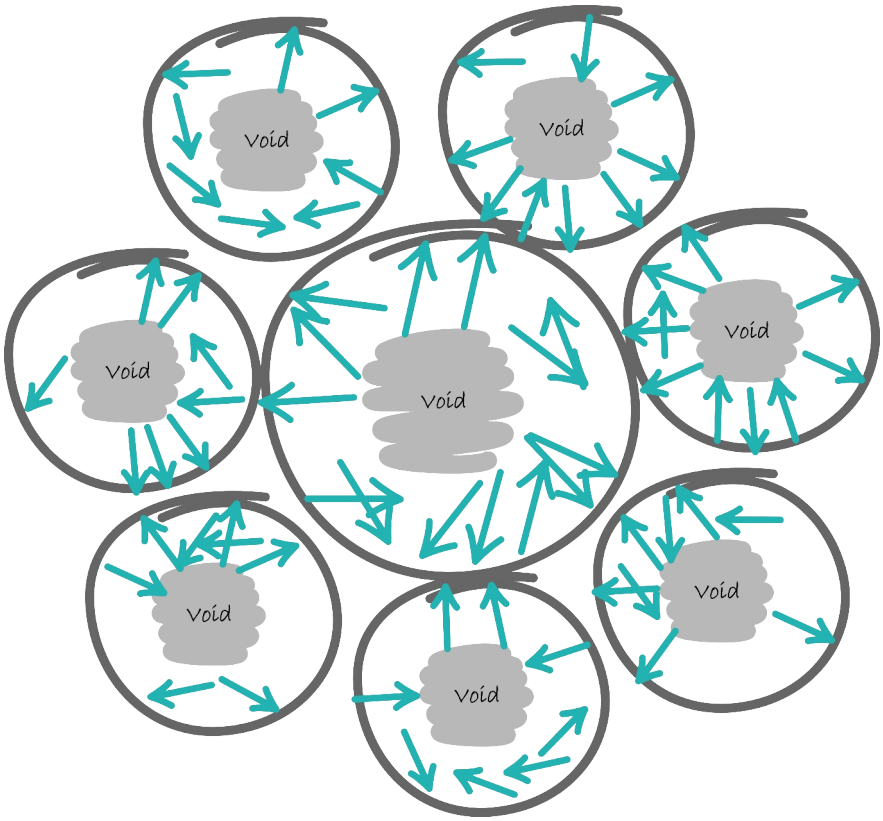

Figure 24: The image we all know from the organizations we know. Now we know why it feels like that.

The internal state of our customers should also be systematically captured. We need to learn to really listen to them, understand how they're feeling, and what they need. This internal state influences their actions. The more we genuinely care about them, the better we can serve them.

We've known for 50 years that real leadership serves the customer, not the shareholder. Yet in practice, we still find misplaced priorities everywhere – even in organizations without actual shareholders. We chase the wrong numbers.

But if we put flow and productivity at the center, then we're talking about what we can control. We should use metrics we can directly influence for steering. To assess the impact, indirect metrics are fine, but always in context and with a feedback loop to improve the models.

Values

Values are an essential part of organizational design. They define the rules of the game for the system, and rules are the core of complex systems. We'll discuss complexity more later.

As we've learned, there's no averaging or balancing when it comes to values. Our Limbi is straightforward: if someone isn't safe, then that person simply isn't safe. Limbi always considers the worst case. It asks: what do people do when it really matters? Especially under pressure or when there's a cost involved. Because 99% of the time, everything is easy and fluffy. What's important are those moments when the saber-toothed tiger shows up. Am I safe then, or are you going to feed me to it – or are you the tiger yourself?

That's why it's so important to know what's really going on in an organization. Tracking lived values is the key to a functional system. Just like we need referees and linesmen in football, a functional system needs built-in value monitoring.

And yes, I've never seen this in practice. Why? I can only speculate. The kindest reason might be: "But it was well-intended." But organizations are social systems based on relationships, and the same rules apply. "It was well-intended" or "I didn't know" often makes relationships worse and doesn't help repair them.

Another aspect is that people like to keep power options open. Especially in management-heavy organizations, some want to keep the option to lie, manipulate, bully, or apply pressure.

Then there are industries and organizations where unethical or immoral behavior is part of the business model. And there are quite a lot of them.

"Systems without effective value enforcement are dysfunctional."

Danilo Assmann

Since I'm critical of the word "control," I want to clarify that it's not about having dedicated people to enforce rules. What's far more important is that we all do it collectively.

We already do this. Every value violation gets noticed and discussed in the break room. Even C-level violations are costly because everyone hears about them and draws their own conclusions. And even in organizations with such a strong culture of fear that nobody speaks about it, "thoughts are still free." People will vent elsewhere. The key point is that every Limbi that hears a lie knows what to expect. And that becomes the standard for their own behavior.

For leadership, we need a channel to see what's happening in our organization. A simple reporting system: anyone in the organization can anonymously press a button if they perceive a value violation. It's all about feelings. Violations that spread (usually higher up the hierarchy) will lead to more reports and higher costs.

The results should be visible instantly on a webpage, ideally converted into money – each report should be worth at least €100. Considering follow-up costs, probably more.

It's also important to understand that rumors count too. It's not just about what I personally experience but also what I hear. That influences me and sets the standard. It shapes my perception of the organization.

The same applies to surveys (like the OrgIQ check or assessments): we ask about the worst case from the last 2 to 6 months. All questions must be rated based on the worst moment! Only then do we get a real picture of the internal state. Average scores may feel better, but they don't help us. After all, we want to make the organization intelligent and productive.

Another good reason for this reporting is applying Heinrich's Law to psychological safety. Heinrich's Law, also known as the "1-29-300" ratio, suggests that for every major injury, there are 29 minor injuries and 300 near misses. Reducing smaller incidents greatly reduces the likelihood of serious accidents.

Applied to values, this means we can avoid catastrophes by reducing minor deviations. Fewer small deviations mean fewer major violations. So, for every catastrophe, there are roughly 8,700 small deviations. And those are the decisions in the 1% of cases that really matter.

Building Trust

In addition to having direction and designing systems, relationships are a core competency in leadership. This includes understanding trust: What are the elements of trust? How does it work? And how can it be repaired (forgiveness)?

This is a broad and central topic in intelligent organizations, which is why there's a dedicated whitepaper on it. The assessment model also provides an extensive introduction to trust.

Here, we should remember one key principle: building trust takes a long time – if it's truly rooted in Limbi. But it only takes a moment to destroy it. That's why it's so important for leadership to have expertise in building and maintaining trust.

Trust is a relationship issue. It doesn't come with a role or function. It can't be ordered or demanded, and it doesn't simply grow over time just because "you know someone." Knowing someone only increases my ability to predict their behavior – that's not the same as trust. It's just a small aspect of it.

Relationship Skills

In addition to trust, relationship-building is another critical aspect of the relational level. It involves the ability to build connections and understand how relationships work in organizations. We've already covered this topic extensively in the assessment model and other whitepapers.

One important leadership concept is Dunbar's Number, which we explore further in Dunbar or "How to Build a Network".

But here, we need to address a difficult issue that directly relates to this and makes life harder for all of us: sexualization.

Sexualization

The essence of any encounter is seeing, hearing, understanding, and touching one another. I need to be visible (not just externally but internally), and I need to fully see the other person (both inside and out).

We already struggle with seeing, hearing, and understanding each other – but touching has become even more complicated. This is another case of good intentions gone wrong, as we've only focused on external behavior while neglecting the internal context.

Sexualization means that I'm willing and able to reduce a person solely to their sexual function. I turn them into an object, which is a form of dehumanization – something we hopefully all agree is undesirable.

As long as we can recognize these behavior patterns and address them, we're on the right track. We meet the person both in their inner and outer self and see the pain behind the behavior.

However, when this becomes a worldview, the problem escalates because we pull everyone into the pain of a few. The worldview of sexualization assumes that any physical action is a sign of sexual reduction. There's no longer any room for a simple human touch.

How to Recognize Sexualization

The worldview of sexualization assumes that every physical action is a sign of "sexual reduction." In other words, if I see or touch someone's body, it's automatically interpreted as a sexually motivated action. In this perspective, non-sexual physical interactions no longer exist.

In healthy sexuality, my body is always part of my identity, no matter the context. But with sexualization, the body becomes separated. There are contexts where I want to be perceived as "bodyless" and others where I exist solely as a sexual being.

This separation between the person and the sexual object, which I impose on myself, is a sign of internal pain—and it only creates more of it.

A side note, in case it's been missed: The original idea was to reduce the extent of "objectification." We started to manage things externally to achieve this. However, the situation we're in now shows the opposite: Objectification is heading toward 100%. Almost no one has a healthy sexuality anymore. This is making us ill and deepening our loneliness.

This also ties into the discussion about consent. The underlying assumption is that every sexual contact is objectification, but I agree to it based on my preferences. It becomes a transaction that both parties feel they benefit from.

Because this has become the "new normal," it's hard to even recognize it as a problem.

Here's a simple test: "Do I expect someone, at any time, to ignore my body?" If the answer is yes, I'm likely operating within the worldview of sexualization.

Why is this a problem?

Humans are social beings. Seeing, hearing, understanding, and touching must be in balance. If you remove one of these elements, the system breaks down.

> "We need 4 hugs a day for survival. We need 8 hugs a day for maintenance.
> We need 12 hugs a day for growth."
>
> Virginia Satir

We need whole humans in our organizations. Any form of dehumanization – whether it's suppressing the soul, Limbi, or the body – is a sign of a dysfunctional system.

Finding Balance

Does this mean we tolerate sexual harassment or misconduct? Of course not, because we are values-driven. Healthy sexuality is safe. The problem is that we create rules based on a dysfunctional context without fixing the system. This causes the rules to reinforce the dysfunctional patterns. We mean well, but we end up making things worse.

Emotional Regulation

Emotional regulation means being aware of and utilizing your feelings without expressing them unchecked. It's one of the Deep Soft Skills (DSS) and is crucial for every person within a system. For this reason, there's an entire whitepaper on the topic. However, here are the two core ideas summarized:

- **Self-control:**

  > "If I can't control myself, how can I control a system?"

  I can consciously create any emotional state within myself without relying on external aids. This reduces the need for external regulation. I take responsibility for my inner state without turning to substances or other people. Often, we use alcohol, cigarettes, smartphones, or other things to regulate ourselves. Or we rely on friends or partners to manage our emotional balance.

- **Allowing emotions:**
  I am capable and willing to feel. When uncomfortable emotions arise, I don't switch to a detached "professional" mode to ignore or suppress them. Instead, I let them in and use them. It's about finding a healthy balance between Limbi and Neocortex.

8-Layer Model

We've already established that leadership is more rooted in Limbi than in the Neocortex. We've covered the most important basics, but it's useful to take things a step further. I'll keep this brief because the focus remains on leadership. This section is more about showing that there's more to explore.

When we talked about "inner" and "outer" before, these concepts were not precisely defined. That's okay because Limbi operates more on gut feeling than on exact models, and we've all experienced this feeling. However, if we want to dive deeper into the concepts of "inner" and "outer," we can refer to the 8-layer model from *8min-we*.

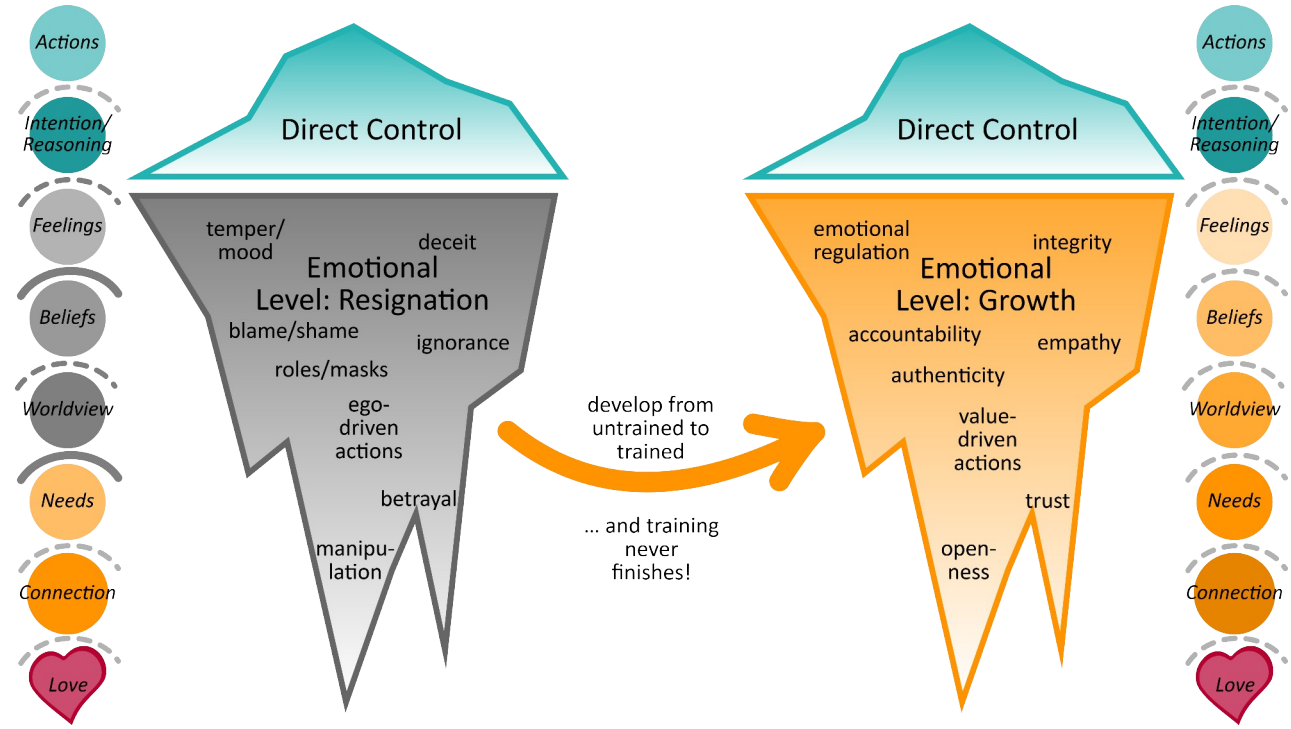

Figure 25: The extension of the iceberg model to include the 8 layers of being human from 8min-we.

We've also adopted the color code. Here, we can distinguish between a trained and an untrained inner self. Let's start with the untrained inner self. Essentially, the "outer" refers to our conscious thoughts and actions. We see others' actions, think, and respond with our own actions. Sometimes, we notice emotions, but we might suppress them. A strong sense of emotional regulation is missing. Emotions are often confusing, unhelpful, or distracting.

And that's often where our awareness ends.

Emotional Patterns and Beliefs

In reality, our worldview and beliefs shape our emotions. They process the information and pass it along. If we perceive the world as hostile, we'll view everything through that lens and generate corresponding emotions. When we're in conflict with the world, we don't care about the reasons behind others' actions. Instead, we react blindly to what they do because we've already locked onto a stereotype.

Beneath our worldview lie our core needs: connection, self-worth, autonomy, and safety. Connection is intentionally treated as a separate element because the other three needs either stem from or are harmed through connection.

By now, it's no surprise that relationship, autonomy, and safety are core themes for Limbi. The only thing that's harder to place is self-worth.

At the root of everything is love. We define love as asking: "What is best for the system?" Or, as Gerald Hüther put it: **"Love is the unconditional interest in the growth of the loved one."** Everyone in the system can be part of that, and we should include ourselves as well.

This is why love is a foundational attitude, our deepest social program. In an untrained inner self, this love is blocked, as represented by the barriers between the layers.

The worldview represents the "pain" we've mentioned before. Pain occurs when one or more of our core needs are violated in a meaningful relationship. Betrayal, when not repaired, can lead to an emotional "trauma"—an unsolvable situation where a part of us remains stuck, hoping for things to change.

This hope, while futile, serves as a basic protection mechanism. The pain also creates a fragment in us, a program or role that masks the emotional deadlock. This fragment, or "autopilot," works to ensure: "This will never happen to us again." From this, we develop different strategies, which are variations of fight, flight, freeze, or fawn. Some are always funny and entertaining, others help everyone, some are aggressive and distant, while others retreat or self-sabotage.

Especially in cases of abuse, we often see self-harm. The thought behind it is: “Before you hurt me, I’ll do it myself.” It’s the lowest form of self-determination. If you notice this in someone, you’ll know what’s behind it.

Beliefs and worldviews may blur together, but beliefs justify the worldview. They explain why you “deserve” what you’re experiencing.

These beliefs fuel the inner fragments and programs. It’s important to understand that they were once protective and helpful, usually during childhood. But at a certain point, they keep us trapped in a loop, ensuring that the hurt repeats. We’re caught in feedback cycles, where our worldview and beliefs generate feelings and only pass on the relevant information to our consciousness.

In the untrained version of ourselves, these elements remain hidden. We’ve lost touch with our core needs.

The trained version, on the other hand, has all layers open and connected. They might not always be fully conscious, but I’m aligned with my Limbi. I live with a perspective of love, build genuine relationships (where possible, as untrained people can’t operate on this level—they only simulate social behavior), and care for my core needs. My worldview and beliefs support fulfilling these needs, which is reflected in my emotions, conscious thoughts, and actions.

The essence of a trained inner and outer self is alignment. Once you see it, you notice it immediately. In our view, this should be the primary requirement for leadership when dealing with systems and people.

Management-System vs. Leadership-System

We consciously distinguish *Leadership RD* from traditional management systems. This isn't about devaluing management – even though our hearts clearly lean toward leadership. Many of us have worked in management systems, and they'll likely stick around for a while. There are plenty of experts for that. But we focus on leadership because that's where we bring the most value.

Figure 26: Traffic lights or traffic circles. Both are functioning systems, but with different logic. It rarely makes sense to combine them. Leadership is more like the traffic circle concept. I am building a system that does not need any additional external resources to control it. I have to design it more carefully, but it is cheaper to operate and also scales more favorably.

Once you understand how different these two worldviews are, it becomes obvious that mixed systems rarely thrive. They are simply two different technologies – like comparing a **traffic light** to a **roundabout**. Both address similar problems, but the approach is fundamentally different.

A useful analogy comes from physics:

- **Management** is more like a **solar system**: It follows a mechanistic worldview. There are clear rules, and the future appears predictable, almost like a perfectly functioning machine. The appeal of this worldview is understandable, especially if stability and control are priorities. In this model, the world is predictable, and roles within the system are clearly defined.

> For the physics fans: Of course, the solar system isn't entirely static, but for this analogy, we treat it as such – a system where everything operates in a mechanical way.

- **Leadership**, on the other hand, is more like **quantum mechanics**: It deals more with probabilities and uncertainties. Relationships can be compared to entangled states, where elements influence each other without direct control. Creativity, innovation, and transformation resist predictability and meticulous planning. Whether an idea succeeds is often uncertain – like Schrödinger's cat, the outcome remains unknown until it happens. In leadership, we feel comfortable in this world of probabilities. We understand that complexity brings risks, but this is also where the greatest opportunities lie.

The core difference between these two approaches is this:

In a traditional management system, the intelligence of the system is dictated from the top down. Leadership determines the direction, and the rest of the organization executes. This approach comes directly from feudalism and has persisted into modern times. Control and order are paramount.

In the *Leadership RD* approach, however, the entire system is empowered to act intelligently. It's not just about leadership making smart decisions. Instead, the goal is to enable the entire system to adapt and respond to challenges. This

means that the system itself becomes the upper limit of its possible intelligence. The focus here is on empowerment, not control.

Leadership aims to create the highest possible (directed!) complexity within a system so that it can effectively handle external complexity. The goal is to minimize resistance, avoiding bottlenecks and friction losses.

Figure 27: Train and plane as another example of management systems (train) versus leadership systems (plane)

Our Limbi, or limbic system, needs images to process ideas, so let's give it some: Think of a train and a plane. The train represents management systems, while the plane symbolizes leadership systems.

This isn't about deep metaphors, although some analogies work well. For example, train tracks can represent processes – the train moves along familiar, repetitive routes, similar to a traditional "potato field" approach. A train is not autonomous; it depends on tracks, signals, and switches. It's controlled.

A plane, on the other hand, is much more flexible and autonomous.

These analogies are helpful but limited. The key point is that both are different technologies for getting from A to B. Their infrastructures are distinct, and they can't be meaningfully integrated.

Hybrid systems that try to mix both approaches often lose the benefits of the airplane. Instead of improving things, hybrid solutions add unnecessary baggage, fragmenting the system and making it inefficient.

This is also true in leadership systems. When traditional management principles – the typical "potato field" thinking – are introduced into a well-functioning leadership system, it grounds the system. The plane can't take off, and the system becomes dysfunctional.

Unfortunately, this often happens during organizational growth. Companies start with a well-functioning system, but as they grow, they feel the need for more structure. However, they focus only on external factors and actions. Along with these actions comes a new worldview, which can kill the internal vitality of the organization – and no one understands why.

I heard a brilliant analogy years ago that explains the difference between complicated and complex, and I've used it ever since.

The core idea is that complexity cannot be reduced without losing the essential characteristic of the system. What does that mean?

Take a bicycle. You can take it apart, store the information, clean or replace the parts, and then reassemble it. The bike will work better than before.

Now, let's try the same with a chicken. You can take it apart, store the information, clean or replace the parts. When you re-assemble the chicken, it might look the same, but its essential characteristic – life – is gone.

This may sound grim, but it's a perfect illustration of what I've seen countless times in organizations. You have a vital, complex system (e.g., a team), and you try to reduce complexity and control it. The system dies, and the essential qualities – like creativity, innovation, agility, and liveliness – are lost. What's left is a puppet of the former system, just imitating life.

When we understand this pattern, we stop being surprised by the lack of productivity, disengagement, or quiet quitting. The ability to see and understand the inner state of systems is invaluable.

Figure 28: Hybrid-concepts that just don't work. But sometimes we need an analogy to see it. (Alles von einer hilfsbereiten KI erzeugt.)

Since we all come from the traditional worldview, it's important to understand which well-intended elements bring our "plane" back to the ground or "kill the chicken". We must recognize what each external action means for the internal system.

Some examples are already summarized in WhitePaper_ValueVision_Release . The core idea is that whenever I try to reduce complexity by looking at isolated elements without context, I kill the leadership system. This includes things like classic performance reviews, 1-on-1 meetings, and anything that isolates individuals from their team and evaluates them separately.

I can almost hear your thoughts: "How is this supposed to work, considering all the things I have to do?" That's totally understandable. It shows how deeply the old worldview is ingrained in us. The mistakes are already embedded in the questions and tasks we ask ourselves. If we truly embrace *Leadership RD*, it's not complicated—it's actually quite natural. We just need to keep our focus on productivity.

The irony is that out of fear of losing control, we destroy the system's complexity, only to rebuild it in a super-complicated way—just like in the marionette example above. Complexity actually simplifies life dramatically. Understanding this apparent paradox is the essence of *Leadership RD*.

The second key point is that people—especially in management—tend to communicate emotional topics without considering the relationship context. In management systems, roles are seen as a justification for relationships. You become a team leader, and automatically, you're assumed to have a relationship with everyone on the team. But that's not how relationships work, and it's definitely not how our Limbi (limbic system) operates. When we discuss Limbi-related issues without real relationships, we often achieve the opposite of what we intend. A key sign of a management system is that the relationship structure is either unknown or ignored because, in the end, people rely on their power.

Another phenomenon is "undecidability." When power is in play—even the mere potential of it—you can never be sure why people are following you. Is it out of conviction or fear? This fear usually manifests as a "Fawn" reaction (compliance). Among the patterns of Fight, Flight, Freeze, and Fawn, Fawn is by far the most common, often unnoticed or even encouraged (see Par-

enting). Fawn means we simply adopt the role given to us, and everyone thinks—or wants to think—that we're doing it out of conviction. In reality, we hate it, but we wear these roles long enough that we forget they're roles. We end up believing the sum of our roles is who we truly are, and in the process, we lose ourselves entirely.

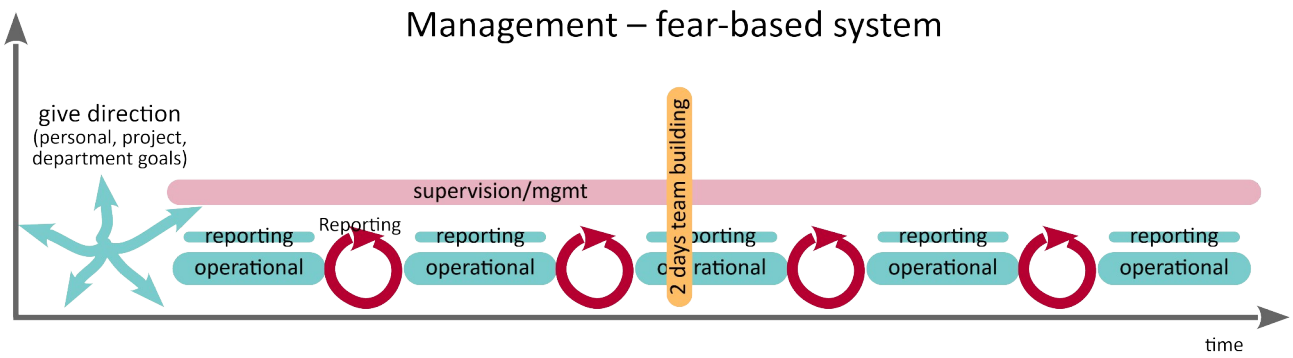

Figure 29: Management systems create stress for Limbi through control and continuous reporting. All team-building measures are well-intentioned, but neurologically/psychologically foreign bodies.

Finally, here are some illustrations that show the fundamental structures of a management system and a leadership system.

In all the management systems we've observed so far, fragmentation is typical. These systems have regular reporting, which is often prepared separately from the actual operational work. This leads to the system operating in two different worlds. Another common feature – although not inherently part of the system – is the lack of clear, aligned goals. This issue often spans all levels of the corporate structure. When the top management doesn't communicate properly or can't agree on a shared vision, contradictory goals reach the operational level. To hold the operational side together, extensive control mechanisms are needed. These control measures often serve to compensate for the lack of clear direction from the start.

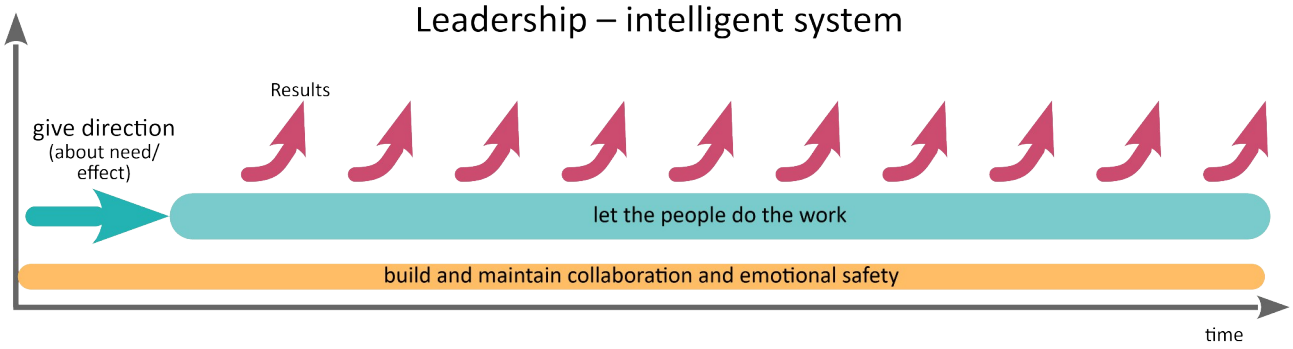

Figure 30: Leadership systems are optimized for flow. The number of disruptions is kept to a minimum. But visibility through continuous output. We find this in all organic systems. Just like in our (healthy) body: every organ silently does its job.

In contrast, leadership systems are optimized for "flow." They create an environment where collaboration is a natural state. Relationships and overlapping teamwork are encouraged and allowed. Work and social interaction are balanced. But this balance can only be achieved if there is clear communication about goals and direction. Everyone in the system should have a strong understanding of the overall system.

Management systems are designed for robustness. The thinking behind them is still influenced by feudalistic ideas: "There are a few smart people and many who are less knowledgeable. So, we need to build systems that even the least informed can operate." That's why these systems feature clear processes, roles, methods, and tools. There is also a distinct power distribution: some people design and manage the system, while others use it. The former are seen as knowledgeable, the latter less so – everyone behaves more like machines. Human aspects are often considered unhelpful, so the environment is described as "professional" and technical, focusing more on the Neocortex.

In many areas, this approach makes sense: whether it's at a ticket machine, an ATM, in traffic, or when filing taxes – in many systems, it’s important to make them easy to use, especially for first-time or occasional users. Standardization helps ensure you don’t need to understand the entire system every time.

We encounter many of these systems in our daily lives where it’s good that they function simply. The challenge is understanding where “potato field thinking” is useful and where we take it too far. This also shapes the culture of countries, especially regarding the level of regulation and external control. Some countries may overdo it in these areas. Again, the key is finding balance and learning from each other.

It’s all about finding the right balance between structure and responsibility.

What happens under pressure?

Why don't pressure and control work in intelligent systems? It's simple: under pressure – in an unsafe environment – we shut down a large part of our brain. We operate at half capacity. And that's a shame. (As we've already seen above).

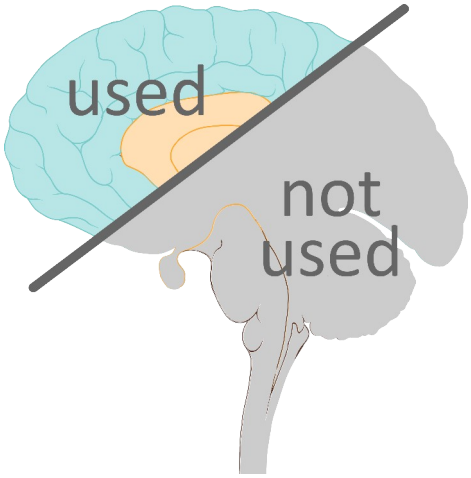

Figure 31: With pressure, fear and control, we only live with half a brain. Actually, even less. It works, but it's expensive.

Let's use simple and familiar images again. Imagine the circles representing the Neocortex and Limbi. In an ideal state, they are aligned, working together in harmony. Both are moving in the same direction, creating a smart system.

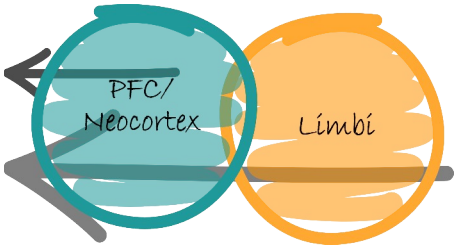

Figure 32: The ideal state of coordinated neocortex and limbi. Both work closely together.

Our Neocortex responds to control and pressure; it can be influenced and guided. To explain what happens when pressure is applied, we've marked the baseline – the state of balance – in the diagrams.

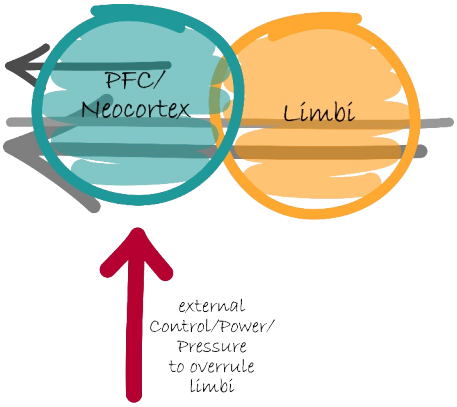

Figure 33: The zero line before external pressure takes effect.

The principle behind pressure and control is this: the Limbi is stubborn and rebellious. When primary punishment is applied, it pushes back.

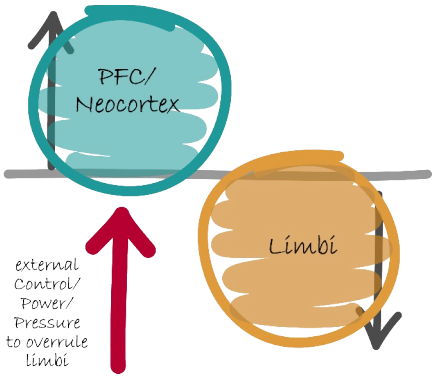

Figure 34: Pressure moves something, but unfortunately neocortex and limbi apart.

It's not just about moving the Neocortex and ignoring the Limbi. The Limbi gets hurt in the process. We could even illustrate the Limbi as gray here because we start to feel empty and lost inside. We lose our identity and seek validation in external things.

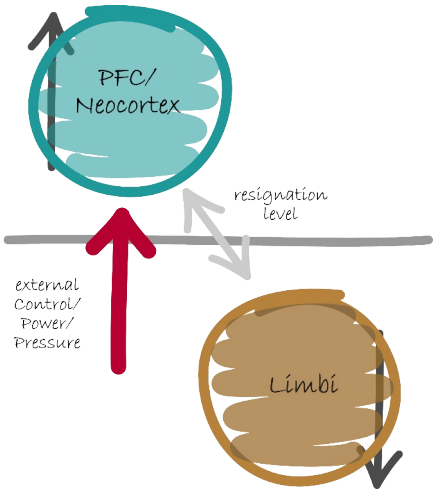

Figure 35: The inner turmoil is reflected in the resignation level. The greater the level, the "deader" the inner self and the more difficult all Limbi topics become. Especially creativity, innovation and transformation. So no change with a high resignation level.

The result is a noticeable inner conflict. We feel resistance and need discipline and force to keep going. It's like living from vacation to vacation. You don't want to go to work and would rather stay in bed. In this state, working from home feels wonderful – but it's more of an escape than anything else. If we didn't need the money, we probably wouldn't work at all. Talking to people in the streets, you'll quickly realize how "normal" this state is for many. This often starts as early as in school, where even children may have already resigned.

The Cost of Pressure and Control

We know this from "irrelationships" – relationships that look like real connections on the outside but are empty on the inside. Whether toxic or dysfunctional, we often experience that typical roller-coaster pattern: feeling good, feeling bad, chasing after highs and dealing with lows. It's all about reward and punishment, closeness and coldness.

> Irrelationships lack true inner depth, and unfortunately, this applies to the majority. It's hard to gather exact numbers because people in irrelationships often don't realize what's happening. They think it's normal because they haven't known anything else. Based on Tribal Leadership data, we can estimate that about 3% of people are in real, healthy relationships, with another 24% in transition toward that.

What we're describing is the emotional roller-coaster of irrelationships. It starts small, but to maintain the same feeling of "movement" and a "living" relationship, the emotional highs and lows must become more intense.

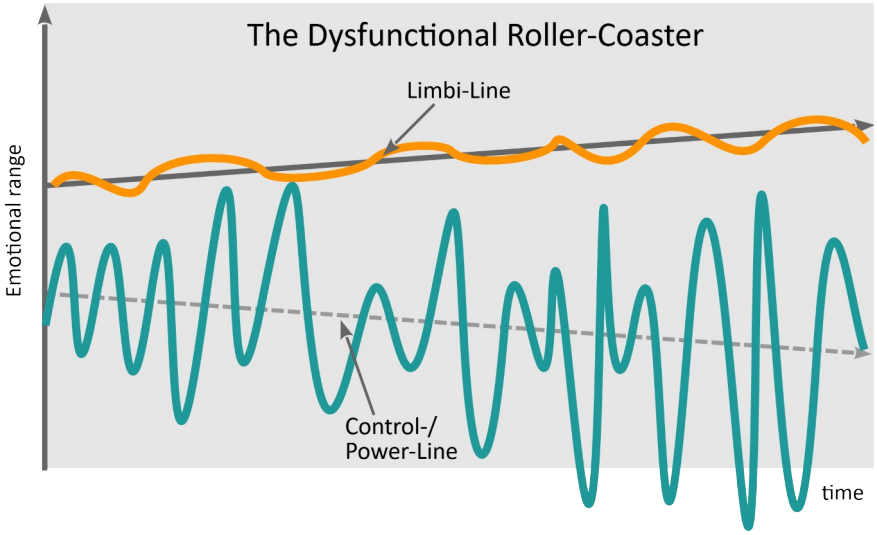

Figure 36: Amplitude must increase and become more chaotic (unpredictable) to achieve the same effect. I need less and less reward. It's about the perceived movement. We react to it and become addicted.

Humans adapt to almost anything. Our Limbi gets desensitized by dysfunctional patterns. What seemed like a huge drama six months ago becomes normal or even enjoyable because we evaluate everything relatively. As experiences worsen, our standards and evaluations shift.

How do these irrelationships work?

Both parties must have a deficit mindset and low self-worth. They believe they have to “earn” love. These patterns often stem from childhood or school. Some critics of the education system argue that this was intentionally designed to condition us for such mechanisms. We repeat what is familiar to us. If we think love and acceptance must be earned, what we experience isn’t true love but a controlled substitute: romance, admiration, desire, attention, drama, and victim roles.

On this basis, there is an alternating cycle of reward and withdrawal. This activates the “earning mode”: “What do I need to do to get the reward again? I must have done something wrong.” Like trained dogs, we accept it as our fault, hoping to be rewarded again. Every reward creates a high, but with that high comes withdrawal – the emotional crash.

This simple mechanism keeps people occupied and compliant. Perfect, right?

It works well as long as Limbi isn't involved, like on the “potato field” where we can perform mechanical tasks, happy or not.[3] But where Limbi is needed, it's problematic. Limbi goes into shock mode. Even when we feel good, we're far from being healthy. And there's an adaptation effect. Over time, the same level of “compliance” requires more investment.

At first, small rewards and less pressure are enough. But over time, rewards become smaller, and more pressure (fear, control, ...) is needed. Let's imagine a scale from 1 to 10: At first, I might need a 1-2 effort to achieve a compliance level of 1. But after a few cycles, I need a 6 just to achieve the same level.

This dynamic escalation is part of our nature when we choose this path of control. These are the costs: Marginal costs increase over time, or the effect fades.

This isn't about right or wrong. “Carrot and stick” may sound harsh, like slavery, and I know no one means it that way anymore. But the tools we use come from that era. We haven't really tried new approaches on a large scale. We've softened the language, but the core remains the same.

What we see with Gen Z is that they are resisting the old ways, but they don't bring new solutions – at least not yet. Every generation reflects on the previous one. We're unhappy, dissatisfied. We live from weekend to weekend, from

3 We are aware that the data from Radical Collaboration: Zonen-Hühner shows that we can also have great advantages in these environments (factor 2.5). Nevertheless, our experience (not scientific data) shows that we have greater factors in creative and innovative contexts.

vacation to vacation. When we see this in our parents, it's smart to think, “I don't want that for my life.” But having the insight doesn't mean you immediately find the solution.

Babysitter or Boss?

I recently came across a question in a leadership blog: What is leadership, really? Boss or babysitter?

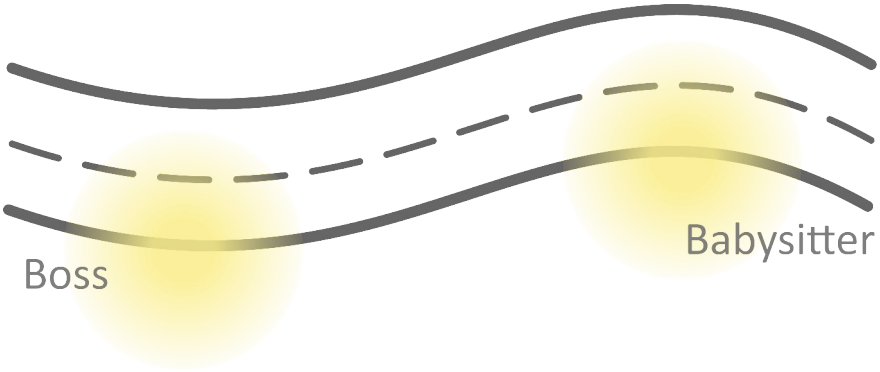

Figure 37: Let's imagine the management street. We have two lanterns at Boss and Babysitter. But where do we find leadership on this street?

This question tempts us to place leadership somewhere between these two roles, perhaps with some wisdom about balancing both, like a bit of carrot and stick.

But I don’t think that’s the smartest approach. It feels like we’re looking for answers within a model we already know. So let’s take a step back. What’s the core of both roles – the boss and the babysitter?

> Consider this story: Once upon a time, Emma lost her key late at night. She was searching under a streetlight when a friend came by and asked, “Can I help you?” They searched together for a while without success. After some time, the friend asked, “Are you sure you lost your key here?” Emma replied, “No, I lost it over there in the dark, but the light is better here.”
>
> This story reminds us to be careful about where we search. Is our approach broad enough? Or are we only looking where it’s comfortable and familiar, making us blind to other possibilities? Maybe there are many more lights we haven't considered yet.

In reality, both the boss and the babysitter are just different forms of “babysitting.” They represent different parenting styles: authoritarian and anti-authoritarian. In both cases, I assume I’m dealing with “dependent” people whose actions I control. In one case, I tell you what to do, and in the other, I make sure you’re comfortable.

That may sound different, but both approaches remain focused on external actions. Both the boss and the babysitter are playing roles, showing activities, and reacting to the behavior of others. The entire process is external. (See the diagrams in Figure 13.)

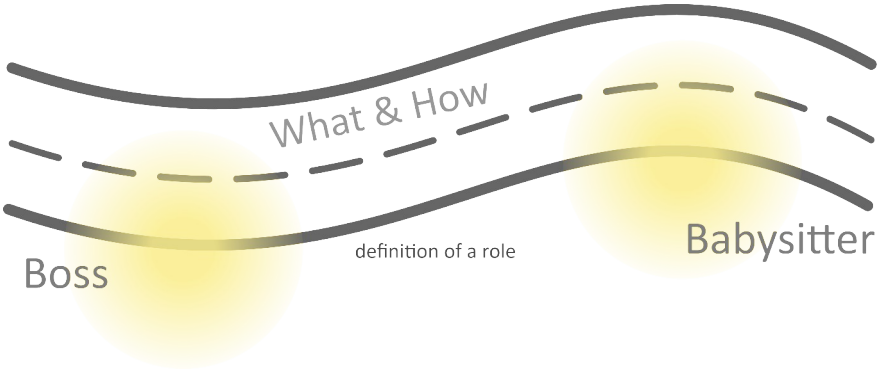

Figure 38: The boss-babysitter axis is focused on the what and how.

From Limbi’s and leadership’s perspective, however, this is not the role of another person – especially not through a predefined role. Social intelligence means being aware of what you do. Social interactions should be based on real re-

lationships, which can't be commanded or defined. Relationships are built where they naturally develop, and they are built on equal footing. There are no "dependent" people in real relationships.

Leadership operates on a completely different level. In our model, it's like traveling on a completely different road with many more lights. It's about the "where" and "why." Leadership is not a role but a way of authentically being human.

Leadership comes from within and radiates outward without having to explicitly control the outside. I only focus on the inner side.

As shown in the diagrams, this is the key difference between the two systems: Leadership always sees the whole person and steers from the inside. In the other system, I remain focused on the outside, showing different facets but staying superficial – like machines that sometimes seem human.

This isn't about right or wrong. In many situations, this approach is perfectly fine and practical. Sometimes I just want to buy a train ticket without deep conversations.

However, when I try to inject humanity into a machine system, I often create more problems than I solve. It's like parking a plane on train tracks – at best, it just looks silly.

Figure 39: Leadership is a different dimension, a different topic. From person to person.

Collaboration

After the in-depth introduction to Limbi, we can move faster through the rest because we now understand the core principles. It's important to keep the leadership mindset in mind. This mindset involves not turning off our Neocortex, but also allowing Limbi and social intelligence the space they need, even when our Neocortex doesn't fully grasp everything.

This means giving up some control in the Neocortex, but gaining more intelligence overall. It's just a myth—or a dysfunctional belief—that we need to understand everything rationally. Complexity, by definition, resists full rational comprehension.

The Power of Complexity

As we've seen earlier (see Management-System vs. Leadership-System), complexity cannot be reduced without losing the essential properties of the system.

Complexity doesn't mean the individual elements are complicated. Each element in a complex system follows simple rules, and these mechanisms are easy to understand. Complexity arises because many of these simple systems interact on different levels, each with its own timing and hidden dependencies.

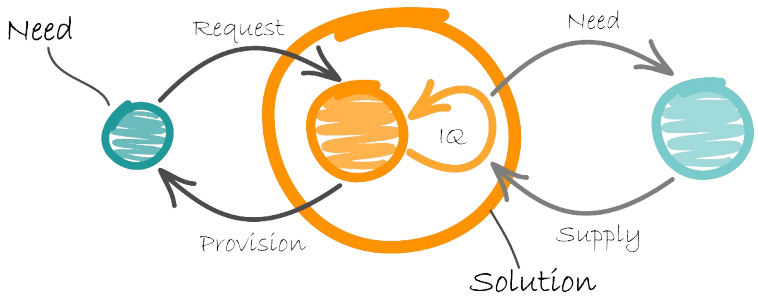

Figure 40: The basic idea of a subsystem is the "Solution". Every system should be the solution to a need. And it usually builds on other solutions where it has the need. The individual element is very simple and clear. However, a complete model quickly becomes complex.

The individual element is simple, but complexity comes from the overlap and interference of thousands of these simple elements. The challenge is to create a system where each element functions excellently and improves day by day. Therefore, the focus must always be on the system as a whole, and control is the personal experience of each individual.

> "Essentially, all models are wrong, but some are useful."
>
> George Edward Pelham Box

The desire to have a complete model of the world is understandable, but in a complex environment, it often leads to incorrect answers. The very question highlights our resistance to accepting complexity. But we live in a complex world. Ignoring this doesn't make it go away; it just makes life harder and more complicated.

Embracing and leveraging complexity simplifies our lives. It's only when we try to replace what Limbi does automatically with Neocortex functions that life becomes complicated. So, we should use both parts of our brain and let each do its job.

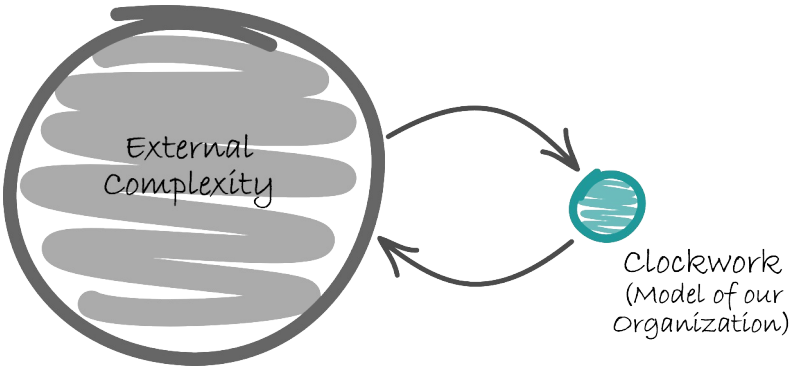

Figure 41: All these challenges are interdependent and interwoven, therefore there is no simple solution. We try to answer with the model we use for our organization (models of organizations see e.g., Reinventing Organizations). But as good as the model worked in the past, we can't find a solution. Outside complexity is still growing.

Three Key Concepts: Solution, Clockwork, Network

Before we proceed, we should clarify three key terms: *Solution*, *Clockwork*, and *Network*. These concepts are also explained in detail in the *Assessment Model*.

- **Solution**: A Solution is a useful system. There is an external need, and the system (the Solution) provides the answer. Each Solution can tap into any number of other Solutions. An organization can be seen as a system of Solutions, which are intelligent, learning, and adaptive.
- **Clockwork**: Even though we clearly distinguish Leadership from Management, Leadership systems still require an organizational model, like an org chart. The difference is that this model is used to distribute purpose, direction, and stories. Everyone knows this model isn't reality but a tool.
- **Network**: This is the true reality of the organization—the web of relationships between people. It's impossible to fully map or capture, but that's okay. What matters is that each person feels connected and knows others are connected to them. Solutions help translate the *Network* into the *Clockwork* structure. These structures are descriptive, not prescriptive. The *Network* is not dictated; it evolves and self-regulates along the lines of the *Clockwork* model.

Resistance to Complexity

Most destructive actions and the pain we cause or experience come from resisting complexity. Once we understand the concepts of *Clockwork*, *Network*, and *Solutions*, we accept that complex systems cannot be centrally controlled.

For the *Network*, Solutions offer a simple model to deal with daily reality and create a solid connection to the *Clockwork* via the Solution's purpose.

For the *Clockwork*, Solutions are a perfect tool to convey purpose close to operational reality.

The Purpose-Result-Control Cycle is the optimal approach here. However, the *Clockwork* must resist the urge to use the Solution as a means to create a complete model of the complex system. By definition, complexity cannot be reduced. To benefit from it, we must accept its existence.

It's understandable that the temptation is strong to view *Clockwork* as traditional management. There are parallels, but the perspective and tasks are very different.

In a transition phase, it's helpful to provide coaching. It usually takes between 30 and 60 weeks for the new way of thinking to take root and for neural structures to adapt.

Especially at the beginning, there's often a desire for a perfect world and a predetermined life. We've already learned that this comes from *Limbi* – instead of becoming more competent internally, we demand more from our external environment.
But in reality, there is no predetermined life. Of course, we can ignore complexity and create an artificial external environment, but it's not real. Our desire for control isolates us and alienates us from the real world and, ultimately, from ourselves.

From a systems theory perspective, this makes us less intelligent. Intelligence is the system's ability to learn and adapt. We should be critical of anything that diminishes a system's intelligence. This could even lead to society becoming "depressed."
We retreat into smaller and smaller spaces until only the tiniest area feels safe.

When we seek safety through avoidance, we limit our ability to actively shape our lives. This may seem like an easier path, but it takes us faster in the wrong direction.

Cybernetics teaches us another key point about complexity: When a system encounters external complexity, its internal complexity must match that level to respond effectively. This is why we recommend *Leadership Systems* wherever external complexity plays a role.

The good news is that social systems are inherently complex. While business schools have taught us to reduce complexity, cybernetics shows us that this isn't the smartest approach.

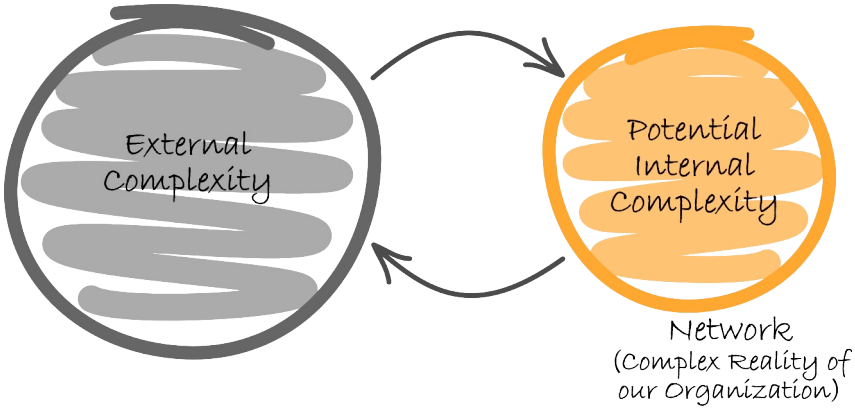

Figure 42: The answer to complexity is (potentially) already in the Network in every organization.

The solution to complexity already exists in our organizations. We just need to avoid breaking it.

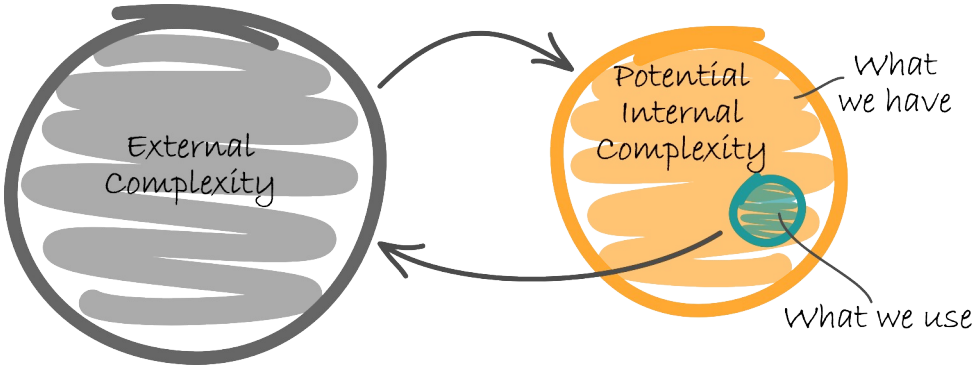

Figure 43: We do not use it in practice. The management systems reduce our solution space to the model.

When we try to address external complexity with *Management Systems*, we're using a "dumb" tool. It's like trying to use a cotton ball as a drill. Cotton balls aren't bad; they're just meant for something else.

Important: Every attempt to reduce complexity—by pulling individual elements out of their context—destroys the system. We repeat this often because it's a common mistake. This "reductionist thinking" (systemic stupidity) is deeply ingrained in us. That's why we emphasize it so frequently.

Management Systems reduce internal intelligence to a small model, often centered around one person. For certain purposes, that's fine. But when facing large external complexity, this becomes part of the problem because it shrinks our problem-solving space.

With this understanding, you'll start to see the problems and challenges companies face differently. You'll realize that many problems are self-created because the model, which defines the solution space, is too small and blinds us to other possibilities.

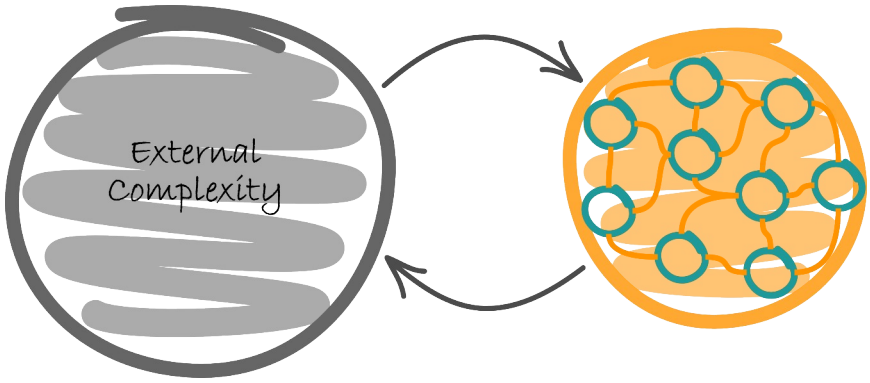

Figure 44: An intelligent Clockwork tries to cover as much of the Network as possible. However, it leaves the reaction to complexity entirely to the network. The model is no longer a limitation at all.

Uncertainty

Another key tool in the world of complexity is uncertainty. Since precise predictions are rarely possible in complex systems, we live with a certain level of uncertainty.

> "In natural systems, most of the system is stable most of the time. That's the power of nature."

We borrow the term "uncertainty" from quantum mechanics, and the concept also applies well to human and social systems. Chaos theory is also worth mentioning here.

In chaos theory, we mathematically describe systems. Interestingly, large parts of these systems are quite stable. However, there are edge areas that can be unstable and chaotic. Only small portions are affected by what we call the "butterfly effect."

Management systems tend to focus only on the stable parts, which can cause them to lose touch with reality. In leadership systems, we must ensure we are consciously aware of everything—including the 99% that remains stable.

This is why we recommend explicitly modeling sharpness or uncertainty. A simple scale from 1 to 10 will do. It's not about finding an absolute value, but about engaging with the concept.

In our templates for changes and projects, this is a key element. For every aspect and decision, we consider how certain we are that we've understood it correctly, and that the customer knows what's being done. If we know where chaos or surprises might arise, we're better prepared.

From this perspective, we also approach mistakes differently. In complexity, there are no guaranteed predictions. We can't always know how a system will respond to a change. That's why we learn.

Exploration requires courage and curiosity. Of course, we don't want to break things on purpose, but we are aware of the risks. Most importantly, we don't want to miss obvious opportunities.

The Reason for Our Fear of Complexity

This topic might seem a bit distant from leadership, but it's relevant for Wish #2, #5, and #8 from the Top-Management Wishlist. The fear of complexity is what creates the "discrimination" that leads to the mentioned issues and desires.

Our "Limbi" (emotional center) craves security. That's its top priority. This security can come from within, through trust in ourselves and the system, or from trying to control the external world. If I control the world, nothing can harm me, and I feel safe.

To believe that, I must view the world as controllable. So, I create a simple, manageable reality. Complexity becomes the enemy of this externalized need for security. The desire for stability or the notion that "things were better in the past" shows that we expect security to come from the outside.

Our society is structured around individual safety nets. Instead of trusting in social structures and saying, “if something happens, we stand together,” we rely on individual safety. Even in hierarchies, we often aim to outshine others, which makes us work against each other instead of together.

Simple models provide easy answers, but not to complex questions. This leads to stereotypes. We group people based on external characteristics and assign them traits. It's convenient, but we know these stereotypes don't reflect reality.

> Popular examples from social media: All men are evil. All women are stupid. All old men are pigs. All fat people are lazy. All Muslims are terrorists. All Christians rape children.
>
> And I will find at least one example of each stereotype. But I will also find the aforementioned patterns of action in every other stereotype. With IS in particular, we have seen that young white Christian women suddenly became terrorists.

If we embrace human complexity, we would have to meet people individually. No one can analyze the entire population, but we can start by getting to know our surroundings. If we extend a hand to those living in a hostile world instead of pushing them further into isolation, we can reach more people. Hostility is often linked to loneliness.

Many say, “people judge.” And while that's true, other cultures are less discriminatory. The less need for control and externalization, the less we discriminate. In Germany, after skin color, gender, religion, and body shape became less acceptable as stereotypes, age became the new focus.

However, all these stereotypes are useless for predicting character. Only by spending time with people can we understand their worldview. It's enough to know whether someone perceives the world as hostile (pain) or friendly (love). A person who sees the world as hostile will never feel safe—for themselves or others.

What does this mean for *Leadership RD*? The use of stereotypes and the search for simple, central answers indicates a dysfunctional, fearful system. This is essential to understand to act accordingly.

A healthy system serves the environment. A dysfunctional system also produces something, but its energy is focused on itself. Anything disruptive is eliminated. This is important to grasp—not just for leadership but also for politics and society.

Dunbar or “How to Build a Network”

Relationships are complex, and there are many misconceptions about them. That’s why we created the WhitePaper_DisneyFallacies to address these misunderstandings. Here, we’re not starting from scratch, but rather building on the basics. Let’s begin with Mr. Dunbar.

> “Dunbar's number is a suggested cognitive limit to the number of people with whom one can maintain stable social relationships… it’s the number of people you would not feel embarrassed about joining uninvited for a drink if you bumped into them in a bar.”

We must accept that each person has a limited capacity for connections. It’s a compromise between the time we invest and the depth of the relationship. Despite these limits, all our relationship patterns overlap and constantly shift, making it impossible to create a fixed model. This invisible network is the complexity of the system. And by now, we’ve learned that intelligent systems are complex.

> “All our relationships – the way and strength we bond – are individual and constantly changing. You can’t force closeness.”

Our personal reality is the network of relationships we have within the system. This means each person in an organization has their own reality. These networks overlap, but they are also different. No two relationships are the same. The total of all these networks forms what we call the *Network*.

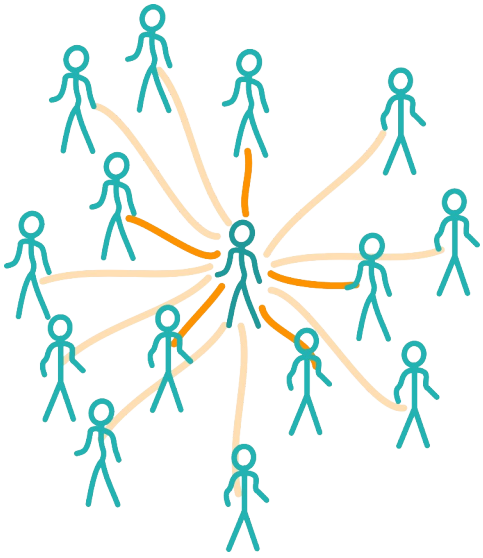

Figure 45: The basic idea is that we have an average of 5 close contacts and 10 loose ones. Plus even more superficial ones. For the network, however, we are only interested in the contacts with significance.

This personal network is limited by the famous Dunbar number – updated in 2018. On average, we have 5 close connections (into which we invest 40% of our social time) and 10 looser connections (into which we invest about 20% of our social time).

Leadership must understand that these close and loose bonds cannot be forced. They don’t come with a title or role. What you can do, however, is create a system where relationships can grow and develop – not through force or control, but organically. Sometimes, a little support can help. Every organization should have a few relationship coaches with a Limbi-worldview, available for both teams and families.

Interference of People

Since relationships and trust are invisible, we must use analogies to explain them. Here, we can borrow the concept of interference from physics. So what happens when people interact?

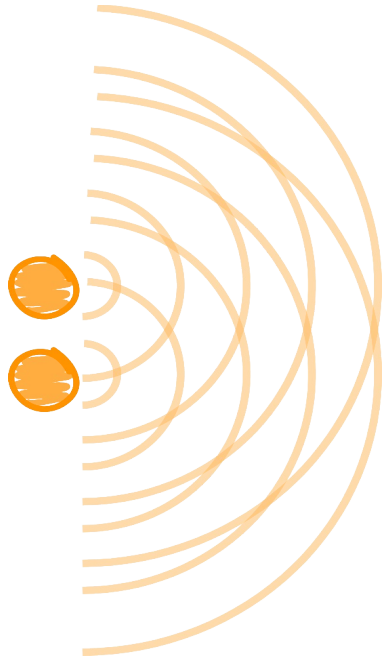

Figure 46: Model of interference - contact - between two people.

Like two stones thrown into water, we send out our “waves.” Sometimes, these waves “connect.” These are the interference points where the waves overlap – the moments when we inspire each other or simply feel close. This is what holds the network together from the inside.

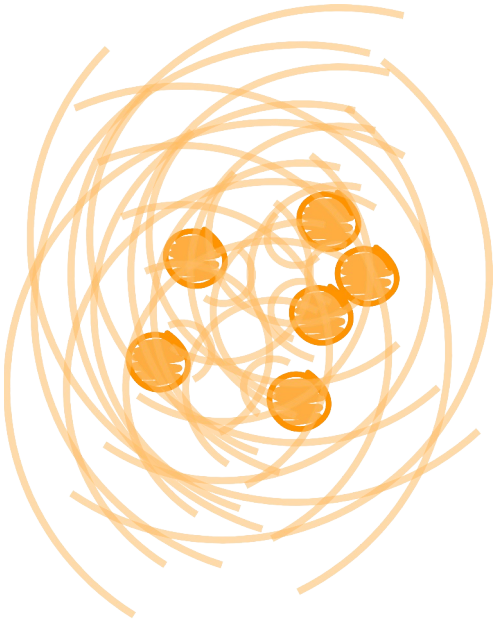

Figure 47: Simple model of interference with several people. We can easily imagine that we can no longer determine and represent this complexity in reality. We can prevent or minimize it, but then it is dysfunctional. The art is to allow this complexity, to promote it and to be sure that it serves the goal.

Let’s imagine a team of six people. Even just counting the interference points would keep us busy. These points are fleeting moments, unpredictable. That’s why it’s crucial to build systems where these moments can easily and frequently occur. Beyond that, we need to trust the system.

Balance Theory

A bit of psychology, but so simple it feels almost trivial once you're aware of it. Yet before understanding it, it can cause endless questions like, “Why is she/he acting so strange?”

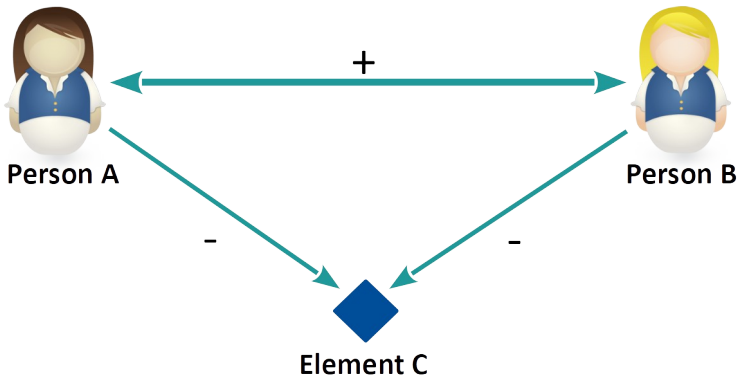

Figure 48: Schön, wenn alles in Balance ist.

In leadership, we need to understand when there's tension in relationships. This applies to 1-to-1 relationships and their connection to a third element, as shown above. The key question is: How do we both relate to that element? If we like each other, we should ideally have a similar view of that element—either we both like it or dislike it.

If the relationship between us is negative, it doesn't really matter. Although a shared opinion about the element—especially a common "enemy"—often forms the basis for an alliance.

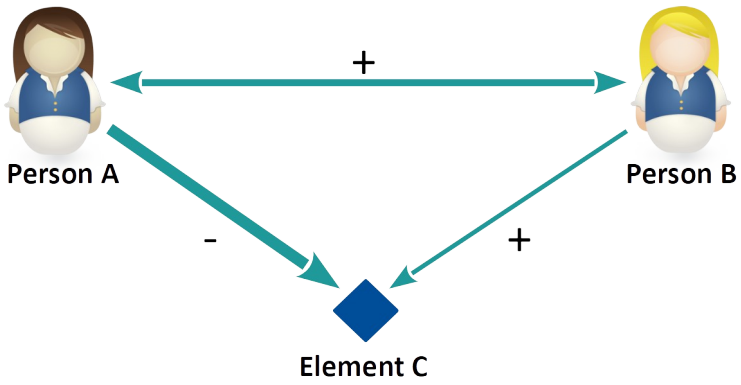

Figure 49: Sobald es unausgeglichen ist, wird es sperrig.

Elements can also be worldviews or beliefs.

When there's a conflict, where one of us likes the element and the other doesn't, the key factor is which bond is stronger. In the example above, A and B have a relatively weak relationship, but A has a strong dislike for C. It's unlikely that A will change their opinion about C. More likely, the relationship between A and B will break down.

In complex organizations, we need to be aware of these dynamics. The psychology behind it explains why it's so hard for us to adopt different perspectives. We want to be right. We want people we care about to see the world through our eyes.

The solution lies in strong relationships—very strong relationships. And sometimes, we need to redefine our connection to Element C. It doesn't always have to be a simple "like/dislike"; we can try to bring perspective and complexity into the discussion.

Curiosity is the power tool here! Don't just look at the status; seek to understand the reasons behind it.

Collaboration Capability Model

Collaboration is at the core of OrgIQ. It's covered through the QuickCheck, the Assessment, and additional materials (slides and tools – see Downloads).

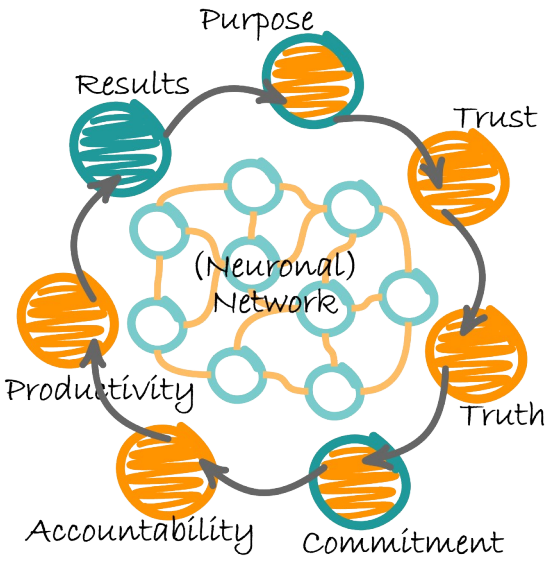

Figure 50: The core elements of functional Collaboration

Leadership must understand the concept and create the right context. This is where Limbi comes in. Purpose is addressed explicitly, as it's the central task of leadership. Trust, Truth, Commitment, and Accountability are Deep Soft Skills (DSS) and should be part of personal training for everyone in the organization.

Productivity is closely tied to the internal state of flow. We're less interested in the time invested and more in the effective output – what actually creates value for the customer. Productivity is about maximizing value with minimal effort.

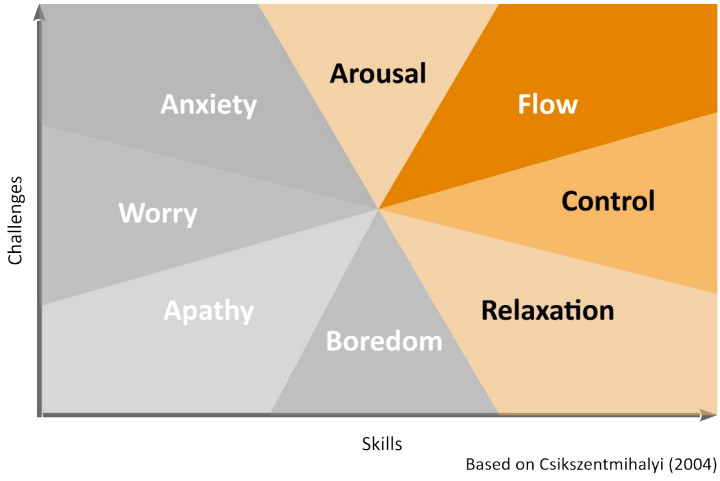

Figure 51: Categories of inner states.

As shown in the diagram, productivity reflects an internal state. We need challenges, but we also need the right skills (technical competence + DSS). Thus, collaboration, with overlapping states in an intelligent system, becomes an enabler for productivity. We learn from each other, adapt, and anticipate. Our competencies merge, allowing us to continuously improve.

It's clear that a good internal state leads to good results. Even though the axes lie in the Neocortex, the foundation is Limbi. Without that foundation, we get stuck in worry, anxiety, or boredom.

Resistance as a Guiding Tool

When we stay on the surface or only manage the external by external means, resistance annoys us. It feels threatening, especially when we're stuck in our ego. But in Leadership, we operate with both an internal and external awareness, training ourselves to recognize them. Suddenly, resistance becomes a powerful tool.

Let's recall two basic truths:

1. In complex systems involving people, we must accept complexity. A complex system can never be fully controlled or understood by a single element. We need as many perspectives (information) as possible.
2. To make a system intelligent, we must let go of the idea of a single truth. There are as many truths as there are perspectives on the system, and each perspective – each truth – is relevant.

   The meaning of complexity is that no one can fully grasp the whole.

> "There are trivial truths and great truths. The opposite of a trivial truth is simply false. The opposite of a great truth is also true."
>
> Niels Bohr

In physics, resistance can be caused by different factors: bottlenecks, friction, turbulence, gravity, inertia, viscosity. These concepts apply to social systems as well. Let's explore what that means for us:

- **Bottlenecks**: In organizations, bottlenecks often come from people. When many are waiting for a few, especially in hierarchies. The higher the level, the bigger the bottleneck.
- **Friction**: This can be counter-movements, internal conflict, or tension between people or groups. It could also be friction with processes, goals, or infrastructure – anything that disrupts the flow.
- **Turbulence**: In social systems, turbulence means frequent changes, a lack of clear direction, or unstable relationships and moods. Anything that creates unrest and uncertainty.
- **Gravity**: This translates into the vertical structures within organizations, which focus more internally than on the customer. This leads to turbulence between people working with horizontal versus vertical mindsets.
- **Inertia**: This reflects the internal state of individuals or groups, often due to resignation. Repeated betrayal or broken trust leaves them unmotivated, ranging from quiet quitting to outright sabotage.
- **Viscosity**: Socially, our Limbi acts like a non-Newtonian fluid – under pressure, we become rigid. The more pressure applied, the greater the resistance. This can quickly break the system.

> "Resistance means that I am working against the system. So we have a dysfunction. By applying pressure, I'm only breaking the system further."

These forms of resistance often stem from untrained Limbi or poor system design. The fight, flight, freeze, or fawn responses from the reptilian brain increase resistance and lower productivity. The type of resistance helps us identify the problem and how to solve it. Our goal is a highly productive system with minimal resistance.

In Management Systems, resistance is often met with **fight** (pressure) or **flight** (manipulating numbers to present a positive facade). This may work in the short term but destroys the system in the long run.

> "Easy choices, hard life. Hard choices, easy life."
>
> Jerzy Gregorek

Leadership Systems, on the other hand, withstand the discomfort and seek out the root causes. What kind of resistance are we seeing? What poses the greatest risk to our system? What are the costs – not just from the damage, but from the lost value if we don't make things smarter?

Internal Balance

To better understand resistance in people, let's recall the concept of internal balance or "level."

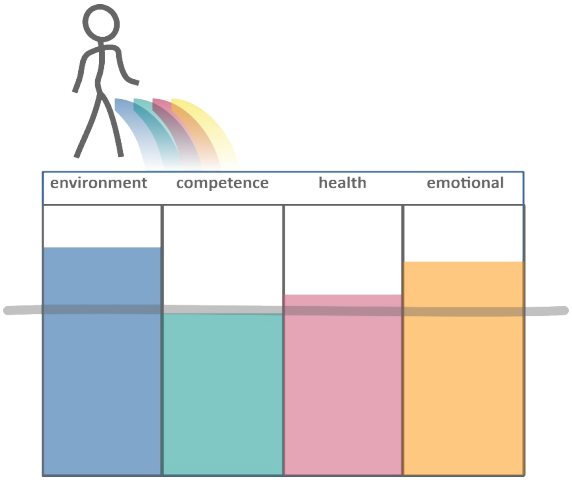

Figure 52: Balance in our humanity. Mind, body, soul and our environment. The gray line shows the perceived value.

If we break down human existence into four elements—environment/context, competence, health, and emotional status—these elements must stay balanced. Our overall well-being is determined by the lowest "level" among these elements.

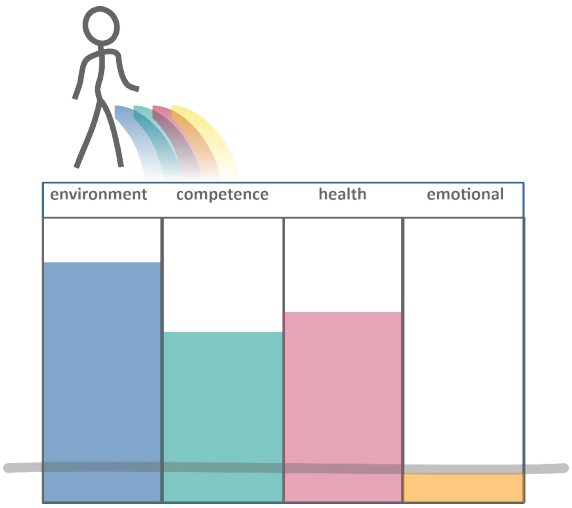

Figure 53: The minimum water level applies. The chain breaks at the weakest link and the water flows out of the lowest hole. We can compensate for a gap for a while, but at some point our inner "level" reaches reality.

Each of these elements can contribute a maximum of 25% to our satisfaction. However, if one area is neglected, our emotional satisfaction drops to the level of that weakest element. No matter how much we invest in the other areas, it won't significantly change our overall perception. For example: Imagine there's never any food or drink available in an office. You go the entire day without eating or drinking, constantly feeling hungry and thirsty. Even if there's a good reason, and you can cope for a while, eventually, this one issue will overshadow everything else, becoming the sole factor in how you feel.

Decision-Making

So far, we've mostly understood resistance as a risk. But within this resistance lies a valuable tool. By following the resistance – respecting and minimizing it – we create a functional system, much like how designers develop streamlined products. In leadership, that's exactly what we aim to achieve: efficiency.

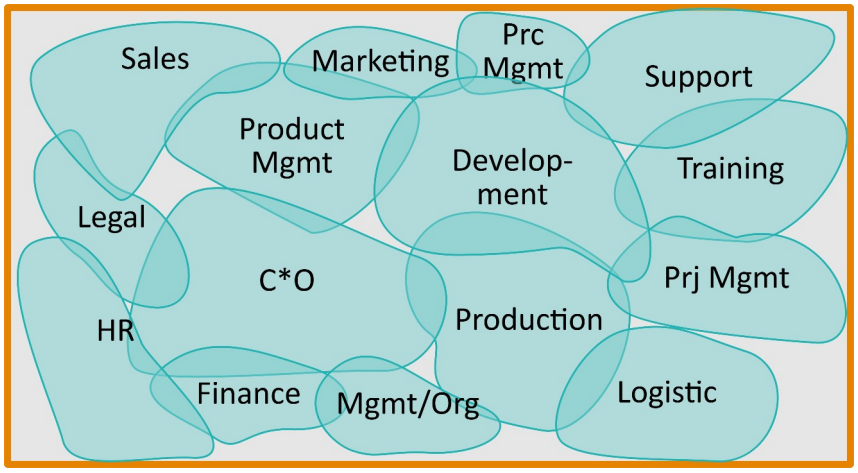

Figure 54: Examples of what perspectives there can be in Clockwork.

This is the approach of *Balanced Networks*. In a network, which operates in complexity, we need as many perspectives as possible. All relevant perspectives come from within our scope, defined by the Solutions (see the next chapter). These perspectives follow the organizational model, called the *Clockwork*. The *Clockwork* should cover as much of the system as possible. Therefore, it's essential to foster a collaborative mindset across the board. No silos – everyone should be working towards the question: "What's best for the system?"

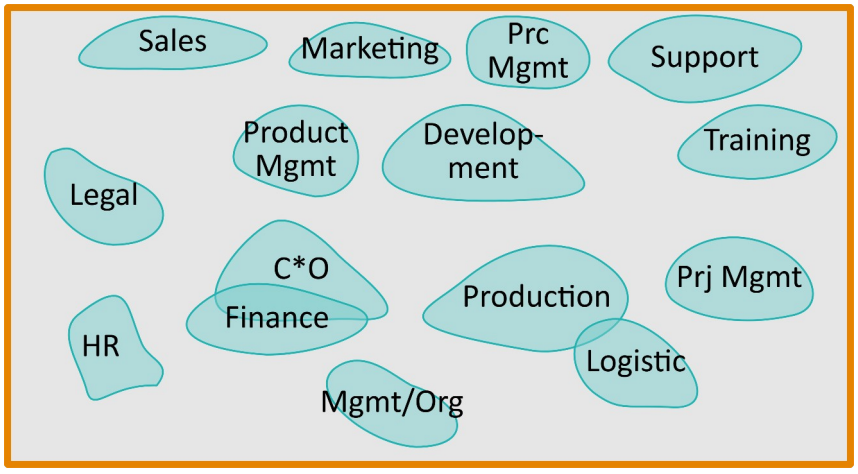

Figure 55: The sobering reality in many places.

It is leadership's responsibility to build these overlapping and comprehensive perspectives. The better the system and the clearer the direction, the more confidently we can make decisions. However, we should remain vigilant for signs of friction or turbulence.

We emphasize this because, without it, we might end up making political rather than functional decisions, which would only harm the system further. Once the conditions are in place, the rest becomes easier. The *Balanced Network* is the core mechanism within and between the Solutions for making intelligent (learning, adaptive, forward-thinking) decisions.

A network consists of nodes and connections. The nodes (people, teams, perspectives, competencies) can be in a positive or negative state. Every decision changes the current state, which should always be explicitly considered as an option.

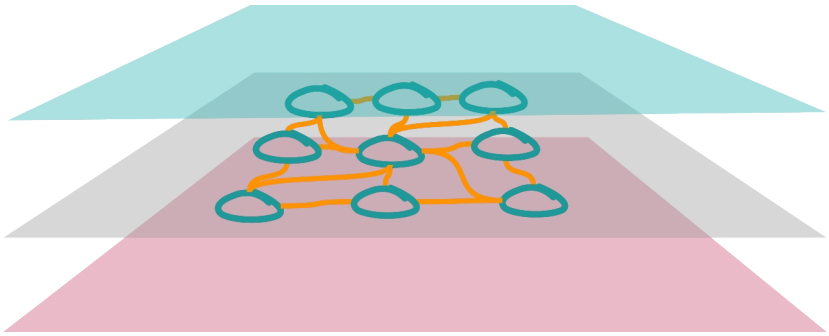

Figure 56: Model shows every node in the network. Here neutral. But if there is a change, it can either be positive, negative or remain the same. In general, intelligent systems strive for a positive change (green). Accounts can be milieus, perspectives, competencies.

We won't go into how to conduct resistance inquiries here, as there is plenty of literature available. However, OrgIQ provides templates for this, especially for the Schulze method.

The outcome we hope for is the scenario where everyone is happy and satisfied. In reality, things often turn out differently, especially with political decisions where only a few emerge as winners.

The advantage of leadership systems and the *Balanced Network* is that, by choosing the option with the least resistance, we achieve a balanced solution from the start. There may still be outliers, but we can then ask the creative question: "What would need to change for you to be more satisfied?" This method serves as a creative tool to improve solutions.

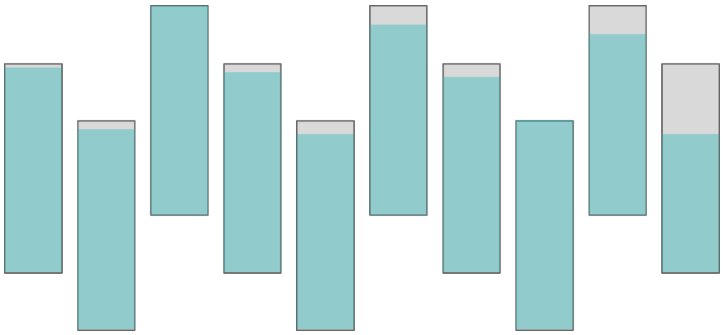

Figure 57: The ideal. Everything is great!

The network allows for immediate feedback on side effects, and we avoid later rework and reviews. This iterative process continues until the outcome satisfies everyone. The entire approach is solution-oriented, based on the belief that there's always a better solution that we haven't yet discovered.

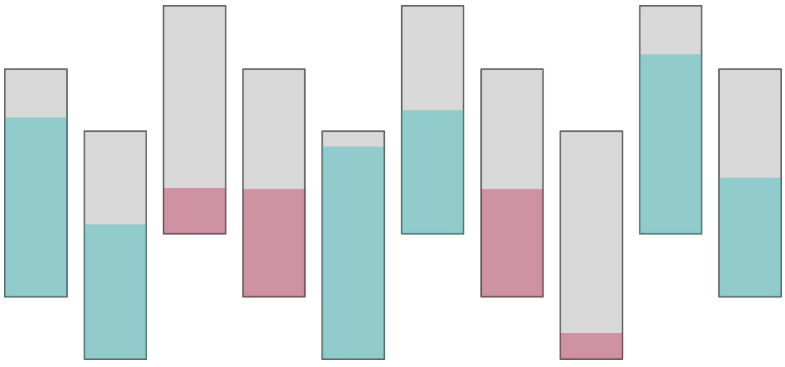

Figure 58: Traditional reality. Whoever makes the best policy gets a good solution. Everyone else has to live with the decision. The excuse is "We have commitment here."

Reality often looks different. Especially in political decisions, there are usually only a few winners.

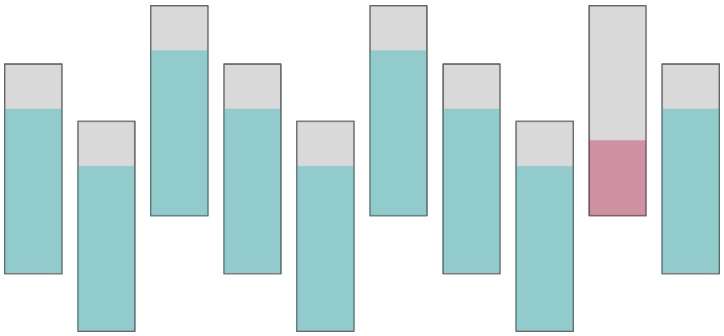

Figure 59: The search for the option with the least resistance (i.e. which solution approach has the least resistance overall and no veto) finds better solutions.

And this is where the advantage of leadership systems and the *Balanced Network* comes into play. By choosing the option with the least resistance, we arrive at a balanced solution right from the start. Of course, there can be outliers, but within the network, we ask the creative question: “What would need to change for you to be more satisfied?” This method serves as a creative tool.

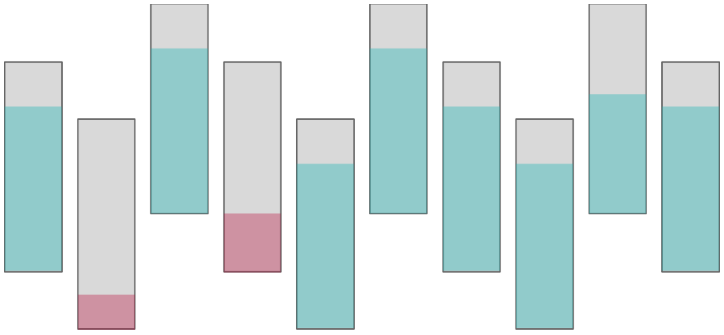

Figure 60: They are not final, but can be further optimized. (Why question from the inside? Why is this not good? What do you need it for?) Resistance as a creative instrument; an improvement in one place can lead to other deteriorations. That is why we need the balanced network.

When we incorporate a new option with these changes, there may be side effects elsewhere in the network. However, we see this immediately, as we are still in the design approval phase. Everyone is already involved, and this avoids later rework and reviews.

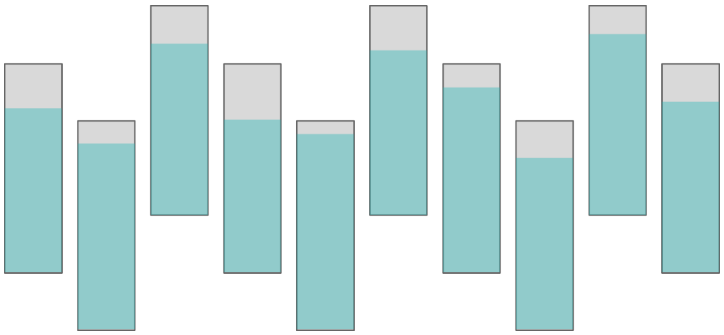

Figure 61: That's very close to the ideal. At least for a while. Because the world keeps moving and we have to re-evaluate the solutions regularly.

We can stop the iterations at any time and start implementing them. As with the solutions, both loops run simultaneously. I apply my solution, but also continuously look for ideas for improvement. Where is reality running away from me?

We iterate this process until everyone is satisfied with the outcome. The whole approach is solution-oriented, operating on the belief that there’s always a better solution we haven’t discovered yet.

How does this work in practice?

A team has been offering a training program for years, conducted once or twice a month. The team is currently transitioning from a management system to a leadership system. In the past, the training was simply mandated and never questioned.

Now, the person who primarily conducts the training is out for an extended period. Since openness has already been embraced within the team, we get an honest response: nobody wants to do it. The reason is not an excuse but rather a clear "I don't support this."

This resistance may feel uncomfortable at first, and it would be easy to slam the table and say, "This has to be done, period!" Of course, it would be done – but worse than before. This resistance, however, reveals two important things and is therefore a gift:

1. The team knows the training is important, but it should also be done well and have a real impact.
2. The content of the training is outdated, and that's not something to ignore.

Resistance, even in the form of resignation, always contains hope! In this case, it shows that we are doing things that should have been revised or improved long ago. Large management systems often become blind to this because the process is prioritized over the actual value. It's about obedience and good numbers, but if I measure the wrong things, I end up blind.

The team now sets out to update the training and bring it into the present. To find the right content, structure, and methods, the *Balanced Network* approach is applied. First, to the overall architecture, and then "Solutions" are created for each module. Within each module, the *Balanced Network* is applied again.

Solutions

Solutions are an important core concept, which is why there is a dedicated WhitePaper: WhitePaper_Solution.

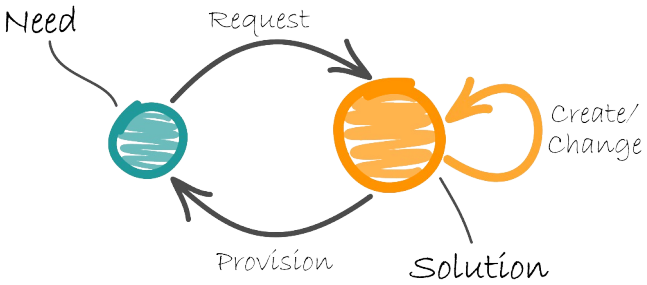

Figure 62: The solution is used to fulfill a need, but also continuously improves itself.

Solutions are a natural—an organic—means of structuring social systems. Each element in this framework is fractal. This means that every system is a Solution. Every system consists of systems and serves other systems.

Figure 63: Each scope consists of systems. Their building blocks are systems of the underlying level.

This gives me my context: Whom do I serve as a Solution, and whom do I need?

Intelligent systems are designed so that each system element clearly understands its specific context. Only then can we work purposefully and effectively.

Additionally, all interfaces are clearly defined. The model for interface definition can be provided, but the actual implementation is done locally. This is the strength of this approach. Due to the fractal structure (self-similarity), we have a degree of standardization, which allows us to efficiently retrieve necessary information. At the same time, by allowing local definition, we avoid the "watering-can effect," where decisions miss the reality of the situation.

The encapsulation of operational work and improvement within the Solution brings together processes/patterns and creativity. For operational work—delivering services or products—we want to be as efficient as possible. This often involves repetitive tasks that should be optimally designed and executed. The advantage is that the most knowledgeable individuals on the topic are within the Solution, leveraging their experience to design and improve the Solution. This provides the ideal conditions for a brilliant design.

The responsibility for implementing the purpose lies within the Solution. This also applies to coordination between different Solutions. Each Solution acts like a small "business."

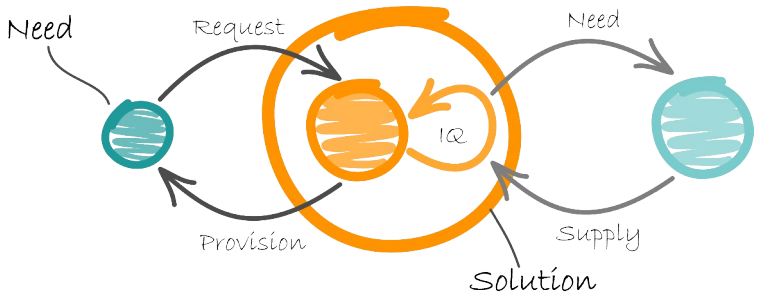

Figure 64: The core of the solution encapsulates the operational work and the improvement. It also includes the interfaces to customers and suppliers.

Metrics are also tracked and monitored within the Solution: What matters to us? How is our productivity? Where are deviations or errors occurring? In addition to creativity and innovation, deviations should drive us to find better solutions. Collaboration between linked Solutions is central: “What is best for the system?”

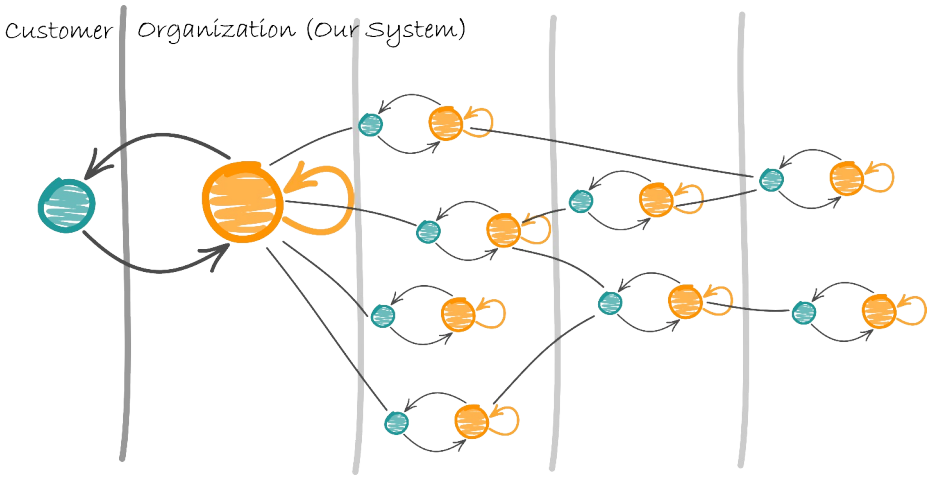

Figure 65: Linking of solutions.

A useful tool here is the 1% tool. We use a traffic light system to assess deviations. It follows the Pareto principle, also known as the 20/80 rule. Simply put, 20% of the problems cause 80% of the effort. We want to start where we generate the highest value or achieve the greatest savings. For the traffic light system, we look at the worst 1% of deviations, which we mark in red. The next worst 20% are yellow, and the rest is green.

This principle applies not only to negative deviations but also to particularly positive ones. Where can we learn and improve?

When collecting metrics, we should learn along the entire distribution (typically a normal distribution). The extreme 1%—both the best and the worst—are the areas where we can learn the most.

There is no absolute “right” or “wrong” in these models. However, if we have access to the current state of the organization, we can learn and steer. We can see how far each Solution is from the customer (value creation)—Leadership should always be the last instance. How deep should the Solution tree go (at what point are we just going in circles)? How do we find duplicates or unnecessary competition among Solutions?

Our goal is to stop doing useless activities just because we are used to them, and to ensure that necessary tasks aren’t neglected just because something more exciting comes along. These issues are common in traditional organizations, but here we have the tools to avoid them.

Organization Architecture: Values & Structure

In a leadership system, we need to be “masters of Limbi,” as we’ve already established. But practically speaking, we also need skills and a few models. This is now the toolset of the *Clockwork*.

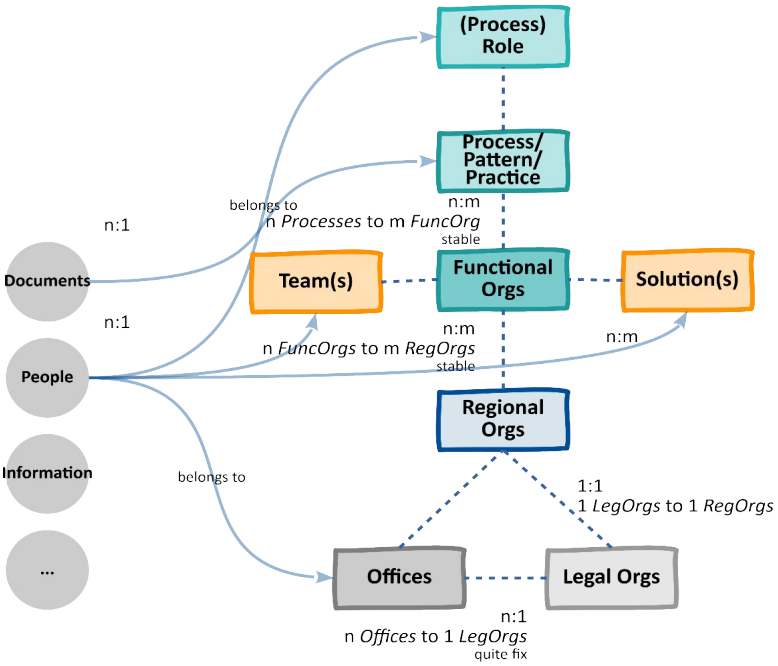

Figure 66: Basic elements of organizations.

We need a few fundamental models. The first one includes the architectural elements of an organization. What different perspectives can I take on the organization? In small organizations, everything is combined, but as the organization grows, these elements are necessary to manage information efficiently.

The *Clockwork* is the framework for purpose and storytelling. Therefore, we need the right perspectives to clarify what applies where. While we use the network for communication, we need structure to provide clarity.

The following perspectives have proven effective: content, geography, legal aspects, and process orientation. With these foundational elements, I can likely manage any information effectively. The model can be expanded as necessary.

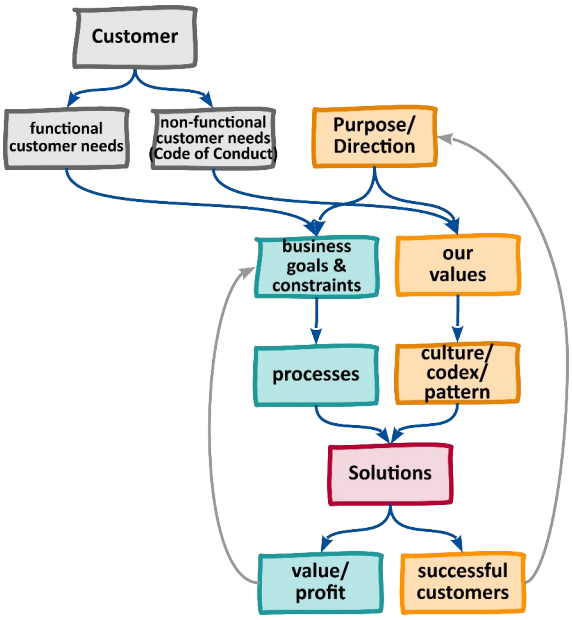

Figure 67: Control architecture of an organization with customers and their requirements.

The next architectural element reflects the internal structure—an extension of the Solution model, as it incorporates internal control elements. We see two control pathways that converge in the Solution: Neocortex and Limbi. Both need to be aligned; we don't want to create another internal conflict.

This view serves as a foundational model for building internal elements. The context is particularly important here. On the left, we see our area of influence, the implementation takes place in the Solutions, and on the right, we see the results. This model is minimal and designed to focus on the key elements.

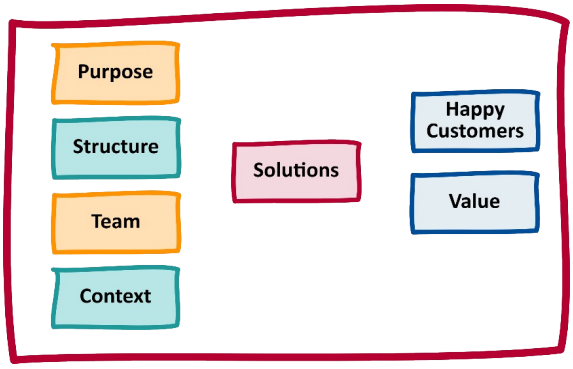

Figure 68: The abstract "marketing view" of the overall management of an organization.

When it comes to values, they must be lived when it matters most. They must be communicated, trained, and constantly reviewed. Any deviation should be noted.

Protecting values is the highest priority in leadership. They must be protected at all costs, even from yourself if necessary.

That's why, in our model, everything is grouped around the central aspect of *Collaboration*. Everything serves collaboration and stems from this central aspect (this aligns well with OrgIQ, but is just one example).

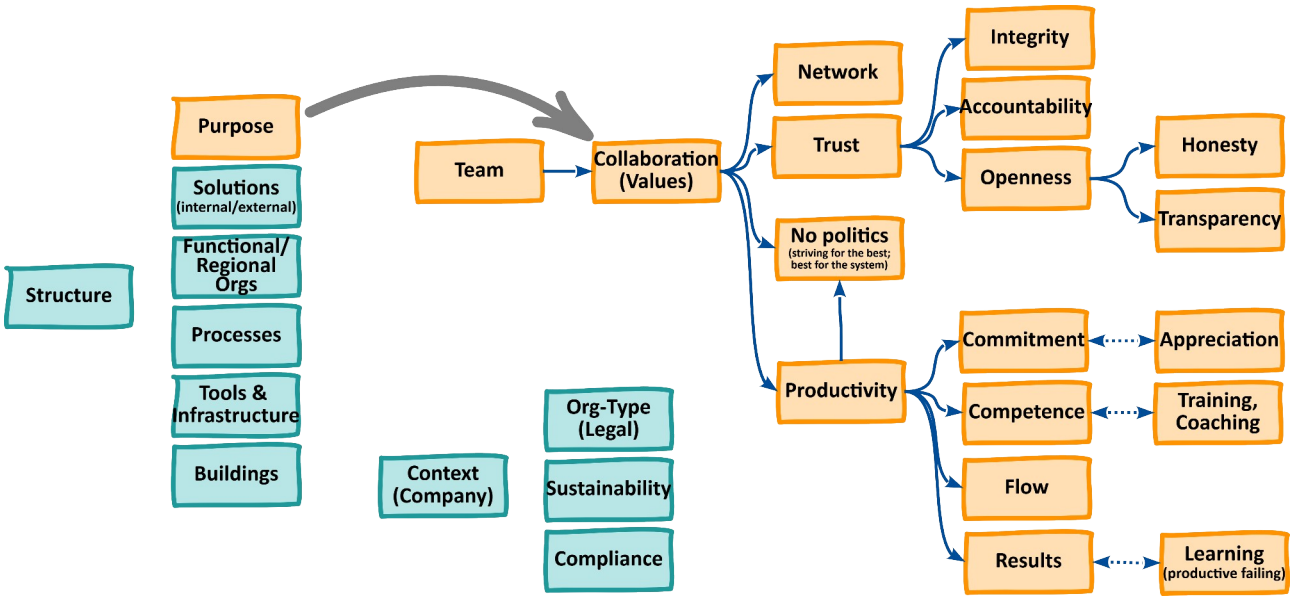

Figure 69: The refinement of the elements and, above all, the values. Here is a generic template.

In a leadership system, some of the elements shown will be found, but the focus here is to provide examples and not forget the *Clockwork* aspect. This work must be done once during system setup. After testing, the core architecture will likely be stable and reusable. Once I have a functioning architecture, it becomes the template for new systems being built.

A clever approach—similar to Solutions—is to derive the architecture from the organization itself. There should be a framework, but the actual implementation can be easily extracted from the organization to check how closely the real organization aligns with the design.

Even the "soft" elements like *Purpose* and *Values* should be as measurable as the physical elements.

Purpose

Although purpose is the central element of leadership, there's not much more to add here. By now, you're all experts in Limbi and Leadership.

Parenting

Let's start with parenting. I often hear parenting metaphors when talking about leadership. Even from people I genuinely admire. But these metaphors are often signs of a dysfunctional context.

Still, we can learn something from them, and they hold a deeper meaning. So, let's dive in.

No Disempowerment

But isn't parenting and family something beautiful?

Yes and no. Family should be beautiful, but most families operate in a dysfunctional space. Often – at least when kids start school – they're judged by performance metrics. And very quickly, thinking, actions, and communication all align with performance. The little humans become machines.

If we only parent externally, we're just training kids to fit roles. It's all surface-level, and they lose themselves in the process. But they comply because they fear rejection. They'd rather give up who they are than not fit in.

That's why we have generations of people who've never experienced unconditional love, acceptance, or true belonging. By the time they're three or four, they've started playing roles and never stopped. They don't even realize that another way is possible.

This is the "fawn" response.

We also examined the pacifier example. It shows how, much earlier than school, unconscious actions guide how parenting works. Often, the word "training" would fit better. We guide according to our needs, not the child's. And it's usually not meant maliciously. We're just repeating the parenting programming we know – from our external environment to the child's.

And this skewed image of parenting follows us into other areas of life. At the heart of both the pacifier example and performance metrics is disempowerment: I tell you what your value is. I decide what's good for you and what you should do. Remember: control from the outside, through the outside.

In leadership and functional systems, there's no room for disempowerment. From the Limbi chapter, we know disempowerment (a form of external control) is a primary punishment for Limbi – and a violation of basic needs.

In practice, we encounter many excuses and justifications for this behavior. It's often about withholding information to maintain a power imbalance. Both Steve Jobs and Jensen Huang talk about this in interviews. Yet, we know, at least from Steve Jobs, that he didn't always live what he preached. But that has more to do with the system than with him. We all adapt to our context. That's why the system is the main focus.

When we adopt a leadership mindset, we'll no longer treat adults like children. In fact, we won't even treat children as "children" – but as fully-fledged humans.

Psychological Safety

This is the space where psychological safety comes in. The four stages of psychological safety are:

- **Stage 1 – The safety to be**: I can show myself as I am. This doesn't mean I shouldn't learn, but I never have to play a role.
- **Stage 2 – The safety to learn**: I can experiment and make mistakes. It's not about willful destruction, but when I try things no one has done before, mistakes will happen. They're valuable. I also need the freedom to make mistakes for my own development – and the freedom to take responsibility and fix what I've broken.
- **Stage 3 – The safety to contribute**: What I create is seen and acknowledged. It's credited to me and not used against me.
- **Stage 4 – The safety to challenge**: If I see flaws in the system or discrepancies between words and actions, I can say so. I can engage with the system and improve it.

Interestingly, only the first stage is a personal issue. The other three stages deal with creativity and innovation. Is the system open to creativity? In essence: Is the system intelligent?

Again, we see: only psychologically and emotionally safe systems are truly intelligent.

The last stage is particularly difficult for us as parents. Few of us let ourselves be corrected by our kids or teenagers – especially when it really matters.

The Goal of Parenting – Push or Pull?

Everything becomes easier when we have a clear picture of the goal of parenting. It's important that this picture reflects not just our conscious, but also our subconscious goal. That's not easy, but we already know the basics from the Limbi chapter, so we won't dive deeper into that here.

So, what is the purpose of parenting? It's about guiding children toward a self-sufficient and fulfilling life. The child should discover themselves – "What makes me unique?" – and develop that uniqueness. As an independent person, they should navigate life in connection with others. Not completely dependent, but not entirely independent either – socially integrated. Stephen Covey calls this "interdependence" in his "7 Habits" – mutual connectedness.

When the question is asked: "Babysitter or Boss?" or we waver between push and pull approaches, we can now see that both are wrong.

What's the mindset behind pushing? "I tell you what to do because you're not smart enough." Even if I don't think you're dumb, I still assume the right to judge you. That's morally questionable and foolish from Limbi's perspective.

This thinking comes from earlier times when only a few people could read, write, and think, and those who couldn't were simply given orders. The peasant uprisings, however, show that this view likely comes from a feudalistic perspective. Knowledge meant power.

Since the rise of "knowledge workers" and "creative workers," things have shifted. These workers now hold the technical knowledge advantage. Yet power still relies on knowledge, though it's now more about politics and the permeability of power structures.

The pull approach from Management 3.0 is different: "I lead, and others follow." That's somewhat better, but the image of a shepherd leading sheep still has a negative connotation. It's the wrong mindset because we still see ourselves as part of a system that never changes. And therein lies the big mistake. This applies to parents, coaches, therapists, and leaders. We guide a system for a short time toward independence. We're talking about two systems here, where one is temporary. The parenting system is only a scaffolding system and ends when the job is done. The child's system, however, lasts a lifetime.

For children, this scaffolding system works like this: From 0 to 7 years old, we're truly there as parents. It's the time of care (not control!) and guidance. Guidance in the sense of direction. We equip the child with values and give them a sense of direction. In this phase, we train together, leading by example and being imitated.

In this mindset, we will never demand emotional regulation from our children if we're not modeling it ourselves. We won't control the child's external behaviors but instead fill their inner world so that it reflects outward – a mirror of ourselves. This is the first stage of leadership.

It's not about control, but about giving direction. Not about the external, but about the internal.

From ages 7 to 12, we focus on building a relationship with the child. We shift our role because the essential foundations are already in place. From age 12 onwards, we let go. After that, the relationship must return.

Control is a costly illusion. Every person has their own perception, and no matter how close we are, we'll never truly know what our child experiences. With high levels of control, we know even less. We only have the illusion that we know our child. But they'll continue to create a role that pleases us.

If I lose connection through control, I live in a lonely illusion. I cannot fully control or dominate another person – a complex system. When I try, I end up seeing the child as a robot or pet. That's sad for both parents and child.

Leadership is neither push nor pull. It's "pull and release." I build a system and from the start, I wait for the moment when I can let it go. It's supposed to stand on its own. A good analogy is a glider: We need the winch to get the glider moving and into the air. But then the winch must be released. If it's not, the drive becomes a brake, and the glider crashes. The moment of release always comes earlier than we think.

> And for those who remember the introduction: If I treat adults (everyone over 12 years old) like children (0-7 years old), something is seriously wrong. Even if I create a power imbalance in my mind (usually by withholding information), that's dysfunctional. Among adults, we meet on equal footing and know that every perspective is valuable.
>
> But if we see parenting as "empowering a system toward independence," then it's a fitting metaphor.

Generations

This is just a small thought, but it makes life in leadership systems easier and also explains the generational issue: Each generation comes from a different context (see The Success Fallacy), with different parenting styles and resulting worldviews.

Parenting styles shape leadership styles about 20 years in advance. Both need to align. We can already see what's coming. Each generation has grown up with different worldviews and beliefs, which is why we need to meet them where they are. We should understand these worldviews and provide clear direction. A true purpose and training in DSS (Deep Soft Skills) help everyone, but the starting points vary. Newer generations will likely adapt to the limbic system (Limbi) more easily, but they still suffer from a sense of emptiness and lack of direction. After all, "feeling good" is not a life goal.

When thinking about the next parenting style, we should always consider the long-term consequences for the lives of the new generation.

Law of Best Intention

The Law of Best Intention comes late in the discussion, but it's a total game-changer. It's based on ideas from the book *Toxic Charity*.

If you look at the core principle, you'll see it's quite universal when it comes to guidance, support, or help.

Help can cause harm, even if it's well-intentioned. It can create dependency instead of gratitude. Systems react to help in five stages: **Gratitude**, **anticipation**, **expectation**, **entitlement**, and **dependency**.

Systemic help asks, "What is best for the system?" – and lets go at the right time, ideally after the gratitude stage. The goal is to transition into shared responsibility. For those in coaching, leadership, or therapy, the principle is **Pull'n'Release**.

If someone can't let go, it's more about their own ego than helping others. At that point, it's no longer help; it's about feeling important by keeping others dependent.

We can also adapt this concept to relationship stages, especially when dealing with emotional wounds:

- Gratitude
- Safety
- Expectation (this is where things start to go wrong)
- Entitlement
- Dependency

If I treat someone with respect after they've been hurt, gratitude can develop – which is a good thing. If I continue to address the pain, safety can follow. But if I keep responding to the same emotional triggers, I end up holding that person in their pain. Expectation arises, followed by entitlement – that I'm now responsible for regulating their emotions.

That's where Limbi comes in: After injury, we need positive experiences. We need an example, a role model. But then it's time to practice the behavior ourselves. I've seen the skill, understood how it works, and now it's my turn to learn it. This is my responsibility.

This is where the path to independence diverges. If I miss the moment to let go, I take on the other person's task. I essentially outsource their emotional self-regulation (as part of the DSS). That's externalization – leading to dependency.

Like parents, our focus should be clear: fostering independence and self-reliance. Too often in relationships, we confuse dependency with connection. But that's the opposite. If I act from my ego, I tie people to me and become a roadblock. I enjoy being part of the externalization because it makes me feel important.

True relationships lift both people up and allow for freedom. From freedom comes connection and devotion. Genuine devotion is only possible when I have complete freedom – as it is with all gifts.

Give Direction based on Purpose

Now we're getting to the core of leadership, even though we've heard it a hundred times before: I need to have an internal direction in order to guide others.

Purpose is the effect on the next larger system beyond my own. It impacts both the Neocortex and Limbi – it engages our thinking and our emotions. It's more than a vision; it has a deeper, emotional dimension.

That's why Purpose comes with values and stories.

> In essence, Purpose is Simon Sinek's "Why." There's already plenty of material on this topic.

Purpose itself is like our worldview (see the 8-Layer Model theory). The values are the beliefs that support and protect the Purpose. Stories are important for understanding and feeling how we live out this reality. We need stories to remind each other of what's truly important.

We want to keep the Purpose as minimal as possible. But it has to be so good and clear that we'll be satisfied when the system fulfills exactly that Purpose.

This will also be the deciding factor for which organizations adopt this approach and which reject it. Many organizations – not just companies – wouldn't be able to articulate a clear Purpose without feeling ashamed. What they truly want, they'd never write down. If you've lost your Purpose long ago, if you see customers merely as a source of money and manipulate them because you know you've abandoned all values, it's hard to write that honestly into a Purpose.

In leadership systems, we act ethically and morally. It would change the world. Many products and services wouldn't exist. Leadership systems naturally limit growth – healthy cells are not a tumor. But many organizations aren't ready to recognize themselves as a tumor in their system.

This is yet another parallel to feudalism.

However, there are many organizations hungry for a different, better way. Organizations that truly want to create value. Organizations that want to reconnect with the reason they were founded. They want to be healthy, fast, and productive. They want to be intelligent – for themselves and for the world.

Leadership is System Building

We're revisiting the idea of Parenting here. From our perspective, this is where OrgIQ goes further – it's more intelligent than other approaches. If we fully think through these premises, leadership is about creating a functioning and robust system.

We are the system builders or organizational designers, responsible for purpose, metabolism, regulation, correction, and boundaries. We build the system, guide it for a while, and then let it do its job. This is a radically different view of leadership. If we apply the parenting analogy, many problems with teenagers arise because systems that should be released are still being controlled. We mean well, but we violate the "Law of Best Intention."

When we interfere too much with a system in operation, we become a roadblock.

> Here are a few analogies to illustrate how this would look in the physical world:
>
> **Car**: A developer checks in every 5 kilometers.

Football: The coach runs alongside the players, telling them what to do – or doing it himself.

Airplane: Every 500 kilometers, the plane has to "slow down" or stop to check if everything is working. This leads to a stall and crash.

Interfering with a system in motion disrupts it, slows it down, or can even destroy it. In fact, these systems become unusable. And if such intervention is necessary, something went wrong in the system's development.

Fundamentals of Systems

Of course, we know that all organizations are also systems. But what can we learn from this for leadership? Let's briefly summarize what systems actually are:

> "A system is a complex of elements in interaction with one another."
> – Karl Ludwig von Bertalanffy

A system, therefore, consists of a minimal set of characteristics, which we also observe in living systems:

- **Purpose**: The reason the system exists. In nature, it's usually the survival of the species, but it's really about maintaining balance in the larger system.

Example: Grass needs to grow so that sheep can eat. Sheep are needed to fertilize, spread seeds, and provide food for mosquitoes, which in turn feed birds. So, we have a complex system of interconnected systems that rely on each other in balanced ways. Each system, and the interaction between systems, is self-regulating. They respond to demand and adjust accordingly. This is the ideal of leadership – systems so effective that I don't need to intervene.

- **Metabolism (Input and Output)**: This includes the process of converting input into output and internal regulation.
- **Boundaries (Scope)**: A system is made up of smaller systems. Scope defines where the system's boundaries lie.
- **Internal Structure**: Elements and the relationships between those elements form the structure.

Intelligent systems regulate themselves in a way that allows them to learn, adapt, and anticipate, ensuring they fulfill their purpose.

If we think about simple systems, like a car or a software product, they are created, integrated into their environment, and they perform their function. A car drives and keeps driving. Sure, you need to refuel or charge it. Occasionally, a check is necessary, or you might have to replace certain inputs. Sometimes, parts of the system need to be swapped out.

But in essence, the system works on its own. It's self-regulating and self-correcting. I don't need to constantly intervene. Errors are detected and either corrected or highlighted for action.

These examples describe simple systems. They are simple because they are complicated. "Complicated" means I can predict and describe the system's state.

In contrast, there are complex systems. These are made up of a rule-based interaction of components or subsystems. The components may be small, but they often have their own complexity. A good example is a glass of water.

It may seem trivial, but accurately describing the state of each water molecule is impossible. Even for the molecules themselves, their exact state is indeterminate, as we know from Heisenberg's uncertainty principle.

Even if we can't describe or predict the exact internal state of a system, it doesn't matter for its functionality. We can still drink the water and quench our thirst. Even though we don't know exactly what happens within the system, we trust it because we know the water and our bodies work together and function well.

Despite the complexity, we have basic trust in systems and their interactions.

Complexity is an issue that organizations are increasingly facing. There's a lot of talk about the external complexity that organizations have to deal with. (See also The Power of Complexity, where we've discussed this before.)

Here's the first gift from nature: We humans are like water molecules – we have a certain inherent complexity.

Our interactions, as part of the internal state of the system, can't be fully described or predicted. A soccer game is a good example: The number of elements is limited, and the number of rules is manageable. Since it's a self-regulating system, we can say it's always in a valid state because invalid states are recognized and corrected. Yet, we still can't predict the system's exact state even one second into the future.

But that's okay because we know it works.

Cybernetics teaches us that a system's internal complexity must match the external complexity for it to function effectively. So, the greater the external complexity we face, the greater the internal complexity of our organization should be. It's about maximizing internal complexity. What's crucial is that the system has a clear goal and mechanisms for regulation and correction.

We don't need to know or track every internal state if we trust the system and how it operates.

As founders, we start a system. We bring a purpose to life. And then, the system takes on a life of its own. Good founders (leaders) design the system to function autonomously from the start.

The shift to leadership systems means stopping the interference and disruption of the system. We let the system operate without hindering it. It's more about "doing less harm" than constantly trying to come up with something new. That's why the myths of "Leadership is hard" and "Leadership is lonely" are just that – myths. Once I understand my role as a leader, I don't need to create a dependency between myself and the system. My ego doesn't need that. These myths arise when we work against the system or keep it small.

This is the real drama and irony: In management systems, we've caused so much damage and cost by interfering instead of leveraging the natural flow. It's like a river with a strong current: I need to work with the current, not against it. I need to guide the river, and the rest will take care of itself.

This brings relaxation and removes the need to constantly feel significant. We are significant as creators. But like in physics, the laws of nature take care of everything else. We don't need to control it anymore.

Only the ego, with its "it won't run without me" mindset, feels disappointed. But that belief is dysfunctional anyway.

A good sign of a functional system is that leadership is never involved in operational decisions. This speeds things up and reduces power struggles and politics.

Leadership is the constant reminder of purpose and direction – as far as needed. We keep an eye on the results: Are we living our purpose? If the purpose is clear and the results match, everything is working as it should.

If we start controlling and making operational decisions, it's a sign that we've lost control of our initial guidance. We didn't do our job, and now we're tinkering with the system, often making it worse.

> "Control is a sure sign that guidance is missing."
> – Danilo Assmann

In an intelligent system, we are all aligned to a common purpose – with each other, and also within ourselves, between Neocortex and Limbi. The purpose remains stable, while the "how" and "what" are constantly corrected. This correction is part of the system's intelligence and is lived out in the solutions. Here, we have the feedback loop: We focus on quality and improvement. We ask ourselves: Are we hungry to get better? How can we achieve the same or better results with less effort?

Inertia of Systems

This section is brief, but important for understanding the perspective. We could also call inertia "stability." It's one of the reasons we can trust systems: They are stable most of the time.

> "99% of the time, systems today are doing the same thing they did yesterday."
> – Paraphrasing Gerald Weinberg

This stability or inertia is a gift. The less we interfere with systems, the more smoothly they run. And that 1% that truly matters won't be an issue. This is explained in more detail in The Success Fallacy.

The Natural Force of Populations

Social systems follow certain patterns that are incredibly helpful when we recognize and understand them. Today, we'll look at three key groups:

Pioneers – Guardians – Lifelines

This is a simplified version of the change-diffusion model, which we call the P-G-L model. Essentially, this curve represents the risk tolerance of different parts of a population. The further left you are, the less fear you have; the further right, the more fear there is.

The core idea behind this is that distributing fear across a population makes sense. We don't want everyone to think the same way, because that wouldn't be smart or resilient.

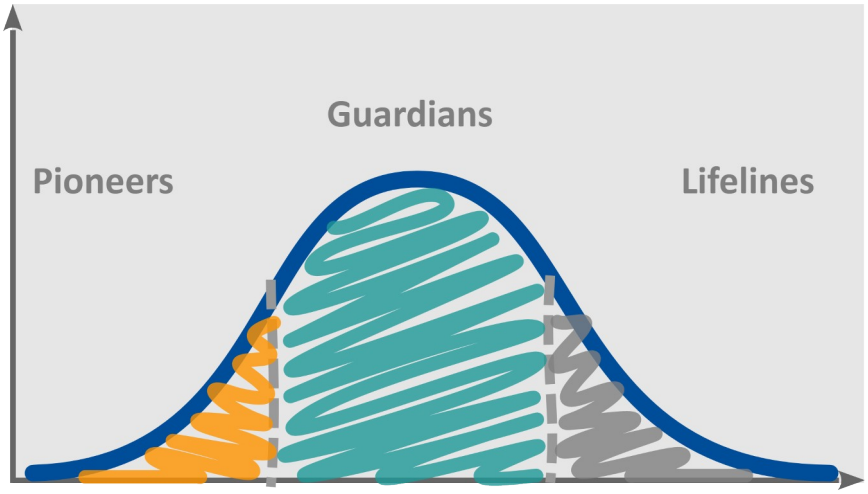

Figure 70: Pioneers, Guardians, Lifelines as a simplification of the change-diffusion curve. The same data, just an appreciative reading.

What makes this model special is that it avoids labeling anyone as "good or bad" or "right or wrong." Everyone plays an important role, but for different purposes. Let's break it down:

- **Pioneers (~20%)**: The explorers, the innovators. They are always seeking something new, exploring possibilities and new territories. For them, everything is an opportunity.
- **Guardians (~60%)**: They represent balance and the present moment. Guardians want things to work smoothly. They carefully observe what the Pioneers try out and adopt only what proves successful. They are the social filter because Pioneers tend to overshoot. This is clear in the start-up world: only about 1 in 20 ideas is truly useful.
- **Lifelines (~20%)**: The safety nets. If Pioneers are 10 years ahead, Lifelines are 10 years behind. They preserve the past and serve as the fallback system for the population. When Pioneers and Guardians take too many risks, Lifelines are often the ones who survive and rescue the population. It then takes time for the balance between P-G-L to be restored.

The world changes, and Pioneers act and react quickly, often leading to success. When the Guardians see this success, they eventually follow suit, creating a mass movement. Lifelines, however, serve as the emergency plan. But without the Pioneers, Lifelines would face extinction, as they respond too slowly to environmental changes.

This is why each group is both necessary and, on its own, incomplete. We need all three in a balanced form to maintain a healthy, functioning population.

Specialists and Generalist

The next dimension is the distinction between specialists (80%) and generalists (20%). These represent different ways of looking at the world. Do I invest my resources in seeing and understanding as much breadth as possible, or do I dive deep into one specific area?

We need both: depth from experts and a smaller number of generalists who connect the dots and provide a systems perspective. Without each other, both groups would be lost.

> In management systems, there's rarely room for generalists. They're often seen as a threat because they "meddle" in management tasks. Only those with the necessary authority or power are supposed to see the bigger picture, but these aren't always generalists. As a result, we often have the wrong people in key positions due to political maneuvering.
>
> Naturally, these people become defensive when someone comes along and does the job better, simply because they have the natural skillset for it.

Human Design

In Human Design, there's a deeper breakdown worth exploring:

- **Manifestor (~9%)**: Drives innovation and new ideas.
- **Generator (~40%)**: Creates and sustains energy, performing creative and lasting work.
- **Manifesting Generators (~30%)**: Combine the traits of Generators and Manifestors; they bring ideas to life quickly and are skilled at prototyping.
- **Projector (~20%)**: Provides direction and structure; takes on leadership roles.
- **Reflector (~1%)**: Mirrors the state of society; acts as a corrective element, the "prophet" of the group.

This perspective is helpful because it outlines different roles and how they must work together within a social system. It also relates to the concept of The Success Fallacy.

Once again, it's about the interplay of tasks to create a functioning and balanced system. Manifestors, Manifesting Generators, and Generators create value in a sequential manner – similar to research and development (R&D), domain-specific work, and product development. This distribution is healthy and balanced.

The Projector provides structure and direction, and takes care of the system's maintenance and management. It's important that Projectors and Manifestors work together: the former provides the vision, while the latter builds the system around it.

No matter the organization, all these roles should be clearly defined and covered.

Generation

Let's talk briefly about teenagers. Teen brains are biologically designed to start a revolution and question everything. Only what withstands their scrutiny will remain. That's the biology behind the brain remodeling during puberty. From the perspective of social and intelligent systems, this is fantastic because it allows each generation to refresh the system. We avoid being stuck in the past. Intelligent systems are meant to adapt optimally.

For this, we need systems that provide psychological safety at level 4 (see the section on Parenting): The freedom to question the status quo and propose improvements.

Now let's look at how society often treats its teenagers: We keep them down or numb them until their time has passed (around age 22). When they've resigned, we consider it a success. We don't want to learn or be criticized. It's much easier to dismiss teens as rebellious and foolish. We're determined to be right at all costs. And we justify this by claiming that since they think differently from us, they must be wrong and need to be "protected." This is a dysfunctional approach.

Such a system becomes blind and ignorant. We miss the chance for renewal.

Leadership systems are intelligent and make use of even uncomfortable resources. After all, it's not about ego – it's about creating functional systems.

The Success Fallacy

In an early interview, Steve Jobs mentioned that success often leads to an organization's focus shifting more towards marketing and sales, as they help increase success. However, in the process, the product itself gets forgotten and loses importance.

This is the principle of the Success Fallacy. Success becomes a problem because we forget the source of that success. Revenue can never be the main metric for steering an organization. You can't directly control revenue – it's an indirect measure. We've already touched on this in Inside and Outside and Giving Direction. There's an internal state that precedes results, and you need to understand this chain. You can't confuse cause and effect; you must control the cause.

> In some industries, like restaurants, the link between cause and effect is more immediate. Revenue is closely tied to the quality of the food. There might be slight delays, as loyal customers may come back a few times even after the quality drops.
>
> That's why shows like *Kitchen Nightmares* with Gordon Ramsay work so well. In this industry, implemented changes show results almost in real-time. When quality improves, it quickly reflects in the revenue.
>
> In other industries, it's more complex.
>
> By the way, every episode of Kitchen Nightmares aligns with the Collaboration Capability Model when it comes to identifying the root cause and improving it. It's a great case study for getting familiar with the model.

Stupid systems confuse the fruits of success with the tree of success. We see this currently in politics, as well as in every digital transformation or business disruption. The world changes, conditions change, but we resist because we want to keep our rigid structures.

It's like a child throwing a tantrum in summer, yelling that their ice cream shouldn't melt. We believe that by resisting, the fruits of our success will simply stay. But the ice cream doesn't stop melting through sheer willpower.

However, if we understand the qualities that made us successful – the roots and tree of our success – we realize that we need to renew and adapt them regularly.

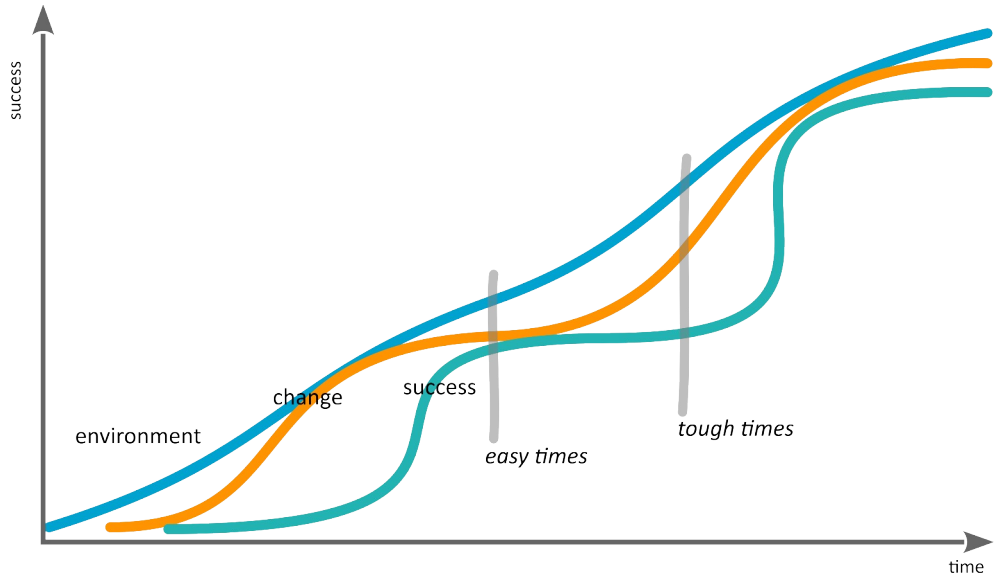

Figure 71: A simple model for the interplay of world, change and success.

Let's look at this more closely. The change curve is driven by environmental shifts, which could be political, geographical, technological, or climatic.

For example, let's consider the digital transformation in the film industry – from theater to cinema to streaming.

There was a time when we only had theater. This represents the lowest plateau. The next step was the technological development of color films (blue). Films had to be created, ideas translated into movies, and shown in theaters. This brought a series of small changes (orange). The result (turquoise) was the creation of cinemas, film distribution, and

major production studios. Roles were clearly defined, everyone knew how it worked, and theater owners declared this as their death knell.

The idea of building cinemas was one thing. Having a market share and being part of the game was another. One part is innovation (orange), and the other is the result (turquoise). Results in capitalism are typically measured in money. This narrow focus ignores many other costs – secondary, tertiary, etc. These costs are hard to model, and we often don't want to take responsibility for them.

> This narrow perspective can make capitalism "dumb." But with better metrics, we can make it smarter. The key question is always: "What's best for the system?" If the scope is large enough, we'll get good answers.

Success is deliberately represented as a plateau. It appears later and remains stable until the next change shows its effects.

Emotionally, most of us (the majority, meaning Guardians and Lifelines) tend to hold on to success. We get used to it and forget that this success came with prerequisites – changes in the environment and the adaptations that followed. Instead, we focus on our revenue numbers and say, "I want to keep that." We become blind to everything else. (In the diagram, this is the middle plateau.)

We also think that by clinging to those numbers, we can stop the world from changing. It's a trauma-like pattern. We crave stagnation and want to freeze time.

But time doesn't stand still. Change happened when films shifted from DVDs and Blu-rays to file-sharing platforms and illegal streaming sites. (By the way, real innovation is often "criminal.") Then came the streaming services. The old companies clung to their success and acted as if they could stop or reverse time. Typically, they first responded with lawsuits, followed by a big plea for sympathy.

Yet the world moves on. Every organism chooses whether it's intelligently built and adaptive or destined to go extinct like the dinosaurs. And then we see the next wave of success with Netflix and similar platforms (the upper plateau in the diagram).

These were two change cycles. Each group in the population (P-G-L) reacts differently and perceives every point in the cycle in its own way. As the diagram shows, there are easy times (when the three worlds align) and tough times. Politically and socially, we're currently (2024) in a difficult phase, which is why there's so much fear. People can't envision the future, so they cling to the seemingly safer past – which no longer exists. Neocortex and Limbi interpret this very differently.

On top of that, multiple disruptions overlap: extreme wealth and poverty (inequality), climate emergency, Social Media 4.0, and AI. These issues ripple into other areas that affect us directly, such as electric cars, inflation, alienation, the formation of echo chambers, and job insecurity.

The world has moved forward. The blue line is already far from the comfortable spot we once knew. Some changes are being planned, but there's still a lot of uncertainty. We're still living off the success of the past. Of course, we all want to go back. But there is no "going back" in time. Netflix won't just disappear, and people aren't going to suddenly sell their TVs and start going to the cinema again.

Emotionally, Guardians and especially Lifelines respond to tough times with resistance and a desire to "go back." This is completely logical if you look at the diagram. They only see their "success" (prosperity) and don't want to lose it. But this prosperity came with conditions we can no longer control, and those conditions are already gone. We've just forgotten that. While this reaction is understandable, it makes things worse by slowing down the solution and the path to the new plateau of success.

Leadership's role is to bring everyone together and create a shared vision, offering clear direction. We need to take people's fears seriously and respond with understanding. Fear needs answers and perspective. That's the job of the Pioneers. They look to the future and stay connected to the blue line.

But if we, like with teenagers, suppress and silence the Pioneers, we lose our footing and face a major crisis. Often, crises are self-inflicted. We'll see this clearly when we talk about change.

Geese and Eggs

Even though OrgIQ is cool, the core idea behind leadership systems is much older. Like, 2,500 years older. Aesop summed it up in his fable of the goose that laid the golden eggs. Stephen Covey reminded us of it in the "7 Habits." We all know the story and its moral, but living by it isn't always easy. That's why we saved it for last.

The Fable of the Golden Goose:

Once upon a time, a farmer had a goose that laid a golden egg every day. The farmer got greedy and impatient. He wanted all the eggs at once. So, he killed the goose, hoping to get all the gold immediately. But he found no gold inside – and lost the steady stream of golden eggs forever.

The moral of the story: If you focus only on the eggs and forget the goose, you ruin everything.

Leadership doesn't work in a dishonest, distant environment. It needs a team, real connections, and genuine interest in others. The focus should be on the goose, not the eggs. The eggs are just the result of a healthy system – they can't be produced without or against the system.

Figure 72: Goose or eggs? That is the difference between management systems (focus on golden eggs) and leadership systems (goose, because we trust that eggs come from a healthy goose, just as it should).

"I'm doing it for you, not for the results": Leadership is the opposite of chasing golden eggs. It's not about wanting the eggs. It's about caring for the goose. The geese will take care of the eggs themselves.

And that's how the goose and the eggs show us where we stand. It's a test for all the methods and tools we use, to see if we're on the right path (goose) or the wrong one (eggs).

Change in Systems

Change itself, as we've seen above, is just one part of the Success-Fallacy Curve. So let's take this opportunity to dig a little deeper. Even though we already know most of the core concepts, we'll recap them from the perspective of change.

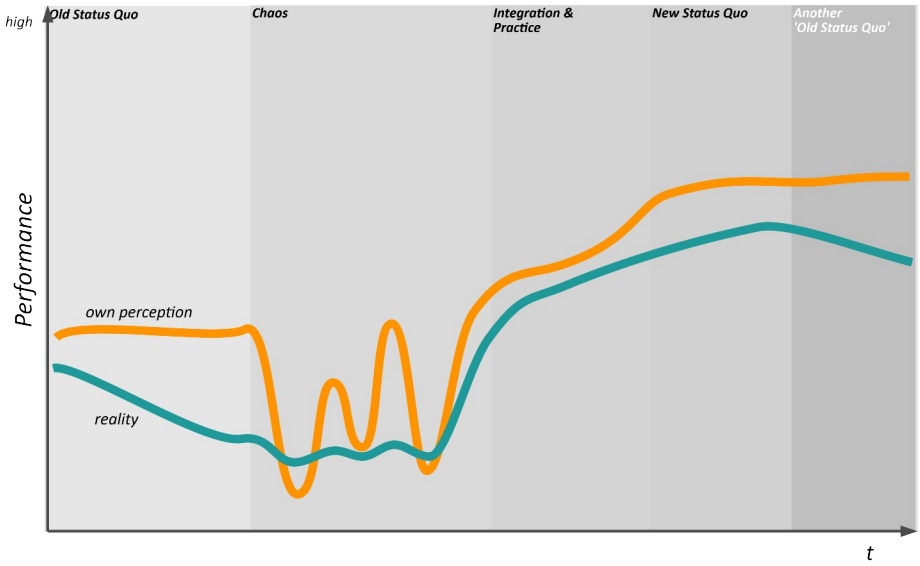

Figure 73: Change Model (Virginia Satir)

What we see here is the gap between reality and perception, which eventually leads to a crisis. A crisis is when we realize how far our perception is from reality. Most of the time, though, we think the opposite – that our perception is correct and reality has suddenly changed.

Then comes emotional chaos. We have to process the new situation and adjust our worldview and beliefs. If we don't fully understand the new situation, we can't come up with creative solutions. Eventually, there's a point when reality and perception align again – until we fall into The Success Fallacy the next time.

Change has both a cognitive and an emotional aspect. We need both our neocortex and limbic system for this.

If we regularly check how close we are to reality, we can react earlier, faster, and in smaller steps. We won't even feel the crisis because we'll be so in tune with the world. That's the state intelligent systems aim for.

It sounds simple, but it's rarely done. We need to understand what causes change and the worldviews behind it.

There are two drivers: pain or curiosity. And two sources: external or internal. Change either comes from others or from within ourselves.

Pain is driven by suffering. We don't want to change, but the gap between our perception and reality becomes so big that we can't ignore it anymore. Our life becomes uncomfortable enough that we have to change – it's a "moving away from" the situation.

Curiosity, on the other hand, is an active motivator. I'm always looking for ways to make things better, more beautiful, easier, or faster. I'm driven by a vision, and I want to "move towards" that goal.

What we choose to live by depends on our worldview. If we choose pain, we live in a world of suffering, scarcity, rigidity, and hostility. Curiosity represents a worldview of love, abundance, growth, and friendliness. The trick is to adjust our worldview first. It makes life easier. That's the role of leadership – to show alternatives. Our limbic system is capable of much more than we think.

Why Is Crisis So Hard for Us?

Why don't we learn easily? Why aren't we more curious? Why do we often live in this small, rigid world of hostility? Because we don't want to be vulnerable. We think vulnerability is dangerous. When we're vulnerable, we feel at risk.

This may sound exaggerated, but it actually ties back to how we perceive things versus how they really are.

Picture a tree. In the beginning, there's just a small sprout with two tiny leaves. If someone steps on it: dead. If someone nibbles on it: dead. As a sprout, the world is a dangerous place. That's why our parents are supposed to protect us.

But what happens when the danger comes from our parents? For example, "If you don't do XYZ, you're worthless." In that case, I'll either learn to play the role of XYZ or develop another strategy to cope. Either way, I'll build walls around my heart to protect myself from that threat. I store that danger and my helplessness as I build those walls.

Now, back to the tree: The sprout has grown into a large tree. The tiny protective walls that once seemed so important are now small, unnecessary, and barely visible compared to the tree.

And this is where the drama of vulnerability lies. A tree shows itself in all its glory – there's no reason to hide. Vulnerability simply means showing yourself, not necessarily getting hurt. That depends on your inner strength.

But sometimes we still see ourselves as that little sprout. What about you? How do you see vulnerability? Are you a tree in your mind or still a sprout?

Leadership: From Sprout to Tree

Leadership means being a tree and helping others grow into trees. People need to let go of the image of the fragile sprout and learn to become strong.

Is the change self-determined or imposed from the outside? Are we simply told to change, without any context? Or at least given an explanation of the effect? Ideally, we'd have the full picture and understand: "This is the problem, and we need a solution."

The way we guide change can either tap into or suppress our ability to find creative solutions and playfully approach challenges.

Inside and Outside

This brings us back to the idea of inside and outside. When we truly connect with each other, we move from the inside to the inside. But if it's just about blind action, we operate from the outside to the outside – without seeing or caring about the rest of what's important.

External change often relies on pressure or bribery. Pressure replaces the missing internal sense of urgency. It's an attempt to artificially create that pressure. Bribery is the "nice" alternative – so, back to "carrot and stick."

In these environments, suffering is the trigger for change. But sometimes, the pressure appears in the wrong place, where the change isn't needed. That's why additional pressure is created elsewhere. The management system simulates pain in one area, while the real issue lies elsewhere. The first pain might have been necessary and logical, but the second one is pointless and only leads to division and mistrust.

Instead of creating more pressure, we could focus on relationships. We share the necessary pain. When we see others suffer, we naturally want to help. This builds connection instead of division.

When external change is driven by curiosity, leadership adjusts the purpose and direction. New stories and visions are shared, and we take people on this journey. Essentially, a new version of the system is built. Every person is free to decide whether they want to join. That's the beauty of leadership: I make myself vulnerable, but once we find the way, we embark on the journey together.

This is why transformation in leadership systems is so simple. The limbic system stays relaxed because we have a shared foundation and direction.

Practical Tips for Change:

- **Regularly check:** Constantly monitor for resistance and new developments. Where are we, and what might we have missed?

- **Use the pioneers:** Know who the pioneers in your organization are and let them do their work. They are the explorers and discoverers.
- **Steer change through purpose:** Whether in active management or during a crisis, purpose is the key. Regularly check and update it to make the path to creativity and innovation easier.
- **Revenue is not a purpose:** Revenue is just greed, and shareholder value is not real value. Dysfunctional structures might be convenient but are neither smart nor sustainable. For “dumb” things, you need “dumb” systems.
- **Encourage playfulness:** People who do the work understand it best. They need support, not control.
- **Use a Balanced Network:** Evaluate options and ideas through a *Balanced Network* and look for the path of least resistance. The more safety, the more playfulness, and the quicker systems respond.
- **Mind the resignation level:** Allow time and space for systems to recover from a low point, especially during transitions.
  - **Break down resignation:** These neural “highways” develop when natural change has been blocked for a long time. It takes time to build new paths and make the old ones irrelevant. But with play and joy, it happens much faster.
  - **Block old pathways:** Consciously create “traffic jams” on old mental highways and remind each other to focus on the new paths.

System Quality

How do I determine if my system is good?

This is the test for leadership: Is my system functional or dysfunctional? In OrgIQ, we have a lot of tools for this, from QuickChecks to in-depth assessments. We don’t need to go over those details again, but here are a few key points to consider:

- **Purpose and Direction:** Everyone is on board and moving in the same direction. Values and boundaries are part of this. We steer early and decisively to avoid costly corrections later. Control and management just mean we failed to steer properly in the first place – something we want to avoid.
- **Complexity:** Do we embrace complexity and feel comfortable with it? Do we accept ambiguity as part of our thinking and actions? Do we live this reality without constantly judging it? Do we understand the rules and advantages of complexity? “There are no complex *Clockworks*.” This reminds us where we might be carrying old-world assumptions into leadership systems.
- **Efficiency:** Good systems are like sloths – they achieve their purpose with minimal effort. We are always looking for ways to deliver better quality with less effort. Quality is the value we create for our customers.
- **Minimize Resistance:** We aim to eliminate friction within the system so we can focus entirely on external challenges.
- **Minimalist Principle:** No activity without a customer. If something can be left out, it either has an impact on our values (≠ revenue) or it’s waste. This applies to all tasks in the *Network* and *Clockwork*. Regular customer feedback (internal and external) and an annual decluttering are good tools: What is still needed? What can be improved or simplified?
- **Collaboration:** We practice hands-on collaboration, but also collaboration in thinking. Everyone serves the common goal. We don’t need heroes – we’re focused on boosting productivity.
- **Values are lived:** The same values apply to everyone. We aim to learn together. Exceptions for special situations only show that we’re still stuck in dysfunctional thinking.

This creates a minimal model of how these organizations operate:

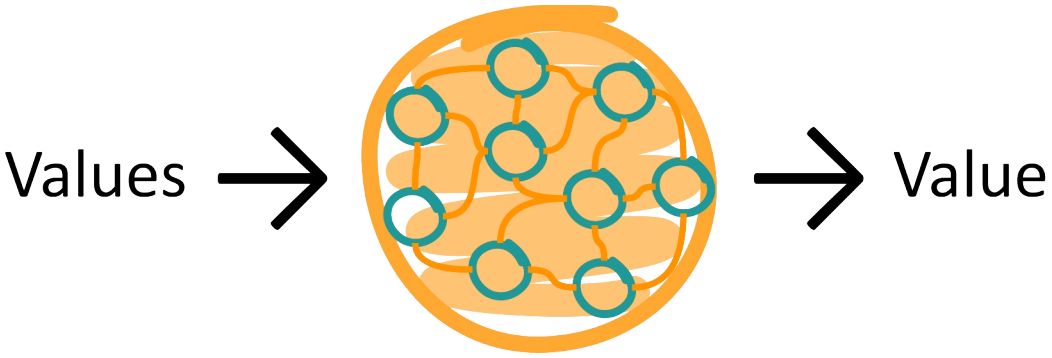

Figure 74: The minimal image of a leadership system.

Here's the "problem": On paper, this is an advantage, but in reality, it's often the biggest hurdle for organizational change. If you want to act unethically, leadership is the wrong approach. Leadership systems live by their values and serve a higher purpose, which makes them inherently ethical and moral. This is systemically intelligent and aligns with every Code of Conduct.

In intelligent systems, unethical behavior can't be hidden. Values are the standard, and no one would dare call greed a value. Greed isn't even zero-sum – it drains resources and energy from the system. That's systemically dumb.

Upper Bound Model

One interesting question about system quality is: How intelligent can they actually get? What's the upper limit? How do we measure and define the intelligence of systems?

And what are the costs of "stupidity"?

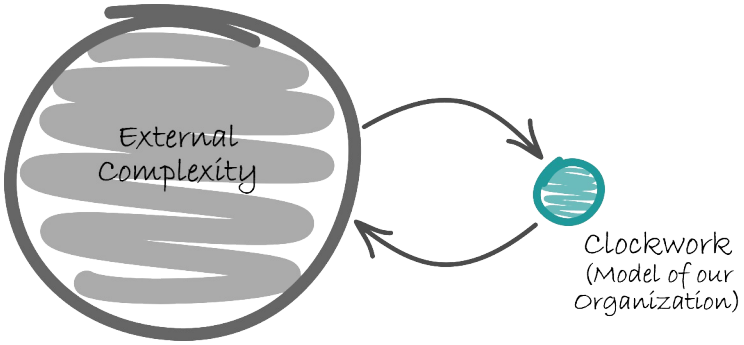

Figure 75: Reminder: Small model, small solution space and low intelligence.

We learned earlier that our worldview also defines the space for our solutions. We can never find solutions that don't exist within our thinking model.

The first hurdle is the definition of success. If we aim for success, everything will align with that metric. So, it needs to be well thought out and not one-sided. Ideally, something more human – not just material, but also emotional and perhaps even sustainable. From this, we build our definition of success.

> This is why many sustainability and value-driven approaches fail: they are treated as an add-on. Success is often defined as money, and everything else becomes secondary.
>
> In a human-centric organization, it's different. And that's probably why so few do it. Only when I truly believe in my values and that I will succeed with them do they become part of my success definition. And then they are truly lived.

We want systems that are as successful as possible while using minimal energy. High productivity is the goal. For that, we need intelligence, so we can continuously learn, adapt, and anticipate. (This is the definition of intelligence.)

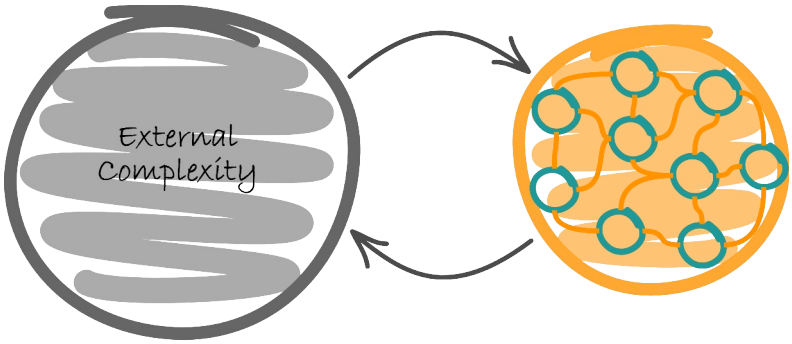

Figure 76: Large model, large solution space; or let reality do the work and maximize the solution space and intelligence.

Now we need a model to understand how we can measure and display how intelligent an organization can get. What is the upper limit of organizational intelligence?

And how can I structure my organization to become more intelligent?

This is also related to the bottleneck theory. What is the cognitive bottleneck of an organization? What is the emotional bottleneck? (We want intelligence from the combined efforts of the neocortex and limbic system.)

Here's the answer: Organizations with a single point of control can never be more intelligent than that point. The simpler an organization is, the more likely it is that one person sets the upper limit. If we split the organization into small, independent units, then the sum of these unit leaders defines the maximum intelligence.

An example: In an organization with 10,000 people, if all important decisions are funneled to the top, the upper limit is 1. Let's call that OrgIQ = 1.

But if we split the organization into units of 100 people, each with its own control, we now have 100 bottlenecks – and an upper limit of 100 (OrgIQ = 100).

> This is, of course, a simplified version. We can assume that within a group of 100 people, there are overlaps in both cognitive and emotional intelligence.

If we apply the same principle to groups of 10 people, we get an upper bound of 1,000. (OrgIQ = 1,000). So, we can see that decentralization makes us "smarter." But the question remains: What's the theoretical upper bound? What's the smartest possible organization?

Before we get to that, there's a valid concern: How do we ensure decision quality and alignment in direction? Central control is supposed to prevent conflicts and ensure everyone moves in the same direction. Without it, we risk stagnation and friction.

The answer is multi-layered:

- Even with central control, we've never seen a corporation where the yearly goals that reach the workers aren't contradictory. Goals are developed in silos, refined, and passed down. But at the worker level, everyone has to collaborate, and suddenly nothing fits together. Each person solves this individually, according to their own priorities. This means the current system isn't handling this well either. But we want to do better than the current state.
- If we have a clear definition of success, ideally combined with a shared purpose or vision, everyone aligns with that. It's essential to put a lot of effort into building a common understanding. The experts (in the *Network*) are technically competent, but the purpose must not only be communicated but truly internalized. Only when this common understanding is established will everyone work in the same direction.
- The experts ensure the quality of decisions. That's why we need all the relevant experts involved in the decision-making process. The intelligent organization operates through the *Network* and by consulting resistance points.

In traditional organizations, experts also make decisions, but through indirect and politically influenced channels.

The experts make a decision, and then they have to "sell" it to management. A lot of time and energy (and PowerPoint presentations) goes into explaining the issue to the official decision-makers and convincing them that the proposed decision is the right one.

This is politics and adds little value. In simplifying the decision, the complexity is radically reduced to fit a certain perspective. But in the process, the essential elements are lost. (See The Power of Complexity) The final decision often barely resembles the original problem and its solution.

With this approach, we waste time, energy, and trust (credibility). We create additional barriers between management and experts, because the decision-making process (or manipulation) moves from the bottom up.

Theoretically Possible Upper Bound

This is a rough estimate that serves as an example. You can use your own or other models if you prefer. The goal is to show how we can calculate the intelligence of an organization. What do we need for this?

- **Maximum Number of Participants:** How many people can directly contribute their intelligence? (#People; positive whole number)
- **Clarity of Purpose:** Purpose + Vision – how clear are the goals and the purpose? (Purpose; Scale from 1-10)
- **Diversity of Intelligence:** How diverse are the perspectives and skills of the participants? The higher the diversity, the smarter the system. This includes both cognitive and emotional intelligence. (Diversity; Scale from 1-10)
- **Willingness to Contribute:** Emotional safety plays a huge role. If people know something but don't feel safe enough to share it, that potential is lost. (Contribution; Scale from 1-10)
- **Decision-Making Mechanism:** How are decisions made? Resistance-based systems balance many options and minimize harmful influences. Consensus systems tend to produce the smallest common denominator. (Scale from 1-10)
- **Skill Development:** This refers to the improvement of key skills (like collaboration and trust), which also tie into emotional safety. (Decision; Scale from 1-10)

There will always be individual decisions that depend on the clarity of direction and personal competence.

- **Speed:** At first glance, speed may seem unrelated to quality, but it's critical for adaptability. Intelligence is also tied to energy and flow. If we have to wait too long too often, resignation sets in. (Speed; Scale from 1-10)
- **Other Attributes:** Additional factors like the resignation level could also be considered.

The formula is:

*#People * Purpose * Diversity * Contribution * Decision * DSS * Speed = OrgIQ*

You can also weight the factors to set priorities.

Example:

A traditional team of 7 people + management:

#People (7) * Purpose (4) * Diversity (1) * Contribution (2) * Decision (1) * DSS (3) * Speed (4) = OrgIQ

1 * 4 * 1 * 2 * 1 * 3 * 4 = 96

A leadership system with conservative numbers and a collaborative, resistance-based approach:

#People (8) * Purpose (6) * Diversity (5) * Contribution (6) * Decision (6) * DSS (6) * Speed (7) = OrgIQ

8 * 6 * 5 * 6 * 6 * 6 * 7 = 362,880

Even with normalization or logarithmic scaling, the magnitude remains significant.

When we consider the limbic system (Limbi), we often overlook how much capacity we lose when the Neocortex has to "simulate" the Limbi. Sociopaths and narcissists don't face this challenge, which is why "jerks" often seem more efficient.

Then there are opportunity costs: While we do x, we miss out on y. Fragmentation and other disruptions create further costs.

Given the complexity, we can't build an exact model. Instead, we make rough estimates to get a feel for the situation.

System Growth

Limbi-based relationships drive growth – this is what we call "the love of the plateau" (see Ego vs. System). Learning and growth aren't always steady, and they can't be sped up at will.

There are also social effects on productivity. However, healthy systems have a natural upper limit, and that limit is the purpose. A system won't grow beyond its purpose.

> **Example:** Everyone should have access to clean water.
>
> This means I'll do everything I can to achieve this goal. I'll get creative, innovate, and collaborate with others. I'll build alliances.
>
> Now, let's imagine we reach the goal. A traditional business would say: "We have so many people and an infrastructure to maintain, so we need to keep the machine running."
>
> This could lead to changing the goal to something like: "Everyone should have access to orange-flavored water." Or I might start lying, reporting that there's still work to be done when the goal has actually been achieved.
>
> In both cases, the purpose is lost. We've lost the internal drive and are now only focused on external goals.
>
> The solution is simple: When we've truly solved a problem, we find the next real problem to tackle. We don't create artificial needs. Otherwise, the purpose is lost, and the system becomes dysfunctional, like a tumor.

When we start an organization, we're like the parents and friends of the system. It begins with a small group (<10 people) that's guided by relationships.

> One of my defining experiences was as a student, when I worked with a renowned expert in software engineering at the University of Maryland. It felt like being part of a team led by Niels Bohr. Instead of a large institute with hundreds of followers, I found a small group of 12 people. And that was intentional.
>
> His working style was highly communicative and collaborative, and this group size proved to be optimal – for both quality of life and productivity per person. Larger organizations might be more productive overall, but per-person productivity drops significantly.

Since then, I've encountered many systems that choose to stay small. They rely on strong relationships and follow the Law of Best Intention. These relationships carry the purpose within them. We know why we're here. It's not just the connecting person, but also their worldview, beliefs, and the stories we share together.

With up to around 7 people, our perceptions are still very similar, simply because the number of connections is limited. If I want 10 connections, that's everyone in the system. But at 15 people, different groups and realities start to form.

At this point, things get complex. We need shared alignment, and trust in the system must grow exponentially. This is the critical step toward new thinking.

I no longer know everyone, and we see the world differently. So, I need to believe that every perspective serves our shared goal and adds value.

Control becomes an illusion. If I demand control, I create a false reality. This starts with each person as they slip into roles. Intelligent organizations aim to avoid this – our goal is true collaboration and productivity.

So, the system grows up, and we have to let it go. It should develop on its own, but in a healthy way and aligned with our purpose. Like in Solutions: we're fulfilling a need in the world, but it's not about serving ourselves. We don't want to create a purpose just for the sake of it.

Stephen Covey talks about the three stages: Dependency, Independency, and Interdependency, in his "7 Habits." At this point, our system is like a 12-year-old child. It's not perfect yet, but we should already be at interdependency. If not, it will be hard to get there later. Sure, we might do some things better because we have more practice, but if we don't let the system learn, we violate the Law of Best Intention and create dependency. That makes us the bottleneck in the system.

If we keep dependency low from the start, the system's rebellion and need for separation will be minimal. The Law of Best Intention is crucial because it determines how much joy or frustration we experience with the system.

Growth Limits: 70, 150, 1000 People

These growth limits are important for balancing *Clockwork* and *Network*. Especially *Clockwork* needs to adjust the model regularly as the system grows. But the basic structure often remains the same. We'll need better tools at some points to apply methods to larger groups, like running a resistance check with everyone in the system.

What hinders growth is people taking themselves too seriously. Ego gets in the way – and that's bad for the system. There are clear warning signs: control mechanisms, bottlenecks, long wait times, operational decisions made by non-experts, and a focus on individual performance. These things need to be carefully watched and treated as violations of our values. These thought patterns are deeply ingrained in us and are brought in by new people as well – usually without bad intentions.

Pareto Distribution

The Pareto distribution describes how "success" is divided in systems. Success is rarely evenly spread, but instead, it heavily concentrates on a few. The bigger the system gets and the more competition there is, the fewer people are truly successful.

A simple example is beauty. In a small group (10 people), there are differences in beauty, but they're not extreme. As the group grows (e.g., 1000 people), the differences become more pronounced. We compare more and become pickier. This is known as the "Paradox of Choice."

Eventually, the connection is lost. We don't really know each other anymore and only judge based on external traits.

Decentralized Systems and Relationships

Decentralized systems keep the meaningful group as small as possible. Only the people in my *Network* matter. Plus, the perspective is different: we're not competing but working together to achieve something. Competition leads to dysfunction – like chickens in the "red zone" of a henhouse.

Management: Avoid "Re-Work"

Along with system productivity, we should also focus on the productivity of management. For this, we turn to an updated version of the "Cost of Quality" model. The original was developed to understand how costs in development projects change with increasing process maturity. Essentially, the model differentiates between tasks that are necessary to keep the system productive and what is classified as waste.

As processes mature, waste is reduced, and the focus shifts to necessary tasks. System maintenance remains at a reasonable level.

When we apply this to organizational management, the first lesson is understanding what is absolutely necessary, what is system maintenance, and what is waste. We need to look closely at these tasks and track their costs. This makes it easier to see which costs are the result of earlier "mistakes" or oversights.

Like the original model, we find that most control and audit tasks are fundamentally waste, as are adjustments and corrections. If we manage things well from the start and have a functional system, we won't need constant checks to ensure everything is running smoothly.

In development and production, smart processes avoid late-stage checks, because by then the damage is already done. Resources and effort have been wasted and can often not be recovered. So, we try to prevent mistakes and catch deviations as early as possible.

This is done through elements within the system, not through downstream steps. An intelligent process prevents errors from occurring in the first place or detects them immediately and halts production. Everything that comes after is just waste.

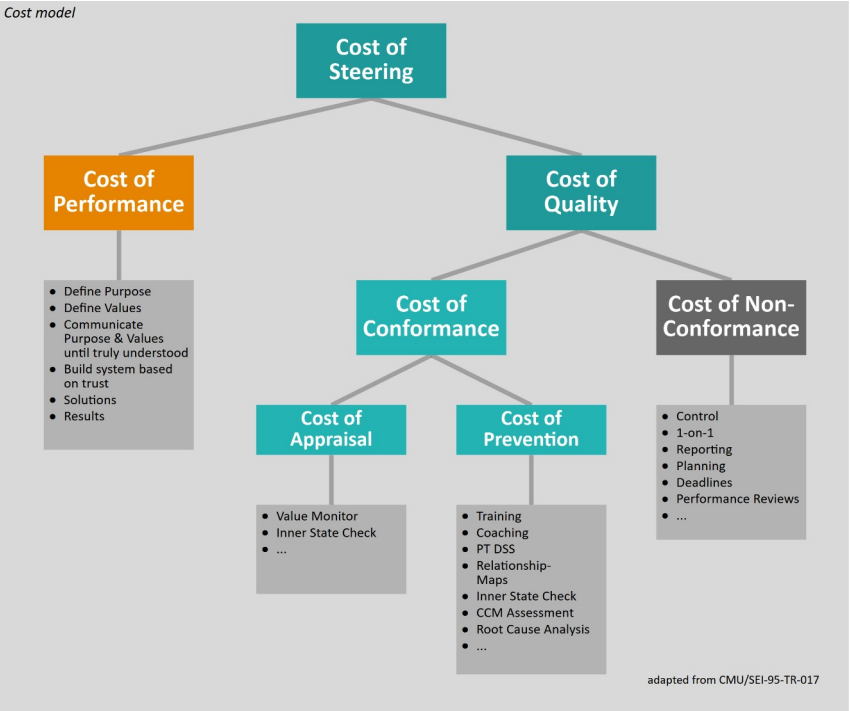

Figure 77: Based on the model for production costs, here is a model for the control system.

When we build leadership systems with intelligent management, we focus on what is necessary and valuable, and we identify and avoid everything else. Leadership is based on an intelligent process that prevents mistakes and incorporates error detection.

What we all recognize from daily life is operational management via the *Clockwork*. A large part of ongoing checks stems from previous management failures. Instead of fixing the system, we follow every single iteration, decision, and output.

It's like having a completed software product running on a customer's computer in debugger mode, with a team of developers constantly correcting intermediate values and outputs instead of delivering a functional product.

This approach would create maximum fragmentation. That's often the case in internal management as well, but now we know there are alternatives.

We've learned the tools and now understand the systems. So, let's use our Neocortex and Limbi – our cognitive and social intelligence – because collaboration is the ultimate productivity booster.

Appendix

Legitimation

Why are we writing this down? What is our legitimacy?

I, Dan, am just the author here. In some parts where I use "I," I'm sharing my personal experiences and perspectives.

My academic background is in computer science, specifically software engineering, but also in business management. Even during my studies, I was immersed in the worlds of management, controlling, and leadership. I knew the theory and later experienced the practice.

Psychology came into the mix gradually. Part of it came from software engineering, since the idea that we need to understand people to build good software is an old one. Many smart people started working on this long before me, and I'm building on their work. Personally, I've been influenced by Lutz Prechelt, Fred Brooks, Tom DeMarco, and, of course, Gerald Weinberg. The other part of my experience comes from practical work, primarily through transformation and change projects.

For me, models are about practical application: Do they work in everyday life? Can they explain what has happened and make predictions for the future?

As a computer scientist, I'm great at building models – and simplifying things. What's the core of an issue?

At my core, I've spent the past 20 years transforming management systems into leadership systems in different contexts. I've been involved in 9 transformations, affecting anywhere from 5 to 450 people. Most were within organizational units ranging from 40 to 400 people.

You don't tackle these transformations alone. Either we start as a team, or we build teams along the way. Over the years, a network of people has formed who share the vision of leadership systems. The know-how of all these people is reflected here as well.

So, when I write "we," it's not just my viewpoint. There's a wealth of knowledge from many people behind it – quickly adding up to 500 person-years of experience. On top of that, we only use theory that has proven itself in practice.

For us, building models means taking the insights of experts and finding the overlaps. We look through the lens of generalists and connect the specialists into a bigger picture.

These models have evolved over a period of 10 years and have been refined through practical use, workshops, training, presentations, and conferences. And this process will continue. The more people use the models and give feedback, the better they become.

So far, about 500 person-hours have gone into creating this document. And it's a gift. It's like being handed 50,000 euros. Use it wisely.

And feel free to contribute. Add your own experience and knowledge – especially as we make these models even simpler.

> "Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away."
>
> Antoine de Saint-Exupery (1900-1944)