

## From Subjective Experience to Objective Reality:

### Three Necessary (but not Sufficient) Conditions for Effective Leadership

#### Prologue

*"Illusions happen when our instincts lead us to focus on the wrong details."* Daniel Coyle<sup>1</sup>

As a kid, I was fascinated with visual illusions. I was so fascinated with them that I decided one day I'll become a professional magician. This ended up becoming a hobby (the realization came after a failed performance at my cousin's birthday...).

Ten years later, I pursued my masters in cognitive psychology, which in retrospect seems to be for a similar reason: to try to understand the mechanisms underlying our perception of reality.

Five years later, I joined a global consulting firm that helps managers come up with innovative solutions for strategic challenges using a methodology called Systematic Inventive Thinking (SIT).

Three years ago, I founded my own agency, focusing on behavioral insights.

So, this is me – an experienced innovation facilitator who founded his own company after giving up on an academic career as cognitive researcher and a professional career as a magician.

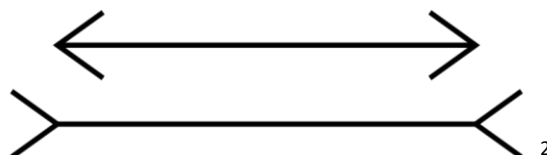
Now, you might be asking yourself: why is this magician wannabe providing his entire biography on an essay regarding critical thinking and leadership?

Well, for two reasons. First, the structure of the following discussion draws connections to my personal story. Second and more importantly, because **the relationship I see between critical thinking and leadership lies in the interaction between objective reality and subjective experience.**

Too abstract and philosophical?

Let me explain:

**Critical thinking** is the ability to think clearly and rationally. It helps us overcome unclarity and irrationality. How would you define an unclear thought or irrational judgement? I suggest the following: a gap between your subjective experience and objective reality.



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<sup>1</sup> Coyle, Daniel, *The Culture Code: The Secrets of Highly Successful Groups*. New York: Bantam Books, 2018.

<sup>2</sup> Müller-Lyer, F. "Optische Urteilstauschungen, du Bois Arch." *Suppl.* S 263 (1889).

**Leadership** is the capacity to translate vision into reality<sup>3</sup>.

So, we have two common key terms: (subjective) **experience** and (objective) **reality**. The questions that remain are: what is the nature of the interaction between them? What mediates that interaction? And how all of this connects to the relationship between critical thinking and leadership?

The brief answer to all these questions is that **illusions happen when our instincts lead us to focus on the wrong details**.

Let's analyze this sentence through three perspectives:

1. As a **magician**, you manipulate your audience's perception, so they *won't see things as they are*.
2. As a **researcher**, you apply scientific methods in order to *see things as they are*.
3. As an **innovation facilitator**, you help others break from their cognitive patterns and paradigms in order to *see things in a way they haven't seen before*.

In all cases, these three professions serve as mediators between people's awareness and the realm of reality, and in our context, they all represent necessary conditions or vital components for effective leadership. And they all require critical thinking.

### **The Magician**

Great leaders are masters in the art of storytelling and reframing. They know how to change people's perspective to fit the narrative and relate it to the higher cause of the organization.

They also know how to reframe perspective in moments of crisis by identifying opportunities and focusing on benefits, rather than challenges and the anxiety that accompanies them.

So, leaders are magicians in the sense that they show that reality isn't just what you see at first glance.

**To reframe a situation effectively, a leader must analyze it carefully first, to understand what is the information that isn't available to the naked eye and the intuitive mind.**

Consider Elon Musk's epic failures. His public celebrations following rocket explosions of SpaceX's launches became very popular. He used each of these failures to generate knowledge that consequently enabled the historical achievements of SpaceX. Reframing critical failures as experimental landings is crucial for engaging stakeholders and motivating employees to keep on trying in the face of the huge obstacles they encounter.

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<sup>3</sup> Bennis, Warren G. On Becoming a Leader. New York: Basic Books, 2009.

## The Researcher

*“Effective leadership is not about making speeches or being liked; leadership is defined by results not attribute.” Peter Drucker*

Besides being reframing artists, great leaders are grounded with the facts, so they see reality for what it is. This might seem like a contradictory trait: how can you possibly reframe reality and at the same time see it for what it is? By focusing on the glass half full, without ignoring the fact that it is also half empty.

Great leaders are optimistic but not delusional. This is true especially in times of crisis.

A remarkable example is a letter<sup>4</sup> by Airbnb CEO Brian Chesky, that became a case study for empathy and transparency, written to communicate the layoffs of 25% of company employees following the COVID-19 outbreak.

In his letter, he outlined the decision process: *“Airbnb’s business has been hit hard, with revenue this year forecasted to be less than half of what we earned in 2019.”*

He also clearly communicated the consequence: *“we need to make more fundamental changes to Airbnb by reducing the size of our workforce around a more focused business strategy ... Out of our 7,500 Airbnb employees, nearly 1,900 teammates will have to leave Airbnb, comprising around 25% of our company.”*

And he also explained why he decided to *“wait to communicate any decisions until all details are landed – transparency of only partial information can make matters worse.”*

**Seeing the facts, as they are, is also a task that requires thorough critical thinking. Cognitive biases and emotional states often divert our focus to areas that obscure our understanding of the truth.**

Critical thinking is important on different layers regarding the facts: It is one skill to look for objective information rather than relying solely on your gut feeling. It is another skill to overcome confirmation bias, which is the tendency to look only for information that already justifies your claim. It is a third skill to know how to integrate the most relevant facts while ignoring distracting ones.

## The Innovation facilitator

*“Leadership is not magnetic personality, that can just as well be a glib tongue. It is not ‘making friends and influencing people’, that is flattery. Leadership is lifting a person's vision to higher sights, the raising of a person's performance to a higher standard, the building of a personality beyond its normal limitations.” Peter Drucker*

*“The greatest danger in times of turbulence is not the turbulence - it is to act with yesterday's logic.” Peter Drucker*

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<sup>4</sup> <https://news.airbnb.com/a-message-from-co-founder-and-ceo-brian-chesky/>

So far, we've discussed how leaders are masters in reframing and grounded in concrete facts. But facts are important as far as perceiving and communicating clearly the current situation. But all great leaders, from Martin Luther King to Jeff Bezos, don't just deal with the present and the past, but rather focus on the future. They're visionaries. Inspiring ones.

In order to truly imagine a vision, both the leader and the people under his management need to overcome familiar paradigms, hidden assumptions and cognitive biases that tie and limit them to the past. This is not easy. People's habits, an organization's tradition, strict processes and risk aversion result in sticking to the status quo.

**Critical thinking is crucial for envisioning the future, by generating different alternatives and scenarios in which it could evolve rather than sticking to the existing situation and the status quo.**

In Inc.'s October 1981 cover story<sup>5</sup>, Jobs envisioned a personal computer on every desk. Needless to say, at that point in time this seemed improbable. In retrospect, it was revolutionary.

According to Inc.: *"Apple Computer Inc. practices what it preaches. Without fanfare, the firm has inaugurated the workplace of the future by putting its personal computers on most of its employees' desks. The company almost eliminated typewriters, abolished the job title of secretary, and instituted a more efficient and pleasant work environment."*

At a first glance, one could say Jobs was a dreamer rather than a critical thinker. What makes him the latter is not only that he could see beyond his present reality and imagine an alternative future, but also knew how to pivot based on what was working and what wasn't. Jobs is famous for not asking customers for what they wanted but rather created what they would need: *"Some people say, "Give the customers what they want." But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, "If I'd asked customers what they wanted, they would have told me, 'A faster horse!'" People don't know what they want until you show it to them. That's why I never rely on market research. Our task is to read things that are not yet on the page."*

But, in cases that he failed in doing so, he adapted. NeXT, the company he founded after being ousted from Apple, is a great example for that: *"While the NeXTcube was beautiful, it cost too much. Chastened, Jobs laid off staff and altered course, moving from an emphasis on hardware and turning to software, ordering a complete rewrite of NeXT's operating system and the creation of a development environment called WebObjects. Both were key to Jobs's future success."*<sup>67</sup>

Being able to envision the future together with the ability to adapt is why Steve Jobs became such a visionary legend.

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<sup>5</sup> <https://www.inc.com/magazine/19811001/2033.html>

<sup>6</sup> <https://www.fastcompany.com/1841895/steve-jobs-pivot>

<sup>7</sup> <https://www.fastcompany.com/1826869/lost-steve-jobs-tapes>

## Epilogue

*“Management is doing things right; leadership is doing the right things.” Peter Drucker*

I would like to give one last example of two leaders that neither come from a business context nor live in the US (as in previous examples). The epilogue is about Yitzhak Rabin and Menachem Begin, Israel’s fifth and sixth prime ministers respectively, two leaders from opposite sides of the political spectrum.

Both shaped the future of Israel by taking tough, important and often unpopular decisions in complex and uncertain moments, despite criticism from within Israel and abroad.

Both acted (rather than reacted) based on critical analysis (rather than automatic response) of the specific circumstances and context.

Both shared the three necessary conditions / vital components described in this essay.

### **They reframed situations.**

Begin and Rabin both signed peace treaties. Begin signed one with Egypt, awarding him and Mohamed Anwar Al-Sadat a Nobel Peace Prize in 1978. Rabin signed one with Jordan. He also received a Nobel Peace Prize in 1994.

These treaties seem obvious to us these days, but in the context of continuous wars, both leaders had to reframe the narrative to challenge the status quo; They emphasized the benefits of peace albeit the sacrifices of giving up territories and other measures that involved elements of faith (and risk). For one of them, this resulted in his assassination.

### **They focused on the facts.**

In an emergency government meeting, before authorizing the strike on the Iraqi nuclear reactor, Begin said: *“A giant clock is hanging over our heads, and it is ticking. Somewhere on the banks of the Euphrates and the Tigris, people are plotting to destroy us ... Every day that passes gets them closer to their goal ... In five years, maybe only three years, Iraqis will have two or three atomic bombs, each of which is the strength of the bomb dropped on Hiroshima...If there will be a nuclear weapon in Iraq, one of two alternatives will happen: either we will have to surrender to their demands, or be under risk of mass destruction ... A nation does not live under unlimited time. It's time to take a decision.”*

Rabin pursued Oslo Accords as part of the Israeli-Palestinian peace process. He was willing to sacrifice territories and let go of other security measures in order to promote the ‘two states for two nations solution’, by emphasizing the benefits of peace together with the importance of avoiding by all means a bi-national state that will force Israel to choose between either being a democratic or a Jewish state (but not both). This decision was based on a critical analysis of the demographic situation.

### **But above all, they had a vision.**

Both leaders had very different ideologies. They were opponents. Rabin led the left-wing party, Begin was the leader of the right. They interpreted the present situation very differently, but they shared a vision.

In a public speech, a year before the treaty with Egypt was signed, Begin said: *“Let us say to one another, and let it be a silent oath between our two nations, Egypt and Israel: No more war, no more bloodshed, no more threats... Only peace, true peace, and forever.”*

Rabin’s speech (after the peace treaty with Jordan was signed): *“I, serial number 30743, Lieutenant General in reserves Yitzhak Rabin, a soldier in the Israeli Defense Forces and in the army of peace, I, who have sent armies into fire and soldiers to their death, say today: We sail onto a war which has no casualties, no wounded, no blood nor suffering. It is the only war which is a pleasure to participate in — the war for peace.”*

### **They were critical thinkers.**

Rabin and Begin had clear visions for the future of Israel and the Middle East, managed to challenge the status quo when the facts pointed otherwise, went against popular opinion and weren’t afraid of taking controversial decisions, whether it was towards war or peace, for the sake of doing the right thing. They saw things clearly and created reality accordingly.