

## CHAPTER

## 3

## LEVELS OF LEADERSHIP

*For every thousand hacking away at the leaves of evil, there is one striking at the root.*

—HENRY DAVID THOREAU<sup>1</sup>

**B**efore we address the details of the various aspects of the general diamond model in detail, an important set of ideas needs consideration. These ideas concern the difference between focusing on the superficial and focusing on the deeper, more powerful aspects of leadership. Leadership is about affecting human behavior, which can be thought of as occurring at three levels: visible behavior, conscious thought, and semi-conscious or preconscious basic values and assumptions. Visible behavior, what I will call “Level One,” is simply what others say and do, the things that you can capture on a video camera. People speak and act. They make gestures and movements that we can see and hear. This visible behavior is Level One behavior.

At “Level Two,” people have conscious thoughts, which they may or may not reveal at Level One. Although we may not be aware of these thoughts, the person very much is. They decide what to show to us and what to keep to themselves. They *think*, and they are aware. Of course, sometimes Level Two behavior “leaks” to Level One in tiny ways—a sigh, a grimace, a grin, a twitch. In our attempts to lead others, we may or may not pay attention to what others are thinking—in fact, often we do not. Many authors only pay attention to what others do, in large part, because it seems consistent with a “results-oriented” perspective.

At a deeper level, “Level Three,” people hold a set of values, assumptions, beliefs, and expectations (VABEs<sup>2</sup>) about the way the world is or should be. These values and beliefs developed over time and are so much a part of the person that they may be only partially visible or available to them. These VABEs are, therefore, often semiconscious

<sup>1</sup>Quoted in Stephen Covey, *Spiritual Roots of Human Relations* (Salt Lake City, UT: Desert Book Co., 1971).

<sup>2</sup>Some scholars may find this terminology weak, yet over a dozen years, it has proven effective in executive education settings as a means for consolidating several ideas and making them memorable.

TABLE 3-1 Levels of Human Behavior

1. Visible Behavior
2. Conscious Thought
3. Values, Assumptions, Beliefs, and Expectations (VABEs)

or partially conscious collections of what we have come to think of as the way the world is or should be. These three levels are shown in Table 3-1, where the underline denotes a separation between what we can see and what we cannot.

Many would-be leaders intentionally choose to try to influence people at Level One only. They argue that it is too difficult to understand Levels Two and Three, and, in fact, they don't really care what's happening at Levels Two and Three, so they focus on Level One. Dealing with people only at the level of their visible behavior is, they argue, simpler and seemingly more accurate. In fact, many theorists and observers argue strongly that leaders can *only* deal with Level One and that attempts to influence Levels Two and Three are unethical and an invasion of privacy. This is the essence of the Skinnerian view. B. F. Skinner, the famous psychologist, conducted research and wrote extensively arguing that we could condition animals and people to behave in certain ways by managing the mechanisms by which they were rewarded.<sup>3</sup> You may remember, he put (among other things and in his work's simplest form) a chicken in a box with a button; when the chicken pecked on the button, it was rewarded with a kernel of corn. By reinforcing the pecking behavior with the corn, Skinner was able to teach the chicken to peck in a certain way. Skinnerians, then, tend to argue that leadership should focus on behavior and not think about nor worry about what goes on *inside* a person. There are several issues with this approach, not the least of which is that this model relies on the assumption of the consistency of the chicken's underlying value on a kernel of corn. Satiated chickens likely have little interest in the marginal piece of corn.

Visible behavior is clearly the most readily available. Levels Two and Three, on the other hand, are available to us only through two means: (1) when the other person decides to reveal him- or herself to us, and (2) through our observations of their behavior, which enable us to *infer* what the underlying VABEs might be. Both of these methods are imprecise. We cannot always be sure that what someone says is an accurate reflection of what they are thinking or experiencing. Of course, others may or may not be *able* to tell us their thoughts and feelings as well. They may be hesitant to tell us the truth or they may not be very clear in their own minds about their thinking. When we observe people, if we are careful, we may get some vital clues about why people behave the way they do. In fact, sometimes our observations may give us a clearer picture than if we just listened to what they said. People don't always behave at Level One consistently with what they say they believe.

The model presented in this book is decidedly not Skinnerian. Rather, it recognizes the levels of conscious thought and of somewhat vague but strongly held values, assumptions, beliefs, and expectations and argues that effective leadership must take into account Levels Two and Three. Unless one does, one has little hope of understanding

<sup>3</sup>See B. F. Skinner, *Beyond Freedom and Dignity* (New York: Bantam, 1971).

why people behave the way they do and therefore, of influencing them in profound ways, ways that move beyond monitoring and constraining superficial behavior.

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## BODY, HEAD, AND HEART

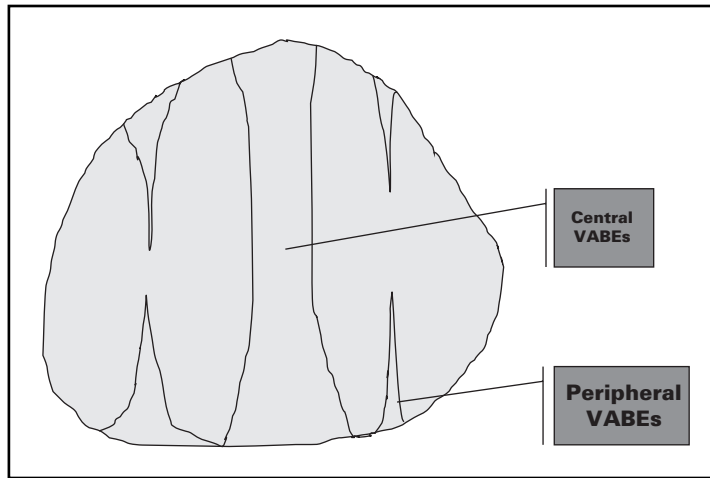
Because visible behavior is decidedly physical and observable, we can liken Level One to the body. Some companies and managers explicitly state their wish that employees would check their thoughts and emotions at the door, and just do their jobs. In essence, this philosophy is focused on Level One and attempts to manage visible behavior in isolation from what people think (head) and believe (heart). Many managers express frustration because they try to hire “workers” and “people” keep coming to work; that is, because of what they think and believe, they often do things that managers don’t want them to. Most managerial systems since the beginning of the Industrial Revolution (around 1800) focused on Level One, on visible behavior, with much less attention on Levels Two and Three. Frederick Taylor’s work on time-motion studies around the turn of the twentieth century, for instance, focused largely on managing the behavior of employees with little attention given to their inner thinking and feeling.<sup>4</sup> The underlying assumption of those who seek to influence only visible behavior is that people are like machines in that they can be programmed to behave consistently. The goal of Level One managerial systems is to minimize variance from work objectives by managing people to behave in the most efficient manner and in concert with the “corporation’s values.”

Increasingly, in a changing world with enormous volumes of information available to employees at every rank, the centralized, Level One control mentality is outdated and unworkable. People keep bringing their heads and their hearts to work, which influences their behavior constantly. Further, as competition increases, corporations are concerned about building high-performance workplaces where employees at all levels are committed to and engaged in serving customers, where their heads and hearts as well as their bodies are focused on high-quality work. Unless management can tap into the human potential at Levels Two and Three, it will be unable for the corporations to compete with the best of its competitors. Leading at Level One is a formula for mediocrity—not for world-class performance. It’s a simple concept: unless the whole employee is engaged in the work, the work won’t be as high quality as it otherwise would be. Focusing on Level One is insufficient for getting this kind of commitment and engagement and for competing against those who have learned how to get more out of their employees.

Effective leadership also needs to influence Level Two. Level Two, or conscious thought, is thought we are immediately aware of in ourselves. We think thoughts and choose whether to communicate them and if we do, whether to communicate them accurately. We are aware of Level Two activity within ourselves almost constantly, and we presume it in others. We can liken Level Two to the mind because that’s where it occurs. Would-be leaders who ignore what people think are undermining their own capacity for influence.

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<sup>4</sup>See Frederick W. Taylor, *The Principles of Scientific Management* (New York: Harper & Brothers, 1911).

**FIGURE 3-1** VABEs are like limestone caverns

Level Three refers to the deep-seated beliefs that we hold about what is true in life and that we generally take for granted and no longer need to think about or reflect upon. Level Three includes our hierarchy of priorities, our list of what we value more than other things. It includes our summary of the “shoulds” and “oughts” in the world, the way the world and the people in it should behave. Level Three probably also includes the influence of the enteric “brain.” Emerging research is learning more and more about this ancillary nervous system that resides literally in our alimentary canal. It seems to be an evolutionary residual of the central nervous system of our distant invertebrate ancestors. The enteric “brain” includes something like 100 million neurons, many more than in your spinal column, and is capable of producing more serotonin than the brain that sits atop your spinal column. We are learning more about the reality of “gut feel.” Taken together, the beliefs we hold in our primary brain and the influence of our secondary brain form the domain of Level Three.

Our Level Three VABEs are, by nature, highly cultural and family specific. The circumstances of where we were born and grew up, the quality of our relationships with our parents and what they taught us—in fact, all of our life’s experiences—contributed to the set of VABEs we hold as adults. I’ll explain more about this process later.

In a sense, our VABEs are like limestone caverns (Figure 3-1). The interior of these limestone caverns is dark and wet. Over time, tiny drops of limestone-laden water drip from the ceilings and land on the floors. As they do, evaporating partially each time, they leave a small deposit. After millions of repetitions, these deposits form into stalactites and stalagmites. Some of these structures are thin and easily broken. Others are thick and may even have formed into solid columns extending from ceiling to floor. Our VABEs are like these limestone structures. Some are pretty weak; others are pillars central to our personality and views of the world. Further, some are so familiar to us that we no longer notice them. These stalactites and stalagmites and pillars form the structures of our personality—yet we may not see them clearly because they are so much who we are.

To see our own Level Three VABEs, we often need assistance. Like fish swimming in water or birds flying in air, we have come to take for granted our more fundamental VABEs and assume them to be “true.” Honest conversations with others, particularly people who are skilled in recognizing VABEs when they see them, can be helpful in clarifying what a person’s—or an organization’s—VABEs are. This does not mean that you have to be a psychologist to be a Level Three Leader—that is, one skilled at influencing at Level Three. Psychology is the study of where a person’s VABEs come from. Management and leadership have to do with *recognizing* the most influential VABEs and then working with a person or organization to accomplish some goals with those VABEs. Note that VABEs are not just an individual phenomenon; they also have a major influence in the collective organizational level. “Cultures” at the organizational, national or regional level are collections of shared VABEs.

### TYPES OF VABEs

VABEs come in a variety of forms. We can think of VABEs of distinction, VABEs of association, and VABEs of strategy.<sup>5</sup> Distinction VABEs help us to distinguish between one concept and another. We accept, for example, that one country’s boundaries begin here or end there. Yet the ground shows no lines, just continuous dirt. That country, France perhaps, is an assumption of distinction. Association VABEs reflect our priorities and values. “France is good,” we may think, or “France is bad.” Finally, strategy or what we might call “conditional” VABEs involve action. “If I turn left, we can get there faster,” we may believe, or “If I lie, no one will find out.” Strategy VABEs usually have the basic “if-then” structure.

VABEs are usually clearest and most available for examination when they are stated as declarative normative sentences, such as, “People should tell the truth,” “The early bird gets the worm,” “Be respectful to your elders,” or “Don’t spit in public.” The basic structures of distinction, association, and strategy VABEs are shown in Table 3-2.

We carry thousands of VABEs around with us. Some we inherited from others (see Chapter 10 for a discussion of how VABEs or “memes” are transmitted), whereas some of them we developed uniquely from our experience. Some of them are relatively weak, and others quite strong and central to our way of living. The collective structure of our VABEs forms the nature of our personalities in a powerful way. Even so, it may not be so easy to recognize another person’s VABEs.

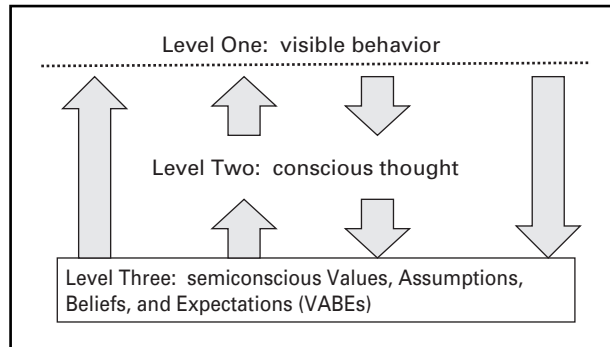
VABEs are often manifest at Level One when people act or speak. Whenever you hear a person say “should” or “really oughta wanna” or “Good Xs do it this way,” a blip should appear on your personal VABE radar because that person just revealed to you

**TABLE 3-2** Basic Structure of VABEs

Distinction VABEs	→	“This is X.”
Association VABEs	→	“X is (good, bad).”
Strategy VABEs	→	“If A, then likely B.”

<sup>5</sup>See Richard Brodie, *Virus of the Mind* (Seattle, WA: Integral Press, 1996). Brodie, building on the work of Richard Dawkins, refers to these “mental viruses” as “memes” instead of VABEs.

**FIGURE 3-2** Interaction among levels of human activity



a portion of his or her list of VABEs. If you watch and listen carefully and with intent, you can pick up a lot about a person's VABEs.

People's VABEs are not necessarily consistent; they may espouse one VABE and live another. This gap between *espoused* theories or VABEs (what a person says) and *actual* behavior (what a person does) has been the subject of much research and practical speculation.<sup>6</sup> Books have been written too about the difference between “knowing and doing,” the gaps between Level Two and Level One—which suggest some conflicts at Level Three. Bob Quinn's work at Michigan on the Competing Values Framework recognizes this reality.<sup>7</sup> Quinn observes that we have many competing values within us and that two of the biggest ones are the tensions between inside and outside and between control and autonomy. Some of these competing values are predictable and universal; some are unique to regional cultures, to families, and to individuals.

Level Three, then, is a gray area between conscious thought and the subconscious; it is an area that *may* be available to us, but about which we seldom think and into which we seldom delve in detail. Yet, it controls our lives, our thinking, and clearly our judgments about what we view to be right or wrong. We can liken Level Three to the heart, although no physiological evidence other than the enteric nervous system indicates that our VABEs in any way reside there or near there.

Please note that these three levels of human activity are closely intertwined. Clearly our VABEs affect our thinking, and clearly our thinking affects our behavior. Others argue that our behavior affects our thinking and feeling—the view taken by Skinnerians. The effective Level Three Leader will be aware of these recursive influences and strive to influence all three levels, not just one. It requires a willingness to think about all three levels and to consider how one might begin to influence them in others. A singular focus on behavior ignores two-thirds of what makes individuals do what they do. See Figure 3-2 for a visual diagram of the relationship between behavior, thoughts, and VABEs.

<sup>6</sup>See, for example, Chris Argyris, *Reasoning, Learning, and Action* (San Francisco, CA: Jossey-Bass, 1982).

<sup>7</sup>See, for example, Robert E. Quinn, *Beyond Rational Management* (San Francisco, CA: Jossey-Bass, 1991).

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## CONNECTING THE THREE LEVELS TO SCHOLARLY VIEWS

This three-level view of human behavior is relatively straightforward and well understood by scholars and many practicing leaders. In discussing the development of leadership in ethnic and organizational cultures, for instance, Ed Schein, one of the world's leading authorities on the subject, introduces what he calls three levels of cultural manifestation: (1) artifacts, the visible structures and processes of a culture; (2) espoused values, the justifications for behavior; and (3) basic underlying assumptions, the "unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings" that drive culture. If you're interested in exploring this concept further, Schein's book contains an excellent description of how these underlying basic assumptions are formed and shape individual and organizational behavior. Our three-level leadership model parallels Schein's cultural model in many ways.

### LEARNING LEVEL THREE LEADERSHIP

If you accept the assertion that human behavior occurs at these three levels and that leaders should pay attention to all three, the question emerges, How do I learn to attend to all three? The first step is in recognizing your own VABEs and then those of others. This is consistent with our opening assertion that strong leadership begins with self leadership. Developing skill at observing and inferring is critical to "seeing" VABEs.<sup>8</sup> If we recollect that the issue of "What do you see?" is the first step in developing a Leadership Point of View, then we can see the importance of developing better VABE vision. If we can "see" what others overlook, we have a head start on developing influence. Second, we may need to unlearn some of the VABEs we already developed thus far in life. This learning and unlearning is particularly important in an era of paradigm shift from a bureaucratic to an infocratic society. This process is difficult for many people. By definition, people are comfortable with their VABEs; in fact, a person's VABEs tend to define who that person is. To a large degree, our present VABEs are what they are because they have "worked" for us so far in life and got us to where we are. The rest of the book will invite you to be thinking about these three levels of human behavior as you work through the sections on strategic thinking, self-leadership, influencing others, organizational design, and managing change.

### TECHNIQUES FOR ALL THREE LEVELS

Attempts to lead or influence at each of these three levels imply the use of different techniques. Although some techniques may have affect on more than one level, many leadership approaches or recipes clearly target one level more than another. Table 3-3 shows some common techniques employed at each level. You may be able to add more

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<sup>8</sup>This approach encourages the development of inductive logic skills—seeing patterns in raw data. Much of our educational system is focused on deductive logic—giving patterns and practicing applications. "Pattern recognition" is a critical managerial skill set because managers often operate in rapidly changing environments in which there are no proven recipes for behavior.

**TABLE 3-3** Some Common Techniques Employed at Levels One, Two, and Three

<i>Level of intended influence</i>	<i>Influence technique</i>	<i>Usual impact</i>
Level One: Visible Behavior	Orders, Commands, Threats, Intimidation, Incentives, Bonuses	L1: Short-term compliance, possible sabotage, passive aggression L2: Obligatory agreement L3: Anger, resentment
Level Two: Conscious Thought	Arguments, Rationale, Data, Citations, References, Evidence, Manipulation	L1: Short-term compliance L2: Begrudged agreement L3: Anger, resentment, resistance
Level Three: VABEs	Visioning, Purpose definition, honesty, openness, emotional story telling, anecdotes, tender emotions	L1: Commitment

techniques to this basic list. We all use all of these techniques in one proportion or another. The point is not that we should use only the techniques at Level Three or Level One, rather that if we know what our habitual tendencies are, we can develop our leadership style more appropriately for the careers we choose. We'll explore these concepts further in subsequent chapters.

## ORGANIZATIONAL IMPLICATIONS

So far, we have looked at Level Three Leadership primarily from individual and interpersonal perspectives. We can also speak of three levels of activity in a broader, organizational sense. A Level One, visible behavioral focus in organizational leadership is reflected in the application of the latest fads or techniques. Level One Leaders read about the latest technique in the literature and try to apply these techniques over the top of their existing organizations without considering of how these new techniques affect other interrelated systems and the structures and cultures of the organization. Sometimes it manifests itself when executives commission expensive educational programs but then never attend personally.

Level Two at the organization includes the organizational design of its structure, its key systems, and the formal design of the firm. These historically designed aspects of the organization are the result of conscious thought, hence we can align them with Level Two.

The way in which an organization's design factors combine with the people who work in it, including the managerial or leadership style of the people in charge, to create a set of values, assumptions, beliefs, and expectations about how people in the organization should behave, results in the organizational culture (and subcultures). Level Three in the organization is the organizational culture, the set of commonly held values and operating principles that people take for granted as the "way we do things around here." These cultural realities may or may not line up with the formal organization and its subordinate designs. When they don't, "unintended consequences" are the result.



**TABLE 3-4** Levels in Personal and Organizational Analysis

<i>Level</i>	<i>Personal</i>	<i>Organizational</i>
One	Visible behavior	Artifacts, buildings, physical things, and the “walk” and the “talk”
Two	Conscious thoughts	Espoused theories, the thoughts that support the “talk,” rituals, ceremonies, fads, systems, routines, processes
Three	Values, assumptions, beliefs, and expectations	Theories in action, the underlying assumptions that generates “walk”

Level Three in the organization, as in the individual, is semiconscious. Some employees may be able to talk about aspects of the extant culture, others may not be clear enough about it to articulate it—although they behave it. Using Chris Argyris’s terms, Level Two is the “espoused theory” of the organization, while Level Three is the theory in action. These elements are shown in Table 3-4. They differ somewhat from Ed Schein’s characterization, yet they illustrate the point that what managers do (trying to apply the latest fad in the literature), how they think about the organization (its structure and processes), and what they believe deeply about how to manage and organize are all potentially quite different things.

## CONCLUSIONS

To speak of human behavior is confusing because we don’t know whether we’re referring to visible behavior, cognitive behavior or subconscious values related behavior. It’s helpful therefore to think of human behavior as occurring at three levels. Each of them has their strengths and weaknesses which we’ll explore in great detail later in the section on Leading Others. As you continue your reading and thinking, please keep these three levels in mind.

### CONCEPTS INTRODUCED IN THIS CHAPTER

1. Level One Leadership that focuses only on behavior ignores two major sources of motivation for most people: what they think and what they believe and feel.
2. Level One is visible behavior, Level Two is conscious thought, and Level Three contains the preconscious, semiconscious, or subconscious values, assumptions, beliefs, and expectations about the way the world is or should be.
3. Level Three Leadership, which is aware of and influences people’s values and basic assumptions, has the potential to be far more powerful than Level One Leadership.
4. Even though Level Three Leadership does not imply that one must be a psychologist (who studies where values and assumptions come from), it does imply that effective leaders will be skilled in recognizing and clarifying VABEs in those with whom they work.
5. VABEs affect thoughts, and thoughts affect behavior; probably the reverse is also true. Consequently, effective leaders will pay attention to all three levels.
6. Levels One, Two, and Three apply to organizations as well as to individuals. Most organizational leaders focus on Level One and ignore the realities of Levels Two and Three.

**QUESTIONS FOR PERSONAL REFLECTION**

1. How do people leak their Level Two conscious thought at Level One visible behavior?
2. What are your five most important VABEs?
3. What are your boss's VABEs? Your coworkers'? Can you write them down? If you listened more carefully could you figure them out?
4. What are the main physical artifacts of your organization? What are the main processes that govern behavior in your organization? What are the VABEs that underlie those processes and artifacts?
5. Identify the ways that you behaved as a Level One Leader during the past week. At home? At work? In your avocation? What was the impact of these behaviors?
6. How could you have behaved as a Level Three Leader during the episodes you identified in question 3?

**Caselet for Discussion**

Al was walking down the hall in the office. As he turned a corner, he saw John, his subordinate, come out of Al's boss' office, stop, look both ways, and then stride the opposite direction down the corridor. As John turned to walk away, Al noticed that he was carrying a thick file with the name of John's biggest client on the label.

**Workbook**

Complete the Leadership Levels Assessment on page X of the workbook. Try to answer as honestly as you can about how you influence others.

**Contributing Your Own Caselets**

Have you seen or experienced a situation involving the concepts introduced in this chapter? If so and if you'd like to contribute your experience/situation to our case data bank, please visit <http://faculty.darden.virginia.edu/clawsonj/> and click on the "Contribute new caselets" button.